

**Skipton Girls' High School Academy Trust**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Period from the 7<sup>th</sup> March 2011 to the 31<sup>st</sup> August 2012**



**Company Registration Number:  
07553531 (England and Wales)**

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## **Skipton Girls' High School Academy Trust**

### **Reference and administrative details**

#### **Governors (Trustees)**

J Goodfellow ( Chairman)\*  
H Cutler ( Vice Chair)\*  
A Botwright \*  
A Clarke \*  
M Gleeson ( Resigned July 2012)\*  
M Harrison \*  
M Kelly ( Appointed February 2012)  
D Linford \*  
M Macintyre \*  
A McClean \*  
A Mercer \*  
R Millington \*  
J Mulligan \*  
J Pattinson \*  
J Pepper ( Responsible Officer)\*  
J Renou ( Executive Headteacher and Accounting Officer) \*  
P Snowden ( Resigned October 2011)\*  
S Strickland \*  
D Winspear ( Resigned July 2011) \*

\*Appointed March 2011

#### **Secretary**

J Barker (Appointed June 2011)

#### **Senior Leadership Team**

Executive Headteacher  
Head of School  
Deputy Headteacher  
Deputy Headteacher  
Assistant Headteacher  
Assistant Headteacher  
Business Manager

J Renou  
M Costello  
S Haycocks  
M Hill  
R Dyson  
J Greenwood  
J Barker

#### **Registered Office**

Gargrave Road  
Skipton BD23 1QL  
Tel 01756 707600

#### **Company Registration Number**

07553531 (England and Wales)

#### **Auditors**

Colman, Whittaker & Roscow  
Chartered Accountants  
The Close , Queen Square  
Lancaster LA1 1RS

#### **Bankers**

Lloyds TSB  
29 Brook Street  
Ilkley LS29 8AE

#### **Solicitors**

Wngleys Solicitors LLP  
19 Cookridge Street  
Leeds LS2 3AG

## **GOVERNORS' REPORT**

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 17 months ('period') from 1<sup>st</sup> April 2011 to 31<sup>st</sup> August 2012

### **Structure, Governance and Management**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity with no share capital (company number 07553531). The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Governors act as the Trustees for the charitable activities of Skipton Girls' High School Academy Trust and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Skipton Girls' High School.

The charitable company was incorporated on the 7<sup>th</sup> March 2011 and began trading on the 1<sup>st</sup> April 2011. Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 2.

#### **Members' liability**

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

#### **Governors' Indemnities**

Subject to the provisions of the Companies Act 2006, every Governor or other officer of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust. As explained in note 12 to the financial statements the limit of this indemnity is £2,000,000.

#### **Principal Activities**

The Academy Trust's object, as set out in the Articles of Association, is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

#### **Method of Recruitment and Appointment or Election of Governors**

The management of the Academy Trust is the responsibility of the Governors who are elected and co-opted under the terms set out in the Articles of Association.

The Governors are Directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation. Governors are appointed by Members. The Governors may appoint up to 3 co-opted Governors.

Governors are appointed as and when vacancies occur or when individuals with the skills required are identified. Parent Governors shall be elected by parents of the registered pupils at the Academy Trust, using the procedures set out in the Articles of Association. The Secretary of State retains the power to appoint additional Governors.

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Executive Headteacher. Subject to remaining eligible to be a particular type of Governor any Governor may be reappointed or re-elected.

The Governors who were in office at 31<sup>st</sup> August 2012 and who served during the year are listed on page 2.

## **Skipton Girls' High School Academy Trust**

### **GOVERNORS' REPORT (continued)**

#### **Policies and Procedures Adopted for the Induction and Training of Governors**

Training and induction for new Governors is given on an individual basis and includes one to one meetings with key staff and Governors, visits to the school and a Governors Handbook

Where necessary induction will include training on educational, legal, and financial matters. All new Governors are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Governors

#### **Organisational Structure**

The new Academy Trust began trading on 1<sup>st</sup> April 2011 and has developed a governance and management structure deemed appropriate to the Academy Trust's constitution and objects. The Academy Trust's organisational structure consists of four levels – the Governors, the Senior Leadership Team, Leadership Team, and Faculty and Support teams

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy Trust, approving major items of expenditure and making senior staff appointments

The Governing Body operates a committee structure reporting to the main Governing Body. Committees include Finance & Premises, Education (including personnel and staffing), and a number of statutory sub-committees. All committees have approved terms of reference

During the course of the period to 31 August 2012 the full Governing Body met 7 times

The Governors have approved a scheme of financial and decision making delegation which clearly sets out the level of authority delegated to the Executive Headteacher and members of the Senior Leadership Team

The Senior Leadership Team (SLT) manage the Academy Trust at an executive level, implement the policies laid down by Governors and report back to them. The SLT is led by the Executive Headteacher who is the Academy Trust's Accounting Officer. From September 2012 Governors appointed into a new position of Head of School, reporting to the Executive Headteacher. Members of the SLT are responsible for developing and implementing Academy Trust plans that seek to deliver the best possible outcomes for its students within the agreed budget and scheme of delegation approved by Governors. The Business Manager is responsible for the supporting IT, premises and HR infrastructure and financial management. Members of the SLT are set out on page 2

The Leadership Team comprises of Learning Directors as Heads of Faculties. Learning Directors are responsible for the day to day delivery of teaching and learning of the Academy Trust, in particular the teaching staff and students. Learning Directors have delegated budget management responsibilities

Faculty teams comprise of teaching and student progress staff and the Support teams are responsible for a range of services including finance, facilities, student support, ICT and classroom technicians

#### **Risk Management**

Following conversion to an Academy Trust the trust formalised its risk management arrangements. In the autumn term 2011 it approved its risk management policy and reviewed its strategic risk register. The Academy Trust also introduced a rolling emerging risks log that captured and managed live risks at an operational level

The strategic risk register is formally reviewed annually by Governors and SLT. In addition the Business Manager tracks progress of any outstanding actions termly and SLT reviews the emerging risk log termly. Outstanding actions and emerging risks are reviewed termly by Governors via the Finance & Premises committee

The risk register seeks to identify the key strategic risks that the Academy Trust could be exposed to, identifies the likelihood of the risk occurring, its impact and the actions that are being addressed to mitigate the risk. Risk categories considered are varied and include strategic, reputational, operational and financial. Certain financial risks such as public and employee liability are mitigated through insurance cover

## **GOVERNORS' REPORT (continued)**

The Academy Trust operates systems of internal financial control and checking and these are examined periodically by the Academy Trust's Responsible Officer and Auditors. The Academy Trust regularly reviews the appropriateness of its internal controls.

### **Connected Organisations, including Related Party Relationships**

The Academy Trust has a wholly owned subsidiary, Northern Star Educational Trust, company number 08072585 (incorporated 17<sup>th</sup> March 2012), set up to enable the Academy Trust to support Harrogate High School in improving its academic performance in defined subject areas against a set of agreed targets.

The Academy Trust also has a 50% stake alongside Feversham College in a jointly owned subsidiary, Northern Lights Teaching School Alliance Limited, company number 08133729 (incorporated 6<sup>th</sup> July 2012), established to deliver Teaching School Activities under licence from National College.

The above two entities did not start trading until 1<sup>st</sup> September 2012 and therefore no financial commentary for these two entities is included within these financial statements.

These subsidiaries' relationships operate within agreed policy and terms set out in the relevant legal and operational documentation of the above entities.

At Sixth form there is some shared provision for minority subjects. A number of students from the Academy Trust attend courses at Ermysteds Grammar School, and the Academy Trust hosts a number of students from Settle College and Ermysteds Grammar School, under normal business arrangements.

### **Objectives and Activities**

#### **Objects and Aims**

The principal object and activity of the charitable company is set out in the Articles of Association. In summary it is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

In addition the Academy Trust aims to improve teaching and learning on a wider basis across school communities through partnership arrangements.

In accordance with the Articles of Association the Academy Trust has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, among other things, the basis for admitting students to the Academy Trust, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the National Curriculum with an emphasis on engineering.

#### **Objectives, Strategies and Activities**

As a selective school for girls with an engineering specialism, the strategy for Skipton Girls' High School is encompassed in our Vision of

- providing learning of the highest quality which will allow all our students to develop their potential to the full
- maintaining our commitment to excellence in all subjects while exploiting the focus presented by our specialism
- challenging gender stereotypes and contributing to social inclusion by raising standards in all areas of our work
- sharing innovative practice locally and nationally and contributing to the pool of able young women entering the professions of science and engineering
- being a centre of academic excellence we will develop a culture that is technological, enterprising and vocational
- raising and sustaining the post-16 participation rate in engineering, mathematics, science and technology
- building on active partnerships with business, industry and higher education partners to provide clear leadership in the field of engineering as a professional career for young women
- supporting the wider community by developing the school site and extending access to provide a resource for local groups

## **GOVERNORS' REPORT (continued)**

The Academy Trust's Development Plan sets out the intentions of Skipton Girls' High School on a three year rolling cycle and is the key planning document for the school. The driving force of the Plan is the need for ongoing and continuous improvement, with developments related to

- Raising levels of student achievement
- Focus on challenge and stretch for exceptionally able
- Developing an innovative inclusive curriculum
- Further developing the school in supporting its local community
- Establishing the school as a regional and national support school
- Establishing the school nationally for its excellence in promoting women into Engineering and STEM (Science Maths and Technology)
- Developing the school site and infrastructure to meet students' current and future needs

### **Equal Opportunities Policy**

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunities in all areas of its activities including creating a workplace environment in which the contribution and needs of all people are fully valued.

### **Disabled Persons**

The Governors recognise their responsibility under disability legislation in relation to disabled students and employees and accessibility, in order to ensure that disabled students and employees do not receive less favourable treatment. The policy of the Academy Trust is to support the recruitment and retention of pupils and employees with disabilities by making resources available and through training and career development, and supports this by adapting the physical environment where practicable and reasonable.

### **Public Benefit**

In setting the Academy Trust's objectives and planning activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

## **Achievements and Performance**

### **Overview**

Looking back at the Academy Trust's priorities for last year, there were areas of great success and some outstanding achievement for our staff and pupils. They include the following awards and designations for the school:

- Monitoring assessment by Ofsted upheld 'Outstanding' judgement (April 2011),
- The school continues its work as a specialist Engineering School, continuing to operate as a Leading Edge and lead school for Gifted & Talented,
- Recognition as a National Support School and the Executive Headteacher as a National Leader of Education by the National College for School Leadership,
- Achievement of the full International Schools Award
- Successful Designation as Teaching School

### **Review of the year**

During 2011-12 the Academy Trust continued its drive for consistently outstanding learning environments ensuring girls were challenged and supported to achieve and enjoy their learning. Developing 21<sup>st</sup> century learning involved taking the personalisation of learning agenda to new levels. Embedding innovative practice in new technologies and working with the girls to promote real life contexts for learning.

Skipton Girls' High School is privileged to work with very able students, but the results achieved this year at GCSE and A Level are even better than we predicted. Remarkable results were achieved at GCSE in English and Maths - necessary building blocks for future success. The girls have shown again that they are bucking national trends in Science and Engineering.

**GOVERNORS' REPORT (continued)**

At A level the girls' achieved an average point score per student which was over a thousand. Their results were way above national averages with

- 14% of grades at A\*
- 41% of grades at A\*-A
- 70% A\*-B and 87% A\*-C

Eighty eight per cent of girls got their first choice university placements and all students holding offers for Oxford and Cambridge achieved their places. Five girls secured places in Medicine, two in Law, one in Dentistry and two in Veterinary Science. Twenty six girls achieved 4A/A\*s across all of their A Level subjects and 4 achieved 3 A\*s

- 55 girls achieved the Extended Project Qualification (43 at grades A\*, A or B)
- 43 girls achieved the AQA Baccalaureate

Twenty one girls achieved A\* and A grades across all their subjects – with three girls achieving an amazing 14 A\* grades

Other highlights include

- The Average Point Score per entry was the highest ever at 6.84
- 100% of students achieved the government benchmark of 5 A\*-C including English and Mathematics
- 100% of girls achieved 5A\*-C including English, Mathematics and Science
- In total 60 girls gained ten or more GCSE passes at grades A or A\*
- 77% of girls achieved 5A\*-A grades
- 70.4% of students achieved the new English Baccalaureate measure (5 C grades in English Maths 2 Science MFL and either History or Geography)
- 90% of all subject passes were grade A\* to B and 64% of grades were A\*-A
- 47 girls achieved A\* grades in Chemistry, 36 in Mathematics, 51 in Physics, 36 in English

The Academy Trust continued the development of pathways and contexts for learning along with the exciting developments seen from the collaboration of staff and students in developing learning material for the VLE (Virtual Learning Environment) this year

The use of netbooks to facilitate individualised learning and exploit the capacities of our VLE has been a powerful tool in allowing students to become co-constructors of their learning experience - and they in turn have been powerful advocates at conferences, with visiting schools and in published research from universities and the Specialist Schools and Academies Trust

The curriculum continues to be personalised and developed to offer breadth, depth and challenge. Girls are given the opportunity to take examinations when they are appropriate – giving chance for more time in Y11 for girls to gain support, to undertake project based learning or extend their studies into AS levels

The Academy Trust continues to work to provide an extensive programme of enrichment for the girls. Lunchtime and after school activities cover a wide range of opportunities which are well attended by the girls. The Duke of Edinburgh Awards programme is popular and successful in the school with girls involved at all three levels, Bronze Silver and Gold. In support of the curriculum there has been an array of overseas visits to destinations including France Germany, Spain and Iceland as well as many fieldtrips for science, geography history and art

Girls have also worked with local companies on 'live' projects – such as the water turbine project at Grassington and the Abbeyfield sheltered housing project in Skipton

The Academy Trust's international network links have grown and been consolidated this year along with the development of our Global Dimensions Policy and our application for the Gold ISA award. The Academy Trust's links with North African schools in Morocco, Algeria and further afield to Jordan are developing. This work has allowed us to share knowledge and understanding of cultural contexts and STEM skills

In addition, the Academy Trust hosted a visit in March 2012 by the Principal of Gosford High School, New South Wales, Australia in order to share developments on student leadership

## **GOVERNORS' REPORT (continued)**

### **Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust 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 Statement of Accounting Policies.

### **Key Financial Performance Indicators**

The Academy Trust complies with all the terms and conditions of its Funding Agreement.

The level of the GAG surplus as at 31<sup>st</sup> August 2012 is 3.8% which is within the 12% stipulated in the Funding Agreement.

### **Financial Review**

#### **Overview**

These financial statements reflect a 17 month accounting period of operation as an Academy Trust. The majority of income received is obtained from the Educational Funding Agency (EFA) (formerly the Young Peoples Learning Agency, YPLA) in the form of recurrent General Annual Grant (GAG) funding, the use of which is restricted for the day to day running of the Academy Trust. Total grants received from the EFA are set out in the statement of financial activities.

During the period the Academy Trust received £6,428,000 of income, of which £5,572,000 was GAG funding. Other grants and income amounted to £856,000. In addition to this the Academy Trust inherited the buildings from which it operates. These have been shown in the accounts within assets on conversion and capitalised at a cost of £12,366,000.

Expenditure for the period totalled £5,846,000 (excluding depreciation), including £4,144,000 of staff related costs supporting the day to day running of the Academy Trust.

In aggregate, during the period, the excess total income over total expenditure was £582,000 (excluding restricted fixed asset funds and pension deficit).

The Academy Trust also inherited the Local Government Pension Scheme (LGPS) liability. The LGPS liability stands at £644,000 as at the 31<sup>st</sup> August 2012. This is detailed in note 26 of the financial statements.

As at the 31<sup>st</sup> August 2012 the net book value of fixed assets after depreciation is £12,264,000 as shown in note 13 of the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

### **Financial and Risk Management Objectives and Policies**

As an Academy Trust funded directly by the Department of Education, funding streams are considered to be relatively secure subject to management of pupil numbers, although the Governors recognise government policy and overall funding levels present an external risk to manage.

The Governors have a risk management strategy and policy which is managed and reviewed on a regular basis. The Academy Trust manages its finances to ensure a healthy level of reserves adequate to cover unforeseen circumstances and to make planned use as a part of its medium term financial plan.

### **Principal risks and Uncertainties**

The Academy Trust has established a risk management strategy and risk register during 2011/12 covering and assessing all relevant risks impacting on the Academy Trust. The key financial risks that have been identified and are under management include failure to achieve planned pupil entry numbers (assessed as a low resultant risk) and failure to manage the day to day running of the Academy Trust in the medium term within forecast funding limits (assessed as a low resultant risk). Maintaining sustainable improvements in student achievement is one of the Academy Trust's key performance related risks and is effectively managed with a low resultant risk score.

## **GOVERNORS' REPORT (continued)**

The Academy Trust has in place controls against its key identified risks and has initiated actions in order to mitigate and manage down risks. Where significant financial risk still remains the Academy Trust has ensured that adequate insurance cover is in place.

The Governors have in addition implemented a number of improvements in internal control, especially in the operational areas and in relation to the control of finance. The Academy Trust has an effective system of internal financial controls.

### **Reserves Policy**

The Governors review the reserve policy of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors determine what the appropriate level of uncommitted reserves should be.

The aims are (i) to provide sufficient working capital to cover delays between spending and receipt of grants, (ii) to provide contingency funding for unexpected emergencies, (iii) to remain appropriately funded over the medium term in order to deliver the Academy Trust's Plan and (iv) to provide funding capacity for future estate maintenance and planned capital investment.

As part of its annual business planning the Academy Trust runs a sensitivity analysis to ensure the school remains appropriately funded over the medium term based on a number of scenarios.

The Governors have reviewed these reserve levels and believe that they should provide sufficient working capital to cover its above stated aims. Under normal circumstances the Governors would aim to maintain available reserves (combining GAG related and unrestricted reserves) of £500,000, a level equivalent to 6.3 weeks of annual expenditure. This level will be reviewed annually in light of prevailing risks and Plan developments.

Under its Funding Agreement with the Secretary of State for Education the Academy Trust is permitted to hold reserves at the year end of 2% of its GAG for expenditure of a recurrent nature and a further 10% for expenditure of a capital nature, including maintenance and refurbishment of the Academy's buildings and facilities.

As at the 31<sup>st</sup> August 2012 the Academy Trust had reserves based upon its GAG of 3.8% (i.e. 2% for recurrent expenditure and 1.8% for expenditure of a capital nature), equivalent to 2.6 weeks of annual expenditure.

In addition, as at the 31<sup>st</sup> August 2012, the Academy Trust's level of free unrestricted reserves was £362,000, equivalent to 4.6 weeks of annual expenditure.

As at the 31<sup>st</sup> August 2012 the Academy Trust has combined reserves equivalent to 7.2 weeks of annual expenditure.

Under Accounting Standard FRS 17 it is necessary to charge projected deficits on the LGPS to a specific restricted reserve. As at the 31<sup>st</sup> August 2012 the deficit on this reserve amounted to £644,000. It should be noted that this does not present the Academy Trust with a current liquidity problem, and the Academy Trust has agreed with the pension scheme increased contributions into the scheme over future years as detailed in note 26.

### **Investment Policy**

The Governors have approved plans to invest only in low risk bank deposit accounts, aligned to the Academy Trust's reserves policy, with the flexibility to invest across a range of account terms in order to balance liquidity and return.

### **Plans for the Future**

A key focus for the Academy Trust's developmental work will be to provide real life contexts for student's academic study, bringing relevance and a greater understanding of the connectivity of individual subject areas. Amongst the approaches to learning offered to students we will see a greater focus being placed on pathways through learning which include opportunities for project based approaches, giving more opportunities for girls to work and learn in teams. The Academy Trust's Development Plan sets out objectives and targets for 2013 which include:

- 1 The importance of skills progression to academic achievement is embedded in school culture. Students becoming autonomous confident learners who take increasing responsibility for their development.
- 2 Exploring avenues to create global networks to explore cultures and share experiences.
- 3 The VLE and 'netbooks' increasingly used to transform learning through a shared approach to curriculum design and development.

**GOVERNORS' REPORT (continued)**

- 4 A curriculum entitlement which offers enrichment, diversity and depth of study for students at all levels  
Students more confident and engaged in their development, with greater satisfaction and achievement
- 5 Qualifications accredit the depth of knowledge and skills necessary to develop successful high level professionals for the 21<sup>st</sup> Century
- 6 As a Teaching School within the Northern Lights Teaching School Alliance and within the Northern Star Educational Trust, to continue to work with partners to extend and develop the work of the schools, raise standards and create greater cost effectiveness across the partnership
- 7 Partnership development creating opportunities to attract develop and retain outstanding teachers
- 8 Continuing phased development of the present school site to better meet its current and future needs

**Auditor**

Insofar as the Governors are aware

- There is no relevant audit information of which the charitable company's auditor is unaware, and
- The Governors 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 appointment of the current auditors, Colman, Whittaker and Roscow, was made following a competitive process concluded in April 2011. The appointment is for a three year period to March 2014, to be reviewed and renewable annually at the discretion of the Governors. A formal competitive tender will be undertaken at least every five years.

Approved by order of the Members of the Governing Body on the 4 Dec 2012 and signed for and on their behalf by



**John Goodfellow**  
Chair of Governors

## **GOVERNANCE STATEMENT**

### **Scope of responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that Skipton Girls' High School Academy Trust has an effective and appropriate system of controlling financial and other risks. 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 Executive Headteacher, 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 Skipton Girls' High School Academy Trust 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 Governors' Report and in the Statement of Governors responsibilities. The Governing Body has formally met 7 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Governor	Meeting Attended	Out of a possible
A Botwright	5	7
A Clarke	5	7
H Cutler	7	7
M Gleeson	4	7
J Goodfellow	7	7
M Harrison	6	7
M Kelly	2	3
D Linford	7	7
M Macintyre	7	7
A McClean	6	7
A Mercer	7	7
R Millington	7	7
J Mulligan	4	7
J Pattinson	5	7
J Pepper	6	7
J Renou	7	7
S Strickland	5	7
P Snowden	1	1
D Winspear	1	1

During the period P Snowden's term of office ended and D Winspear resigned from the Governing Body. M Kelly was elected as Parent Governor.

The Finance & Premises Committee is a sub-committee of the main Governing Body. Its purpose is to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. During the period M Kelly, who is a property professional, joined the sub-committee. Attendance at meetings in the period was as follows:

Governor	Meeting Attended	Out of a possible
A Clarke	3	4
J Goodfellow	3	4
M Kelly	1	1
M Macintyre	4	4
A McClean	4	4
J Mulligan	2	4
J Pattinson	4	4
J Pepper	4	4
J Renou	3	4
S Strickland	3	4
P Snowden	1	1
D Winspear	1	1

**GOVERNANCE STATEMENT (continued)**

The Education Committee is a sub-committee of the main Governing Body. Its purpose is to ensure sound management in the areas of curriculum, achievement and standards, and staffing. Attendance at meetings in the period was as follows:

Governor	Meeting Attended	Out of a possible
A Botwright	0	5
H Cutler	2	5
M Gleeson	4	5
J Goodfellow	3	5
M Harrison	3	5
D Linford	4	5
M Macintyre	5	5
A Mercer	5	5
R Millington	5	5
J Renou	5	5
D Winspear	1	1

**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 ongoing 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 Skipton Girls' High School Academy Trust for the period ended 31st August 2012, with developments implemented during the year, 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 ended 31st August 2012, with developments implemented during the year 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 and Premises 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,
- Clearly defined purchasing (asset purchase or capital investment) guidelines,
- Delegation of authority and segregation of duties,
- Identification and management of risks.

The Governing Body has appointed J Pepper, a Governor, as Responsible Officer ('RO') and under the RO's supervision and direction the Governing Body has appointed internal auditors. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

**GOVERNANCE STATEMENT (continued)**

**Review of Effectiveness**

As Accounting Officer, the Executive Headteacher 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 Responsible Officer in conjunction with the internal auditors,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy Trust who have 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 and Premises committee and, if appropriate, 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 4 Dec 2012 and signed for and on their behalf by



**John Goodfellow**  
Chair of Governors




**Jan Renou**  
Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Skipton Girls' High School Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency 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. I confirm that the Academy Trust has in place policies and procedures that have ensured good value for money and for the efficient and effective use of all resources in the Academy Trust's charge.



**Jan Renou**  
**Accounting Officer**

## **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Governors (who act as Trustees for charitable activities of Skipton Girls' High School Academy Trust and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors 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 Governors 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 Governors 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 Governors 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 Governing Body on 4 Dec 2012 and signed for and on their behalf by



**John Goodfellow**  
**Chair of Governors**

## **Skipton Girls' High School Academy Trust**

### **Independent Auditor's Report to the Members of Skipton Girls' High School Academy Trust**

We have audited the financial statements of Skipton Girls' High School Academy Trust for the period from the 7<sup>th</sup> March 2011 to the 31<sup>st</sup> August 2012 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

#### **Respective responsibilities of Governors and auditor**

As explained more fully in the Governors' Responsibilities Statement set out on page 15, the Governors (who are also the Directors of the Academy Trust 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 (APB'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 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

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at the 31<sup>st</sup> August 2012 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,
- have been prepared in accordance with the requirements of the Companies Act 2006,

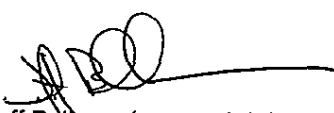
#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

#### **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, or



Jeff Bellamy (senior statutory auditor)  
For and on behalf of Colman, Whittaker & Roscow,  
Statutory Auditor  
The Close  
Queen Square  
Lancaster  
LA1 1RS

Date 5-12-12

**Independent Auditor's Report on Regularity to the Governing Body of Skipton Girls' High School Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the Academy Trust during the period from the 7<sup>th</sup> March 2011 to the 31<sup>st</sup> August 2012 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 the Governing Body and the EFA. Our review work has been undertaken so that we might state to the Governing Body and the EFA those matters we are required to state to it 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 the Governing Body and the EFA, for our review work, for this report, or for the opinion we have formed.

**Respective responsibilities of the Governing Body and Auditors**

The Governing Body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period from the 7<sup>th</sup> March 2011 to the 31<sup>st</sup> August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

**Opinion**

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 from the 7<sup>th</sup> March 2011 to the 31<sup>st</sup> August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Jeff Bellamy (senior statutory auditor)  
For and on behalf of Colman, Whittaker & Roscow,  
Statutory Auditor  
The Close  
Queen Square  
Lancaster  
LA1 1RS

Date 5-12-12

**Skipton Girls' High School Academy Trust**

**Statement of Financial Activities for the period ended 31<sup>st</sup> August 2012**  
**(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2012 £000
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	-	258	-	258
Transfer from local authority on conversion	28	335	-	12,366	12,701
Activities for generating funds	4	63	26	-	89
Investment income	5	2	-	-	2
<i>Incoming resources from charitable activities</i>					
Funding for the Academy Trust's educational operations	6	-	5,709	35	5,744
<b>Total incoming resources</b>		<b>400</b>	<b>5,993</b>	<b>12,401</b>	<b>18,794</b>
<b>Resources expended</b>					
<i>Cost of generating funds</i>					
Costs of generating voluntary income	7	-	247	-	247
Costs of activities for generating funds	7	38	26	-	64
<i>Charitable activities</i>					
Academy Trust's educational operations	8	-	5,449	160	5,609
Governance costs	9	-	28	-	28
<b>Total resources expended</b>	7	<b>38</b>	<b>5,750</b>	<b>160</b>	<b>5,948</b>
<b>Net incoming resources before transfers</b>		<b>362</b>	<b>243</b>	<b>12,241</b>	<b>12,846</b>
Gross transfers between funds	17	-	(23)	23	-
<b>Net income/(expenditure) for the period</b>		<b>362</b>	<b>220</b>	<b>12,264</b>	<b>12,846</b>
<b>Other recognised gains and losses</b>					
Actuarial (losses)/gains on defined benefit pension schemes	17 26	-	(644)	-	(644)
<b>Net movement in funds</b>		<b>362</b>	<b>(424)</b>	<b>12,264</b>	<b>12,202</b>
<b>Reconciliation of funds</b>					
Funds brought forward to 7 <sup>th</sup> March 2011	17	-	-	-	-
<b>Funds carried forward at 31<sup>st</sup> August 2012</b>		<b>362</b>	<b>(424)</b>	<b>12,264</b>	<b>12,202</b>

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

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

# Skipton Girls' High School Academy Trust

## Balance sheet as at 31<sup>st</sup> August 2012

	Notes	2012 £000	2012 £000
<b>Fixed assets</b>			
Tangible assets	13		12,264
<b>Current assets</b>			
Stock	14	4	
Debtors	15	130	
Cash at bank and in hand		885	
		<u>1,019</u>	
<b>Creditors</b> Amounts falling due within one year	16	<u>(437)</u>	
<b>Net current assets</b>			582
<b>Total assets less current liabilities</b>			<u>12,846</u>
<b>Net assets excluding pension liability</b>			
Pension scheme liability	26		(644)
<b>Net assets including pension liability</b>			<u>12,202</u>
<b>Funds of the academy</b>			
<b>Restricted funds</b>			
Fixed asset fund(s)	17		12,264
General fund(s)	17		220
Pension reserve	17		(644)
<b>Total restricted funds</b>			<u>11,840</u>
<b>Unrestricted funds</b>	17		362
<b>Total funds</b>			<u>12,202</u>

The financial statements on pages 18 to 39 were approved by the Governors, and authorised for issue on the 4 Dec 2012 and are signed on their behalf by

  
**John Goodfellow**  
**Chair of Governors**

Company Limited by Guarantee  
 Registration Number 07553531

**Skipton Girls' High School Academy Trust**

**Cash Flow Statement for the period ended 31<sup>st</sup> August 2012**

	Notes	2012 £000
<b>Net cash inflow from operating activities</b>	21	12,974
Capital expenditure	22	(12,424)
Cash transferred on conversion to an Academy Trust	28	335
<b>(Decrease)/Increase in cash in the period</b>	23	<u>885</u>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Net funds at 7 <sup>th</sup> March 2011		-
<b>Net funds at 31<sup>st</sup> August 2012</b>		<u>885</u>

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

**Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012**

**1 Accounting Policies**

**Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Annual Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**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 Trust 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.

**Incoming Resources**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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 (GAG) income is accounted for on a receivable basis, the balance of funds available to be carried forward is dictated by the rules of the funding agreement between the Academy Trust and the Secretary of State (see note 2).

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

**Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)**

**1 Accounting Policies (continued)**

- **Donated Services and Gifts in Kind / Conversion to an academy**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at an estimate of their gross value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust 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 Academy Trust's policies.

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.

On the 1 April 2011, the Academy Trust entered into a lease arrangement to lease the buildings on the school site. The buildings are to be leased from The Skipton Girls' High School Foundation Trustee Limited (Company Number 07543564) as a trustee of Skipton Girls' High School Foundation which is an unincorporated charity (Charity Number 1047961). The lease is to be over a period of 125 years and all of the buildings are leased for a peppercorn rental each year. The buildings have been capitalised in the Academy Trust using the figures from the latest valuation completed in February 2011 by Bruton and Knowles Surveyors.

Also on conversion the Academy Trust inherited the fixtures and fittings and other tangible assets for the continued use of the Academy Trust. It has been decided that the cost of putting a valuation on these assets would be disproportionate to the value of the information and so they are included at a £nil valuation. However the insurance replacement valuation is currently £2,500,000.

The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 28.

**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.

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

**Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)**

**1 Accounting Policies (continued)**

**Tangible Fixed Assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

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 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 Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows

Long leasehold buildings	Over 125 years straight line
Fixtures, fittings and equipment	33% straight line
ICT equipment	33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

**Leased Assets**

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the Statement of Financial Activities on a straight line basis over the period of the lease.

**Taxation**

The Academy Trust 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.

**Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)**

**1 Accounting Policies (continued)**

**Pensions Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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 Trust 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 26, the TPS is a multi-employer scheme and the Academy Trust 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 Trust 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 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 until 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.

**Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Young People's Learning Agency/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 Education Funding Agency/Young People's Learning Agency/Department for Education.

Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)

2 General Annual Grant (GAG)

a Results and carry forward for the period

	2012 £000
GAG brought forward from previous period	-
GAG allocation for current period	5,572
<b>Total GAG available to spend</b>	<b>5,572</b>
Recurrent expenditure from GAG	5,340
Fixed assets purchased from GAG	23
<b>GAG carried forward to next year</b>	<b>209</b>
Maximum permitted GAG carry forward at end of current period (12% of allocation for current year)	(668)
<b>GAG to surrender to DfE</b>	<b>(459)</b>
(12% rule breached if result is positive)	no breach

b Use of GAG brought forward from previous year for recurrent purposes

(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

Recurrent expenditure from GAG in current period	5,340
GAG allocation for current period	(5,572)
GAG allocation from previous period x 2%	-
<b>GAG b/fwd from previous period in excess of 2%, used on recurrent expenditure in current period</b>	<b>(232)</b>
(2% rule breached if result is positive)	no breach

3 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Capital grants	-	-	-
Trips and other non public funds	-	228	228
Other donations	-	30	30
	<u>-</u>	<u>258</u>	<u>258</u>

4 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Hire of facilities	27	-	27
Sale of educational goods and services	17	-	17
Exam income	19	-	19
Supplies of staff	-	26	26
	<u>63</u>	<u>26</u>	<u>89</u>

Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)

5 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Short term deposits	2	-	2
	<u>2</u>	<u>-</u>	<u>2</u>

6 Funding for Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
<b>DfE/YPLA/EFA revenue grants</b>			
General Annual Grant (GAG) (note 2)	-	5,572	5,572
Other DfE/YPLA/EFA grants	-	53	53
	<u>-</u>	<u>5,625</u>	<u>5,625</u>
<b>Other Government grants</b>			
Local authority grants	-	87	87
Other government grants	-	32	32
	<u>-</u>	<u>119</u>	<u>119</u>
	<u>-</u>	<u>5,744</u>	<u>5,744</u>

7 Resources Expended

	Staff Costs £000	Non Pay Expenditure		Total 2012 £000
		Premises £000	Other Costs £000	
Costs of generating voluntary income	-	-	247	247
Costs of activities for generating funds	22	2	40	64
Academy Trust's educational operations				
Direct costs	3,422	128	459	4,009
Allocated support costs	696	506	398	1,600
	<u>4,140</u>	<u>636</u>	<u>1,144</u>	<u>5,920</u>
Governance costs including allocated support costs	4	-	24	28
	<u>4,144</u>	<u>636</u>	<u>1,168</u>	<u>5,948</u>

The method used for the apportionment of support costs is disclosed in the accounting policies (note 1)

Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)

7 Resources Expended (continued)

	2012 £000
Incoming/outgoing resources for the period include.	
Operating leases	4
Fees payable to auditor	
Audit	3
Other services	21
Profit/(loss) on disposal of fixed assets	-
	<hr/>

8 Charitable Activities – Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
<b>Direct costs</b>			
Teaching and educational support staff costs	-	3,422	3,422
Depreciation	-	128	128
Educational supplies	-	338	338
Examination fees	-	100	100
Staff development	-	21	21
	<hr/>	<hr/>	<hr/>
	-	4,009	4,009
<b>Allocation supported costs</b>			
Support staff costs	-	696	696
Depreciation	-	32	32
Recruitment, support and advertising	-	55	55
Maintenance of premises and equipment	-	263	263
Cleaning materials	-	17	17
Rent & rates	-	71	71
Insurance	-	45	45
Security and transport	-	65	65
Catering	-	40	40
Heat and light	-	88	88
Careers Co-ordinator	-	24	24
16 – 18 Bursary payments	-	9	9
Other support costs including Service Level	-	195	195
Agreements and other professional fees	-		
	<hr/>	<hr/>	<hr/>
	-	1,600	1,600
	<hr/>	<hr/>	<hr/>
	-	5,609	5,609

Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)

9 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Legal and professional fees	-	-	-
Auditor's remuneration			
• Audit of financial statements	-	3	3
• Responsible officer	-	-	-
• Accountancy, taxation and other services	-	21	21
Support staff costs			
Clerk to the Governors	-	4	4
	<u>-</u>	<u>28</u>	<u>28</u>

10 Staff Costs

	2012 £000
Staff costs during the period were	
Wages and salaries	3,385
Social security costs	251
Pension costs	431
	<u>4,067</u>
Supply teacher costs	77
	<u>4,144</u>

The average number of persons (including senior management team) employed by the Academy Trust during the period, and the full time equivalents, was as follows

	2012 Number	2012 Full-time equivalent
<b>Charitable Activities</b>		
Teachers	50	46
Administration and support	43	31
Management	5	5
	<u>98</u>	<u>82</u>

The number of employees whose full time equivalent emoluments fell within the following bands was

	2012 £000
£90,001 - £100,000	<u>1</u>
	<u>1</u>

**Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)**

**10 Staff Costs (continued)**

The above employee participated in the Teacher's Pension Scheme. During the period ended 31<sup>st</sup> August 2012, the full time equivalent pension contributions amounted to £13,495

**11 Governors' Remuneration and Expenses**

The Executive Headteacher and Staff Governors only received remuneration in respect of services they provided undertaking the roles of Executive Headteacher 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 was as follows:

Executive Headteacher	£95,000
A Clarke	£40,000

Related party transactions involving the Governors are set out in note 27

**12 Governors' and Officers' Insurance**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31<sup>st</sup> August 2012 was £824.

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

**13 Tangible Fixed Assets**

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
<b>Cost</b>				
At 7 <sup>th</sup> March 2011	-	-	-	-
Transfer on conversion	12,366	-	-	12,366
Additions	16	26	16	58
Disposals	-	-	-	-
At 31 <sup>st</sup> August 2012	12,382	26	16	12,424
<b>Depreciation</b>				
At 7 <sup>th</sup> March 2011	-	-	-	-
Charged in period	140	12	8	160
Disposals	-	-	-	-
At 31 <sup>st</sup> August 2012	140	12	8	160
<b>Net book values</b>				
At 31 <sup>st</sup> August 2012	12,242	14	8	12,264
At 7 <sup>th</sup> March 2011	-	-	-	-

**Skipton Girls' High School Academy Trust**

**Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)**

**14 Stock**

	<b>2012 £000</b>
Stationery	4
	<u>4</u>

**15 Debtors**

	<b>2012 £000</b>
Trade debtors	3
Prepayments	73
Other debtors	54
	<u>130</u>

**16 Creditors: amounts falling due within one year**

	<b>2012 £000</b>
Trade creditors	177
Other taxation and social security	55
Other creditors	185
Accruals and deferred income	20
	<u>437</u>

Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)

17 Funds

	Balance at 7 <sup>th</sup> March 2011 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 <sup>st</sup> August 2012 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,572	(5,340)	(23)	209
Other DfE/YPLA/EFA grants	-	18	(18)	-	-
Local Authority grants	-	87	(87)	-	-
Other government grants	-	32	(32)	-	-
Other restricted funds	-	284	(273)	-	11
	-	5,993	(5,750)	(23)	220
Pension reserve	-	-	-	(644)	(644)
	-	5,993	(5,750)	(667)	(424)
<b>Restricted fixed asset funds</b>					
DfE/YPLA/EFA capital grants	-	35	-	-	35
Other capital grants	-	-	-	-	-
Capital expenditure from GAG	-	-	-	23	23
Assets on conversion	-	12,366	(160)	-	12,206
	-	12,401	(160)	23	12,264
<b>Total restricted funds</b>	-	18,394	(5,910)	(644)	11,840
<b>Unrestricted funds</b>	-	400	(38)	-	362
<b>Total funds</b>	-	18,794	(5,948)	(644)	12,202

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy Trust. The Academy Trust is allowed to carry forward 12% of the current GAG received in the accounting period. Of the carry forward amount, up to 2% of the GAG can be used for general purposes at the discretion of the Academy Trust, but any balance over 2% must be used for the upkeep and improvement of premises or for capital purposes. At the period end the carry forward of GAG funding was £209,000.

Other DfE/YPLA/EFA grants include monies received outside of GAG funding for example the Pupil Premium. These funds have been spent in full by 31<sup>st</sup> August 2012.

Local Authority grants represent amounts payable to the Academy Trust predominantly from North Yorkshire County Council. A large percentage of these funds relate specifically to Special Educational Needs (SEN) funding. As at the 31<sup>st</sup> August these funds had been spent in full.

Other government grants include leading edge staffing grants and golden hellos and were spent in full by 31<sup>st</sup> August 2012.

Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)

17 Funds (continued)

Other restricted funds include monies from trips & non public funds and donations. During the period the trips & non public funds had no excess expenditure over income. At the period end £5,000 remained unspent and is carried forward to the next accounting period. The donations received were for restricted purposes and as at the period end £6,000 remained unspent and is carried forward to the next accounting period.

DfE/YPLA/EFA capital grants represent capital monies received during the period from the EFA. These monies had all been spent in the period.

Assets on conversion represent the transfer of leasehold assets valued at £12,366,000 per a valuation in February 2011 by Bruton and Knowles Surveyors, into the Academy Trust on conversion to academy status depreciated over a 125 year period.

Unrestricted funds represents funds generated via activities such as from lettings, catering and bank interest receivable. This fund also includes the surplus on conversion to academy status of £335,000. The surplus on this fund at the period end was £362,000 and these funds can be used at the discretion of the Governors to meet the charitable objectives of the Academy Trust.

18 Analysis of net assets between funds

Fund balances at 31<sup>st</sup> August 2012 are represented by

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	12,264	12,264
Current assets	362	657	-	1,019
Current liabilities	-	(437)	-	(437)
Pension scheme liability	-	(644)	-	(644)
<b>Total net assets</b>	<b>362</b>	<b>(424)</b>	<b>12,264</b>	<b>12,202</b>

Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)

19 Capital commitments

2012  
£000

Contracted for, but not provided in the financial statements

-

20 Financial commitments

*Operating leases*

At 31<sup>st</sup> August 2012 the Academy Trust had annual commitments under non-cancellable operating leases as follows

2012  
£000

**Land and buildings**

Expiring within one year

-

Expiring within two and five years inclusive

-

Expiring in over five years

-

**Other**

Expiring within one year

-

Expiring within two and five years inclusive

7

Expiring in over five years

-

7

21 Reconciliation of net income to net cash inflow from operating activities

2012  
£000

Net income

62

Depreciation (note 13)

160

Capital grants from DfE/YPLA/EFA and other capital income

12,401

Interest receivable (note 5)

2

FRS 17 pension cost less contributions payable (note 26)

7

FRS 17 pension finance income (note 26)

39

(Increase)/decrease in stocks

(4)

(Increase)/decrease in debtors

(130)

Increase/(decrease) in creditors

437

**Net cash inflow from operating activities**

**12,974**

Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)

22 Capital expenditure and financial investment

	2012 £000
Assets on conversion	12,366
Purchase of tangible fixed assets	23
Capital grants from DfE/YPLA/EFA	35
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>12,424</b>

23 Analysis of changes in net funds

	At 7 <sup>th</sup> March 2011 £000	Cash flows £000	At 31 <sup>st</sup> August 2012 £000
Cash in hand and at bank	-	885	885
	-	885	885

24 Contingent Liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any leasehold building the Academy Trust is required to either re-invest the proceeds or to repay the Secretary of State for Education or Charities Commission the proceeds of the sale or disposal as these two bodies would jointly have an interest in the proceeds of any sale

25 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member

26 Pension and similar obligations

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

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

At the end of the financial period contributions amount to £37,664 were payable to the schemes and are included within creditors

**Teachers' Pension Scheme**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act

**Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)**

**26 Pension and similar obligations (continued)**

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 (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

The contribution rate paid into the TPS is assessed in two parts First, a standard contribution rate ("SCR") is 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 investigation, 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 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently 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 the valuation date) was £163,240 million The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, 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 The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme Accordingly, the Academy Trust 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 Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated contribution rates

Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme

The Academy Trust is one of several employing bodies included within the Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the period ended 31<sup>st</sup> August 2012 was £110,000, of which employer's contributions totalled £78,000 and employees' contributions totalled £32,000. The agreed contribution rates for future years are 14.7% for employers and the rate for employees remains dependent on the salary of the employee.

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, 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 Trust at the balance sheet date.

Principal Actuarial Assumptions

At 31  
August  
2012

Rate of increase in salaries	3.95%
Rate of increase for pensions in payment / inflation	2.2%
Discount rate for scheme liabilities	4.3%
Inflation assumption (CPI)	2.2%
Commutation of pensions to lump sums	50%

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

At 31  
August  
2012

*Retiring today*

Males	22.5
Females	25.2

*Retiring in 20 years*

Males	24.3
Females	27.2

Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 <sup>st</sup> August 2012	Fair value at 31 <sup>st</sup> August 2012 £000
Equities	7.0%	96
Government Bonds	2.5%	17
Other Bonds	3.4%	18
Property	6.0%	3
Cash	0.5%	1
<b>Total market value of assets</b>		<b>135</b>
Present value of scheme liabilities		
- Funded		(779)
<b>Surplus/(deficit) in the scheme</b>		<b>(644)</b>

The actual return on scheme assets was £1,000

Amounts recognised in the statement of financial activities

	2012 £000
Current service cost (net of employee contributions)	104
Past service cost	-
<b>Total operating charge</b>	<b>104</b>
<b>Analysis of pension finance income / (costs)</b>	
Expected return on pension scheme assets	6
Interest on pension liabilities	(45)
<b>Pension finance income / (costs)</b>	<b>(39)</b>

The actual gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is £644,000 loss.

Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Movements in the present value of defined benefit obligations were as follows:

	2012 £000
<b>At 7<sup>th</sup> March 2011</b>	-
Current service cost	104
Past service cost	-
Interest cost	45
Employee contributions	33
Actuarial (gain)/loss	83
Curtailments and settlements	-
Benefits paid	4
Business combinations	510
<b>At 31<sup>st</sup> August 2012</b>	<u>779</u>

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

	2012 £000
<b>At 7<sup>th</sup> March 2011</b>	-
Expected return on assets	6
Actuarial gain/(loss)	(5)
Employer contributions	97
Employee contributions	33
Assets distributed on settlements	-
Transfer in of new members	-
Benefits paid	4
Business combinations	-
<b>At 31<sup>st</sup> August 2012</b>	<u>135</u>

The estimated value of employer contributions for the period ended 31 August 2013 is £69,000

The five-year history of experience adjustments is as follows:

	2012 £000
<b>Present value of defined benefit obligations</b>	(779)
<b>Fair value of share of scheme assets</b>	135
<b>Surplus/(Deficit) in the scheme</b>	<u>(644)</u>
<b>Experience adjustments on share of scheme assets</b>	(5)
<b>Experience adjustments on scheme liabilities:</b>	<u>-</u>

Notes to the Financial Statements for the period ended 31<sup>st</sup> August 2012 (continued)

27 Related Party Transactions

During the accounting period the Academy Trust leased the buildings on the school site from The Skipton Girls' High School Foundation Trustee Limited (Company Number 07543564) as a trustee of Skipton Girls' High School Foundation which is an unincorporated charity (Charity Number 1047961). The lease is to be over a period of 125 years and all of the buildings are leased for a peppercorn rental each year.

Owing to the nature of the Academy Trust's operations and the composition of the board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No transactions with Governors were undertaken during the course of the period ended 31<sup>st</sup> August 2012.

28 Conversion to an Academy Trust

On the 1<sup>st</sup> April 2011 Skipton Girls' High School converted to an Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Skipton Girls' High School Academy Trust from the Local Authority 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 as net income 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 SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	12,366	12,366
Budget surplus on LA funds	335	-	-	335
<b>Net assets</b>	<b>335</b>	<b>-</b>	<b>12,366</b>	<b>12,701</b>

The above net assets include £335,000 that were transferred as cash.

The lease terms of the leasehold buildings are discussed within the accounting policies (note 1). The inherited surplus on Local Authority funds is shown within unrestricted funds and as at the period end the full amount remained unspent.