
Stonebow Primary School
(A company limited by guarantee)



TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

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**DUNCAN
& TOPLIS**
CHARTERED ACCOUNTANTS
AND BUSINESS ADVISERS

Stonebow Primary School
(A company limited by guarantee)

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REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 AUGUST 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees:

Olivia Wood * (Accounting Officer)
John Hardwick * (Chair of Governors)
Tim Willson *
Joanna Travis Roberts
Richard Seaman *
Jared Deacon
Amie Tyers *
Roy Campsall
Paul Sykes *
Christine Cunningham
Stephen Cook *
Dawn Rose
Siobhan Hunter
**members of the Finance Committee*

Senior management team

Olivia Wood (Head Teacher)
Hazel Wood (assistant Head Teacher)
Bina Mistry (assistant Head Teacher)

REFERENCE AND ADMINISTRATIVE DETAILS

Principal and Registered Office:

Stonebow Close
Loughborough
Leicestershire
LE11 4ZH

Company Registration Number:

08353034 (England & Wales)

Auditors:

Duncan & Toplis
4 Henley Way
Doddington Road
Lincoln
Lincolnshire
LN6 3QR

Stonebow Primary School
(A company limited by guarantee)

Bankers:

NatWest
Loughborough Branch
Market Place
Loughborough
LE11 3NZ

Solicitors:

Legal Department
Leicestershire County Council
Country Hall
Glenfield
Leicester
Leicestershire
LE3 8RT

Incorporation

The charitable company was incorporated on 9 January 2013 and opened as an Academy on 1 February 2013

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REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 AUGUST 2013

Governors' Report

The Governors' present their annual report together with the audited financial statements of the Academy for the period ended 31 August 2013

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Stonebow Primary school is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. All of the governors act as trustees for the charitable activities of Stonebow Primary School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Stonebow Primary School. The financial statements comply with the current statutory requirements and the requirements of the Academy's funding agreement signed on 28 January 2013.

Governors' Liability

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as directors of the Academy Trust.

Governors' Indemnity

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

Principal Activity

The principal activity of the Trust is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing a primary school offering a broad and balanced curriculum.

The principal activity of the Academy is to provide free education for pupils of different abilities between the ages of 4 and 11 with an emphasis on performing arts.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

On conversion to The Academy from 1 February 2013 the trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended. The Academy's Governing Body comprises the Head Teacher, a minimum of 2 parent Governors, up to 5 staff Governors.

Governors are appointed for a four year period, except that this time limit does not apply to the Head Teacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES.

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As new Governors are infrequent then induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

ORGANISATIONAL STRUCTURE

The Board of Governors meets twice in the Autumn and Spring terms and once in the Summer term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are four committees as follows:

- Finance Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit.
- Curriculum Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Personnel Committee – this meets as required to review staffing structures in consultation with the Head Teacher and to discuss and resolve staffing, human resources and personnel issues.
- Premises and Health and Safety Committee

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The following decisions are reserved to the Board of Governors to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the chairman and/or vice chairman, to appoint the Head Teacher and clerk to the Governors, and to approve the Annual Development Plan and budget

The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory account, monitoring the Academy by the use of budgets and other data and making major decisions about the direction of the Academy, capital expenditure and staff appointments

The Academy has a leadership structure which consists of the Governors and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team (SLT) consists of the Head Teacher and two assistant Head Teachers. The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them.

The Head Teacher and Finance Committee are responsible for the authorisation of spending within agreed budgets, a summary of this is in the Scheme of Delegation. Some spending control is devolved to budget holders which must be authorised in line with the Scheme of Delegation. The Head Teacher is responsible for the appointment of staff and a Governor presence is required for senior appointments. The Head Teacher is the Accounting Officer.

RISK MANAGEMENT

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances.

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health & safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is monitored annually by the Internal Audit Dept at Leicestershire County Council.

The Academy has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Playfit, the before and after school childcare club use the Academy's facilities and there is a partnership agreement between them and the Academy

The Academy is part of the Loughborough Development Group (LDG) which incorporates all of the schools in the town, primary and secondary. The Academy also has strong collaborative links with the Academy group LPAP (Loughborough Primary Academy Partnership)

There are no related parties which either control or significantly influence the decisions and operations of the Academy

The Academy has an active Parents' association, Friends of Stonebow

Currently there are no sponsors associated with the Academy

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing and maintaining a broad, creative and balanced curriculum catering for all children's' needs, regardless of their academic ability, social or cultural background

The principal object and activity of the Charitable Company is the operation of Stonebow Primary School to provide free education and care for pupils of different abilities between the ages of 4 and 11

The aims of the Academy during the period ended 31 August 2013 are summarised below

- to continue to raise the standard of educational attainment and achievement of all pupils,
- to provide a broad and balanced curriculum, including extracurricular activities,
- to develop students as more effective and resilient learners,
- to develop the Academy site so that it enables students to achieve their full potential,
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to maximise the number of students who achieve age related grades at KS1 and KS2 in English and Mathematics;
- to provide value for money for the funds expended,
- to develop relationships with the LPAP (Loughborough Primary Academy Partnership) primary schools and contribute to developments particularly in English and Mathematics
- to comply with all appropriate statutory and curriculum requirements,
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

At Stonebow Primary School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should have pride in being part of a happy and caring environment

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Objectives, Strategies and Activities

Key priorities for the year are contained in our School Development Plan. Improvement focuses identified for this year include

- improving achievement
- improving the quality of teaching and learning,
- developing the 'talk for writing' programme
- increasing pupil engagement and raising achievement,
- improving parent and carers' engagement
- introduction of new Behaviour Policy

Key activities and targets were identified in the Academy Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and maximising the use of extra funding brought about by Academy status. The activities included the following

- increased use of data and data analysis to inform intervention,
- review of staffing levels in the light of budgetary pressure,
- development of the VLE to support learning, administration and communication,
- development of pupil engagement in extra-curricular activities, and
- development of links with LPAP primary schools

PUBLIC BENEFIT

The Governors confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Loughborough and the surrounding area. As an Academy we have a duty to support other schools. We support these schools through use of our premises and specialist skills in mathematics, music and MFL.

ACHIEVEMENTS AND PERFORMANCE

The total number of students in the period ended 31 August 2013 was 297. This is forecast to rise next year as a result of larger cohorts coming in at the bottom of the school.

In KS1, there was a significant improvement in the number of pupils achieving the expected standard in the Year One Phonics Screening, 79.2% compared to 46% in 2012. In Year 2 Teacher Assessments were

In reading:

84% at 2B+ (79% in 2012)

35% at 3+ (33% in 2012)

In writing:

74% at 2B+ (79% in 2012)

12% at 3+ (14% in 2012)

In mathematics:

79% at 2B+ (84% in 2012)

30% at 3+ (27% in 2012)

There is a dip in attainment in writing and mathematics. This is owing to a cohort with significant numbers of pupils with SEND, including 4 with statements of SEN. There was no significant difference in the achievement of pupils in any of the discrete groups in school.

At KS2 SAT results in 2013 were outstanding in mathematics, with an Average Points Score of 30.6, compared to 29 in 2012. It is not possible to make a direct comparison between the 2012 and 2013 results in English as a new Spelling, Punctuation and Grammar test was introduced in 2013. Results in reading were disappointing, with fewer pupils achieving a Level 5 grade. This trend was reflected nationally, where reading attainment dipped at KS2.

The percentage of pupils making 2 levels progress in mathematics was 93%, in reading 86% and in writing 86%.

To ensure that standards are continually maintained and improved, the Academy operates a programme of lesson observations, work scrutinise and learning walks which are undertaken by the Middle Managers and the Senior Leadership Team.

There is a robust system of Performance Management for all teaching and support staff which is linked to the school's priorities. Performance Management interviews are conducted by the Head Teacher for all teaching staff and the Senior Learning Support Assistant for all classroom support staff. The Performance Management Policy complies with the Teachers Pay and Conditions documentation.

An external advisor is employed annually to assist PM Governors to conduct the Head Teacher's Performance Management.

GOING CONCERN

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE via the Educational Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year from 1st February 2013 to 31st August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

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During the period ended 31 August 2013, total expenditure of £657,286 (excluding pension reserve), was covered by recurrent grant funding from the DfE. Incoming resources for the year totalled £841,401 (excluding restricted fixed asset funds and pension reserve deficit brought forward). The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension reserve deficit) was £155,502.

At 31 August 2013 the net book value of fixed assets was £2,590,329 and movements in tangible fixed assets are shown in Note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 20 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings and the Risk Register.

Financial Risk Management Objectives and Policies

The Academy has agreed a Risk Management Strategy, a Risk Register and a Business Continuity Plan. These have been discussed by Governors and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance Committee meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the period end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 27 to the financial statements, represents a significant potential liability. However, as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 99% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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Changes in special educational needs funding will impact over the next few years.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning

Fraud and mismanagement of funds - The Academy has appointed the Internal Audit Dept at Leicestershire County Council to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis

Reserves Policy

The Governing Body are developing a Reserves policy, which takes into account the future plans of the Academy

Investment Policy

The Finance Committee of the Governing Body, alongside the Academy's Finance Officer are currently exploring ways to ensure that all funds surplus to immediate requirements are invested to optimal effect. The Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds will be delegated to the Head Teacher and finance director within strict guidelines approved by the Governing Body

PLANS FOR THE FUTURE

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community

The Academy will continue to promote a wide range of extra-curricular activities and seek to increase student engagement in these activities

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DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the trustees are aware

- there is no relevant information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The auditors, Duncan & Toplis, will be proposed for re-appointment at the forthcoming Annual General Meeting

Approved by order of the members of the Governing Body on 18th November 2013 and signed on its behalf by



Mr John Hardwick
Chair of Trustees

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Governance Statement

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Stonebow Primary School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Head Teacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Stonebow Primary School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The governing body has formally met 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mrs M Khan (<i>Chair</i>)	5	5
Mr T Willson	5	5
Mr J Hardwick	4	5
Mr P Sykes	4	5
Mr R Campsall	4	5
Mr J Deacon	4	5
Mrs J Travis Roberts	4	5
Mr S Cook (<i>appt May 2013</i>)	1	1
Mrs C Cunningham (<i>appt May 2013</i>)	1	1
Ms M Donaghy (<i>appt May 2013</i>)	1	1
Mrs S Hunter (<i>appt May 2013</i>)	1	1
Mrs O Wood (<i>Head Teacher and Accounting Officer</i>)	5	5
Mrs D Rose	4	5
Miss A Tyers (<i>appt March 2013</i>)	1	2
Mr E Petrie (<i>resigned July 2013</i>)	5	5

The Finance Committee is a sub-committee of the main governing body. The Finance Committee meets at least once per term to review finances against budget. They

- monitor all budgets and prepare annual budgets for the governing body,
- monitor financial activities and respond to reports from the Responsible Officer and auditors, and
- manage any tenders and carry out scrutiny of purchases to seek best value for money
- ensure that all policies and procedures relating to finance are reviewed and amended as appropriate
- contribute to the School Development Plan and ensure that long term projects adopted by the governing body are detailed in the plan
- Provide guidance and assistance to the Head Teacher and the governing body in matters relating to budgeting and finance within the EFA Academies Financial Handbook

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- Determine the written description of the school's financial systems and procedures (taking into account the Academies Financial Handbook)
- Ensure that the annual audit of the school fund is carried out and the outcome is reported to the governing body
- Ensure insurance arrangements are appropriate and sufficient
- Are aware of funding opportunities and how these can be accessed
- Authorise all write-offs and disposals of surplus stock and equipment in accordance with the school's Finance Regulations and ensure that such decisions are included in the annual inventory check report to the governing body

Attendance at meetings during the year was as follows

Governor	Meetings attended	Out of a possible
Mr P Sykes (<i>Chair</i>)	5	5
Mr J Hardwick	5	5
Miss A Tyers	2	3
Mr E Petrie (<i>resigned July 2013</i>)	5	5
Mrs O Wood	5	5
Mr T Willson	5	5

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Stonebow Primary School for the period ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,

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- delegation of authority and segregation of duties,
- identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Leicestershire County Council audit dept to provide quality assurance for the financial systems and procedures operating in the school. Their role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the dept will report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. This role is also supported by the external auditors, Duncan and Topliss.

Review of Effectiveness

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the Internal Audit Dept
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the Finance Officer who has responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 18 November 2013 and signed on its behalf by



Mr John Hardwick
Trustee and Chair of Governors



Mrs O Wood
Trustee and Accounting Officer

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Statement on Regularity, Propriety and Compliance

As accounting officer of Stonebow Primary School I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Mrs O Wood
Accounting Officer

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Statement of Trustees' Responsibilities

The trustees (who act as governors of Stonebow Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 18 November 2013 and signed on its behalf by

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Mr John Hardwick
Chair of Trustees

STONEBOW PRIMARY SCHOOL
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STONEBOW PRIMARY SCHOOL

We have audited the financial statements of Stonebow Primary School for the Period ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

UNQUALIFIED OPINION

In our opinion the financial statements

- give a true and fair view of the state of the Academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the Period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report for the financial Period for which the financial statements are prepared is consistent with the financial statements.

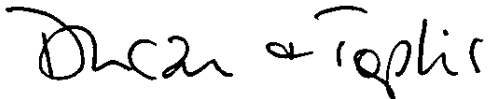
STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STONEBOW PRIMARY SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



T G Godson BA (Hons) FCA (Senior statutory auditor)

for and on behalf of

Duncan and Toplis

Chartered accountants and statutory auditors

4 Henley Way
Doddington Road
Lincoln
Lincolnshire
LN6 3QR
9 December 2013

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO STONEBOW
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 12 March 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stonebow Primary School during the Period 1 February 2013 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Stonebow Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stonebow Primary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stonebow Primary School and the EFA, for our work, for this report, or for the conclusion we have formed

**RESPECTIVE RESPONSIBILITIES OF STONEBOW PRIMARY SCHOOL'S ACCOUNTING OFFICER AND
THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Stonebow Primary School's funding agreement with the Secretary of State for Education dated 27 July 2012, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the Period 1 February 2013 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the Period 1 February 2013 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO STONEBOW
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**



T G Godson BA (Hons) FCA (Senior statutory auditor)

for and on behalf of

Duncan and Toplis

Chartered accountants and statutory auditors

4 Henley Way
Doddington Road
Lincoln
Lincolnshire
LN6 3QR

Date

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	4,168	-	-	4,168
Transfer from predecessor school	5	104,737	(251,000)	2,596,000	2,449,737
Activities for generating funds	3	4,331	8,681	-	13,012
Funding for the Academy trust's educational operations		-	713,813	7,386	721,199
TOTAL INCOMING RESOURCES		113,236	471,494	2,603,386	3,188,116
RESOURCES EXPENDED					
Funding for the Academy trust's educational operations		7,720	630,641	28,893	667,254
Governance costs	7	-	26,645	-	26,645
TOTAL RESOURCES EXPENDED	10	7,720	657,286	28,893	693,899
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		105,516	(185,792)	2,574,493	2,494,217
Transfers between Funds	20	-	(23,222)	23,222	-
NET INCOME FOR THE YEAR		105,516	(209,014)	2,597,715	2,494,217
Actuarial gains and losses on defined benefit pension schemes		-	(11,000)	-	(11,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		105,516	(220,014)	2,597,715	2,483,217
<i>Total funds at 1 February 2013</i>		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		105,516	(220,014)	2,597,715	2,483,217

All of the Academy's activities derive from acquisitions in the current financial Period

The Statement of Financial Activities includes all gains and losses recognised in the Period

The notes on pages 24 to 45 form part of these financial statements

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER 08353034

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	17		2,590,329
CURRENT ASSETS			
Debtors	18	165,993	
Cash at bank		73,571	
		<u>239,564</u>	
CREDITORS amounts falling due within one year	19	<u>(76,676)</u>	
NET CURRENT ASSETS			<u>162,888</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,753,217</u>
Defined benefit pension scheme liability	27		<u>(270,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>2,483,217</u></u>
FUNDS OF THE ACADEMY			
Restricted funds			
Restricted funds	20	49,986	
Restricted fixed asset funds	20	2,597,715	
		<u>2,647,701</u>	
Restricted funds excluding pension liability		<u>2,647,701</u>	
Pension reserve		<u>(270,000)</u>	
Total restricted funds			<u>2,377,701</u>
Unrestricted funds	20		<u>105,516</u>
TOTAL FUNDS			<u><u>2,483,217</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 9 December 2013 and are signed on their behalf, by


.....
John Hardwick
Chair of Governors

The notes on pages 24 to 45 form part of these financial statements

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Period ended 31 August 2013 £
Net cash flow from operating activities	22	96,793
Capital expenditure and financial investment		(23,222)
INCREASE IN CASH IN THE PERIOD		73,571

All of the cash flows are derived from acquisitions in the current financial period

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2013

	Period ended 31 August 2013 £
Increase in cash in the period	73,571
MOVEMENT IN NET FUNDS IN THE PERIOD	73,571
NET FUNDS AT 31 AUGUST 2013	73,571

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The Academy is a company limited by guarantee. The members of the company are the Governors named on page 8. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1 ACCOUNTING POLICIES (continued)

1.6 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1 ACCOUNTING POLICIES (continued)

1.10 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.11 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Stonebow Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Stonebow Primary School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The value of leasehold land and buildings transferred have been included in these accounts as per notes to the notes to the accounts and depreciated over 50 years. Other assets transferred included a cash balance of £104,737. An LGPS pension deficit of £251,000 was recognised on conversion.

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Donations	4,168	-	4,168

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Lettings income	511	-	511
Sale of goods	269	-	269
Receipts from staff insurance claims	-	3,291	3,291
Other income	3,551	5,390	8,941
	<u>4,331</u>	<u>8,681</u>	<u>13,012</u>

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Funding for the Academy's educational operations	-	721,199	721,199

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA revenue grant			
General Annual Grant (GAG)	-	636,365	636,365
Start Up Grant	-	25,000	25,000
Pupil Premium	-	31,103	31,103
Devolved Formula Capital grant	-	7,386	7,386
SEN 1-1 Funding	-	18,945	18,945
	<u>-</u>	<u>718,799</u>	<u>718,799</u>
Other government grants			
Other government revenue grants	-	2,400	2,400
	<u>-</u>	<u>2,400</u>	<u>2,400</u>
	<u>-</u>	<u>721,199</u>	<u>721,199</u>

5 OTHER INCOMING RESOURCES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Transfer on conversion	<u>104,737</u>	<u>2,345,000</u>	<u>2,449,737</u>

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Funding for the Academy's educational operations	<u>7,720</u>	<u>659,534</u>	<u>667,254</u>

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

6. EXPENDITURE BY CHARITABLE ACTIVITY (continued)

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Funding for the Academy's educational operations	523,564	28,893	114,797	667,254

7 GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Governance Auditors' remuneration	-	3,150	3,150
Governance Auditors' non audit costs	-	4,750	4,750
Legal and professional fees	-	14,870	14,870
Personnel fees	-	3,875	3,875
	-	26,645	26,645

8 DIRECT COSTS

	Funding for the Acad £	Total 2013 £
Educational supplies	18,363	18,363
Technology costs	8,887	8,887
Staff development	7,985	7,985
Other costs	1,124	1,124
Wages and salaries	391,301	391,301
National insurance	24,640	24,640
Pension cost	59,369	59,369
Depreciation	26,810	26,810
	538,479	538,479

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

9 SUPPORT COSTS

	Funding for the Acad £	Total 2013 £
Other finance income less expenses	7,000	7,000
Technology costs	3,978	3,978
Recruitment and support	11,923	11,923
Maintenance of premises and equipment	8,202	8,202
Cleaning	1,023	1,023
Rent and rates	4,185	4,185
Energy costs	8,716	8,716
Insurance	12,990	12,990
Security	745	745
Telephone, postage and stationery	2,864	2,864
Catering	8,886	8,886
Other costs	1,730	1,730
Bank interest and charges	200	200
Operating leases - other	5,996	5,996
Wages and salaries	40,626	40,626
National insurance	2,285	2,285
Pension cost	5,343	5,343
Depreciation	2,083	2,083
	<u>128,775</u>	<u>128,775</u>

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Funding for the Academy's educational operations	523,564	28,893	114,797	667,254
Governance	-	-	26,645	26,645
	<u>523,564</u>	<u>28,893</u>	<u>141,442</u>	<u>693,899</u>

11 ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £
Funding for the Academy's educational operations	538,479	128,775	667,254

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

12. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	Period ended 31 August 2013 £
Depreciation of tangible fixed assets - owned by the charity	28,893
Auditors' remuneration	3,150
	<hr/> 32,043 <hr/>

13. STAFF COSTS

Staff costs were as follows

	Period ended 31 August 2013 £
Wages and salaries	431,927
Social security costs	26,925
Other pension costs (Note 27)	64,712
	<hr/> 523,564 <hr/>
Supply teacher costs	(8,888)
	<hr/> 514,676 <hr/>

The average number of persons (including the senior management team) employed by the Academy during the Period expressed as full time equivalents was as follows

	Period ended 31 August 2013 No
Teachers	13
Admin, support and management	18
	<hr/> 31 <hr/>

No employee received remuneration amounting to more than £60,000 in either year

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

14 GOVERNORS' REMUNERATION AND EXPENSES

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	Period ended 31 August 2013 £'000
Mrs O Wood, Principal	35-40
Mr S Cook, Staff Governor	15-20
Mrs Cunningham, Staff Governor	20-25
Mrs M Donaghy, Staff Governor	15-20
Mrs D Rose, Staff Governor	5-10
Mrs S Hunter, Staff Governor	5-10

During the Period, no Governors received any benefits in kind.

During the Period, no Governors received any reimbursement of expenses.

15. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the Period ended 31 August 2013 was £646.

The cost of this insurance is included in the total insurance cost.

16 OTHER FINANCE INCOME

	Period ended 31 August 2013 £
Expected return on pension scheme assets	7,000
Interest on pension scheme liabilities	(14,000)
	<hr/> (7,000) <hr/>

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

17. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
Additions	2,603,431	8,820	6,971	2,619,222
At 31 August 2013	<u>2,603,431</u>	<u>8,820</u>	<u>6,971</u>	<u>2,619,222</u>
Depreciation				
Charge for the Period	26,872	919	1,102	28,893
At 31 August 2013	<u>26,872</u>	<u>919</u>	<u>1,102</u>	<u>28,893</u>
Net book value				
At 31 August 2013	<u><u>2,576,559</u></u>	<u><u>7,901</u></u>	<u><u>5,869</u></u>	<u><u>2,590,329</u></u>

Included in land and buildings is leasehold land at valuation of £298,000 (cost £298,000) which is not depreciated

18. DEBTORS

	2013 £
Trade debtors	511
Other debtors	163,550
Prepayments and accrued income	1,932
	<u><u>165,993</u></u>

19. CREDITORS

Amounts falling due within one year

	2013 £
Trade creditors	23,116
Other taxation and social security	13,897
Other creditors	27,404
Accruals and deferred income	12,259
	<u><u>76,676</u></u>

STONEBOW PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Other income not for capital purposes	-	8,499	(7,720)	-	-	779
Transfer from predecessor	-	104,737	-	-	-	104,737
	<u>-</u>	<u>113,236</u>	<u>(7,720)</u>	<u>-</u>	<u>-</u>	<u>105,516</u>
Restricted funds						
General Annual Grant (GAG)	-	636,365	(627,939)	20,723	-	29,149
Start up Grant	-	25,000	-	(25,000)	-	-
Government grants	-	2,400	(640)	-	-	1,760
Pupil premium	-	31,103	(14,850)	-	-	16,253
SEN Funding	-	18,945	-	(18,945)	-	-
Other income	-	8,681	(5,857)	-	-	2,824
Pension reserve	-	(251,000)	(8,000)	-	(11,000)	(270,000)
	<u>-</u>	<u>471,494</u>	<u>(657,286)</u>	<u>(23,222)</u>	<u>(11,000)</u>	<u>(220,014)</u>
Restricted fixed asset funds						
Assets from predecessor school	-	2,596,000	(28,893)	-	-	2,567,107
DfE/EFA capital grants	-	7,386	-	-	-	7,386
Capital expenditure from GAG	-	-	-	23,222	-	23,222
	<u>-</u>	<u>2,603,386</u>	<u>(28,893)</u>	<u>23,222</u>	<u>-</u>	<u>2,597,715</u>
Total restricted funds	<u>-</u>	<u>3,074,880</u>	<u>(686,179)</u>	<u>-</u>	<u>(11,000)</u>	<u>2,377,701</u>
Total of funds	<u>-</u>	<u>3,188,116</u>	<u>(693,899)</u>	<u>-</u>	<u>(11,000)</u>	<u>2,483,217</u>

The specific purposes for which the funds are to be applied are as follows

General Annual Grant (GAG) must be used for the normal running costs of the Academy

Start up grant – these grants are awarded to assist the Academy during the conversion from a school
These were for recurrent expenditure, with any unspent funds available to carry forward

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20. STATEMENT OF FUNDS (continued)

Other DFE / EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £11,000 actuarial reduction in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

Transfer between funds

During the year the Academy incurred capital expenditure of £23,735. This amount has been treated as a transfer between funds in accordance with the Department for Educational guidelines.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	113,236	(7,720)	-	-	105,516
Restricted funds	-	471,494	(657,286)	(23,222)	(11,000)	(220,014)
Restricted fixed asset funds	-	2,603,386	(28,893)	23,222	-	2,597,715
	-	3,188,116	(693,899)	-	(11,000)	2,483,217

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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	(7,386)	-	2,597,715	2,590,329
Current assets	112,902	126,662	-	239,564
Creditors due within one year	-	(76,676)	-	(76,676)
Provisions for liabilities and charges	-	(270,000)	-	(270,000)
	<u>105,516</u>	<u>(220,014)</u>	<u>2,597,715</u>	<u>2,483,217</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	Period ended 31 August 2013 Total £
Net incoming resources before revaluations	2,494,217	-	2,494,217
Assets donated by predecessor	(2,596,000)	-	(2,596,000)
Pension deficit on conversion	251,000	-	251,000
Depreciation of tangible fixed assets	28,893	-	28,893
Increase in debtors	(165,993)	-	(165,993)
Increase in creditors	76,676	-	76,676
FRS 17 adjustments	8,000	-	8,000
Net cash inflow from operations			<u>96,793</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets			<u>(23,222)</u>

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23. ANALYSIS OF CHANGES IN NET FUNDS

	1 February 2013 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	-	73,571	-	73,571
Net funds	-	73,571	-	73,571

24. MAJOR NON-CASH TRANSACTIONS

Included within note 22 to the cash flow is £2,596,000 which relates to the gift of leasehold land and buildings from the local authority upon conversion to the Academy, this did not include the transfer of cash

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25. CONVERSION TO AN ACADEMY TRUST

On 1 February 2013 Stonebow Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Stonebow Primary School from Leicestershire County Council for £NIL consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	2,596,000	2,596,000
Budget surplus/(deficit) on LA funds	104,737	-	-	104,737
LGPS pension surplus/(deficit)	-	(251,000)	-	(251,000)
Net assets/(liabilities)	<u>104,737</u>	<u>(251,000)</u>	<u>2,596,000</u>	<u>2,449,737</u>

The above net assets include £104,737 that were transferred as cash

The Academy's land and buildings are held by Leicestershire County Council who have agreed to grant a long lease to the Academy. There is currently a tenancy at will in place where a peppercorn rent is paid by the Academy. These land and buildings have been valued and are included in the financial statements both within fixed assets and as a gift in kind.

26. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education for same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

27. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are defined benefit schemes.

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27 PENSION COMMITMENTS (continued)

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010

There were no outstanding or prepaid contributions at either the beginning or the end of the financial Period

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and

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27. PENSION COMMITMENTS (continued)

2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the Period ended 31 August 2013 was £31,000, of which employer's contributions totalled £24,000 and employees' contributions totalled £7,000. The agreed contribution rates for future years are 19% for employers.

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**NOTES TO THE FINANCIAL STATEMENTS
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27 PENSION COMMITMENTS (continued)

As described in note 25 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the Period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.60	175,000
Bonds	3.80	71,000
Property	4.70	25,000
Cash	3.60	3,000
Total market value of assets		<u>274,000</u>
Present value of scheme liabilities		<u>(544,000)</u>
(Deficit)/surplus in the scheme		<u><u>(270,000)</u></u>

The amounts recognised in the Balance sheet are as follows

	Period ended 31 August 2013 £
Present value of funded obligations	(544,000)
Fair value of scheme assets	<u>274,000</u>
Net liability	<u><u>(270,000)</u></u>

The amounts recognised in the Statement of financial activities are as follows

	Period ended 31 August 2013 £
Current service cost	(25,000)
Interest on obligation	(14,000)
Expected return on scheme assets	<u>7,000</u>
Total	<u><u>(32,000)</u></u>

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27 PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows

	Period ended 31 August 2013 £
Opening defined benefit obligation	488,000
Current service cost	25,000
Interest cost	14,000
Contributions by scheme participants	7,000
Actuarial Losses	10,000
	<hr/>
Closing defined benefit obligation	544,000
	<hr/>

Movements in the fair value of the Academy's share of scheme assets

	Period ended 31 August 2013 £
Opening fair value of scheme assets	237,000
Expected return on assets	7,000
Actuarial gains and (losses)	(1,000)
Contributions by employer	24,000
Contributions by employees	7,000
	<hr/>
	274,000
	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(11,000)

The Academy expects to contribute £43,000 to its Defined benefit pension scheme in 2014

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2013
Equities	64.00 %
Bonds	26.00 %
Property	9.00 %
Cash	1.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.70 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %

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**NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates
The assumed life expectations on retirement age 65 are

	2013
Retiring today	
Males	20.9
Females	23.3
Retiring in 20 years	
Males	23.3
Females	25.6

Amounts for the current period are as follows

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(544,000)
Scheme assets	274,000
Deficit	(270,000)
Experience adjustments on scheme liabilities	(10,000)
Experience adjustments on scheme assets	(1,000)

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

	approx. % increase to employer liability %	Approx monetary amount £
0.5% decrease in Real Discount Rate	11	59,000
1 year increase in member life expectancy	3	16,000
0.5% increase in Salary Increase Rate	5	26,000
0.5% increase in Pension Increase Rate	6	31,000

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**NOTES TO THE FINANCIAL STATEMENTS
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28. OPERATING LEASE COMMITMENTS

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013 £	Other 2013 £
Expiry date		
Between 2 and 5 years	-	7,520

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

30. CONTROLLING PARTY

The Governors' as a body have ultimate control of the Academy.