

Registered number: 07557894

CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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



**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**CORSHAM PRIMARY SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Trustees

E Griffiths, Chair
M Sinclair, Vice Chair
F Allen, Executive Head Teacher
S Book
G Cooke
A Welch
L Searle
M Harpham
R Basley
A Verma (resigned 24 May 2013)
P Pieri
C Wright
G Savva-Coyle
S Smillie (resigned 31 August 2013)
N Ryan
R Collard (appointed 5 November 2012)
G Champion
J Stanley (resigned 31 December 2012)
R Hayday (appointed 5 March 2013)

**Company registered
number** 07557894

**Principal and Registered
office** Pound Pill
Corsham
Wiltshire
SN13 9YW

Company secretary A Biddall

Accounting officer F Allen

Senior Leadership Team

F Allen, Executive Head Teacher
G Cooke, Head of School
A Welch, Head of School
S Book, Deputy Head
K Parker, Deputy Head
L Fry, Deputy Head
R Palmer, Assistant Deputy Head
S Heard, Assistant Deputy Head
J Hole, Assistant Deputy Head
J Smalley, Curriculum Development Leader
N Ryan, Curriculum Development Leader
H White, Curriculum Development Leader
J Hollin, SENCO
H Eyley, Brook Centre Manager
J Passmore, IT Manager

Independent auditors Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Advisers (continued)

Bankers	HSBC Bank plc 25-27 High Street Corsham SN13 0EX
Solicitors	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

**CORSHAM PRIMARY SCHOOL
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**CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

The Chair presents her statement for the year

This year for Corsham Primary Academy has been another significant year. We have completed the second full financial year as an Academy with all the challenges that this has brought. In addition to our own internal challenges this has been done against the backdrop of a poor economic climate in recession and significantly reduced funding available across the sector. However the commitment and support by staff, colleagues, parents and future members will ensure our future.

In July 2013 the school underwent a full Ofsted Inspection on the new framework and was again judged to be Outstanding in all areas. The Board are absolutely delighted with this significant achievement as it is not only against the new and very demanding inspection criteria but also because the school has now achieved Ofsted Outstanding category for 3 inspections in succession which clearly demonstrates sustained and continuous improvement.

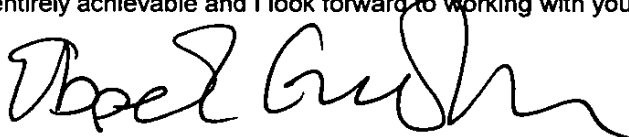
Continuing professional development for staff has been very successful with The Executive Head and Head of School of the Pound Pill site both successfully completing their Ofsted Inspector training. Three teachers have all trained to deliver the Ofsted Outstanding Teacher Programme and two Deputy Headteachers have trained to become Challenge Partner Reviewers. All teachers and support staff have taken part in some form of training.

Due to our success of working with other schools Corsham Primary has been approved as an academy sponsor and have developed some excellent partnerships in a number of areas.

Following the success in securing a substantial bid last year we have built and opened a substantial new additional building, by developing the Pound Pill site and replacing mobile classrooms with four new classes, a state of the art library and interactive learning environment, new reception and meeting areas, improved security and safer environment and better play areas for the children. The development has significantly improved facilities for all of our pupils.

Our year ahead will be just as challenging as we have recently been successful in securing a sponsorship of a school in challenging circumstances and this work will play an important part in developing the Academy and the board.

As always we set ourselves ambitious targets, but our continued progress to date gives me every confidence that with your help they are all entirely achievable and I look forward to working with you all in the year ahead.



Name Elspeth Griffiths
Chair of the Board of Trustees

Date 28/11/13

**CORSHAM PRIMARY SCHOOL
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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.

The Trustees act as the Trustees for the charitable activities of Corsham Primary School (CPS) and are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 £1, for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees 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, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees 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 Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £5,000,000.

Principal Activity

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

TRUSTEES

Method of recruitment and appointment or election of Trustees

On 1 April 2011 the Trustees appointed five Governors that served the predecessor school to be Trustees of the newly formed Academy. The Parent Representatives were appointed on a term of office that would end when their original term at the predecessor school would have ended thus ensuring a staggered re-election or replacement process.

The Academy's Governing Body shall have the following Trustees as outlined in its Articles of Association and Funding Agreement:

- 2 Community trustees
- 6 Parent trustees
- 4 Staff trustees, including the Headteachers

The Board of Trustees comprises the following positions:

- 2 CPS Board of Trustee Directors - 1 vacancy
- 1 Parent Representative from CPS - 1 vacancy
- 2 Partner Representatives - 1 vacancy
- 1 Chair of Governors from Academy (annual appointment)
- 1 Staff Representative (annual appointment) - 1 vacancy
- 1 Student Advocate - 1 vacancy

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

• 1 Executive Headteacher

When appointing new Trustees the Board will give consideration to the skills and experience mix of existing Trustees 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 Academy has a Trustee Recruitment, Induction and Training policy available from the Company Secretary

The training and induction provided for a new Trustee will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, 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.

There is a Trustee's Away Day organised each year which includes training sessions to keep the members updated on relevant developments impacting on their roles and responsibilities.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of the Governing Body and other groups. It receives reports including policies from its Governing Body for consideration and ratification. It monitors the activities of the Governing Body through the minutes of their meetings and the attendance of the Chair at Governing Body meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The following decisions are reserved for the Board to consider any proposals for changes to the status or constitution of the Academy and its organisational structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Executive Headteacher and Heads of School and Clerk, to approve the Annual Development Plan and supporting budget. Clear Schemes of Delegation are in place for Trustees, Executive Headteachers and the Heads of School. The Executive Headteacher, Finance Director and Finance Officer are responsible for the authorisation of spending within agreed budgets, a summary of this in the Scheme of Delegation is available for inspection. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation.

The Board of Trustees has devolved responsibility for management and performance of the Academy. They in turn will devolve duties to the Heads of School and Leadership Team. The Leadership Team comprises of the Executive Headteacher, Heads of School, Deputy Headteachers, Assistant Deputy Headteachers, Curriculum Development Leaders, Brook Centre Manager, ICT Manager and Inclusion Manager. The Leadership Team implements the policies laid down by the Board of Trustees and reports back to them on performance. The Heads of School are responsible for the appointment of staff, through appointment panels and as far as possible this will include a Trustee particularly when appointing teachers and senior staff.

The Executive Headteacher is the Accounting Officer.

Risk management

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 by the Board. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Connected Organisations, including Related Party Relationships

Snapdragon Nurseries has buildings located at both sites. A formal lease is in place to protect the Academy's position. The Academy receives an annual income from Snapdragon for the use of the Academy's land.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Rudloe Pre-School has a small temporary building located at the Broadwood site. The Academy receives a small nominal rent from this organisation.

The Academy works collaboratively with other local primary schools and is part of the Cabot Teaching School Alliance and Challenge Partners Wootton Bassett Hub.

OBJECTIVES AND ACTIVITIES

Objects and Aims

It is our vision to provide a first class, innovative education for all. We aim to nurture, develop resilience and empower potential in every child making it possible for them to lead healthy productive lives. We want our pupils to leave a positive mark on their world.

We will achieve this by

- Personalising learning to match need, recognising success can look very different for every individual
- Having high expectations that are intrinsic in everything we plan and deliver
- Creating an environment that suits new and developing ways of learning
- Working with and developing community and global partnerships to enhance learning opportunities
- Developing and training a highly skilled workforce within the school and beyond
- Being a centre of excellence in education pioneering innovative methods of teaching and learning that have a positive impact on achievement
- Celebrating and sharing success and achievement
- Collaborating with partners in the local and wider community to ensure the collective responsibility for pupils and their families
- Delivering focused, effective, creative teaching and learning opportunities that are fun and enjoyable
- Providing a strong ethical framework that enables children to make thoughtful, positive choices
- Teaching an understanding of the environment and the impact and role we all have in protecting it
- Working within a vibrant collaboration of like minded schools in order to guarantee development and long term economic security for all

Our ethical purpose is driven by the belief that every child matters, every child deserves the best and every child has the right to achieve. We want all our pupils to achieve their dreams and ambitions.

"I think I should be resilient and never give up so then I can work really hard and achieve my dreams."
Elizabeth - pupil

"I want to be happy, have enough money, achieve my dreams and have enjoyed myself."
Martha – pupil

"I want to be confident, happy in my job and have a lovely family and a good life."
Ethan – pupil

"Education is the most powerful weapon which you can use to change the world."
Nelson Mandela

Objectives, Strategies and Activities

Key activities and targets identified in the Academy Development and Improvement Plan are influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status. The Board set the following improvement targets a summary of which is below.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Attainment Targets Set for 2012/2013

The targets below were set for year groups who were falling behind at the end of the previous academic year by -0.5 Average Point Score (APS) or more in a subject

These targets drove the Achievement School Development Improvement Plan (SDIP) action for 2012/2013

	APS in Summer 12	TARGET APS SUMMER 2013	APS RESULT SUMMER 2013
Reading			
Year 2	9.5 (-1.5)	13.0	16.1
Year 3	14.1 (-0.9)	17.6	17.4
Writing			
Year 2	8.7 (-2.3)	12.2	14.4
Year 3	13.0 (-2.0)	16.5	16.4
Year 4	16.4 (-0.6)	19.9	19.7
Year 5	19.4 (-1.6)	22.9	23.4
Year 6	26.4 (-0.6)	29.9	28.6
Maths			
Year 2	9.4 (-1.6)	12.9	15.6
Year 3	14.1 (-0.9)	17.6	17.2

Analysis of 2013 data has resulted in the targets below being set. These targets will drive the Achievement SDIP action plans for 2013/2014.

AREA	TARGET	SUCCESS CRITERIA
To raise girls' attainment, by end of Key Stage 2, in maths and reading	•To ensure girls attainment by the end of Key Stage 2 is in line or above national average	•Analysis of Key Stage 2 end of year assessments show that girls attainment is at least in line with national average
	•To ensure children continue to make outstanding progress (at least 3.5 APS) in order to bring attainment of children to in line or above the national average	•Analysis of end-of-year data shows that at least 3.5 APS increase is shown across the school

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To raise attainment of FSM and SA and SA+ pupils	•To raise attainment of SA pupils in Key Stage 2 in Reading by accelerating progress to at least in line with national expectations	•SA and SA+ children's progress is at least in line with national expectations
	•To raise attainment of SA+ pupils in Key Stage 1 in Reading by accelerating progress to at least in line with national expectations	•On average FSM children's progress is at least in line with national expectations
	•To raise attainment of FSM pupils in Key Stage 2 in Reading, Writing and Maths by accelerating progress to at least in line with national expectations	•14% of FSM children in Key Stage 1 achieve a Level 3
	•To increase the number of FSM children achieving Level 3 in Key Stage 1 to at least in line with national average	•65% of FSM children achieve a Level 4 or above at the end of Key Stage 2 in English and Maths and 80% achieve at least 2 levels progress
	•To develop independent learning skills by increasing scores on the 'I can -Self Managing' scale to 70%	•Scores on the self-managing scale for independent learning in the Brook Centre have increased to 70%
To address variations in progress of higher attaining pupils	•To ensure children on the highly able register make outstanding progress by the end of the academic year	•Analysis of end-of-year data shows that highly able children have made outstanding progress from their starting point
To raise the number of pupils achieving Level 3 by the end of Key Stage 1	•To raise the percentage of children attaining a Level 2C and 2B by the end of Year 1 to be at least in line with the national average	•The percentage of children achieving a Level 2 or above at the end of Year 1 is higher than expected in comparison to individual starting points
	•To raise the percentage of children achieving level 3B by the end of Year 2 to be at least in line with the national average	•The percentage of children achieving a Level 3B or higher at the end of Year 2 is at least in line with national average
	•To ensure that tasks challenge children to make at least expected progress by the end of the academic year	•Monitoring of books and planning provides evidence of higher level challenge •Analysis of end of Key Stage 1 data shows that the more able children have made at least expected progress

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

To raise boys' attainment, by the end of Key Stage 1, in reading, writing and phonics

•To ensure boys attainment by the end of Key Stage 1 is in line or above national average

•Analysis of Key Stage 1 end of year assessments show that boys attainment is at least in line with national average

•Analysis of end-of-year data shows that at least 3.5 APS increase is shown across the school

Targets set for Year 6 end of KS2 Tests 2012/2013:

Actual for Whole School:

English and Maths% of pupils expected to achieve Level 4+ 73%

75%

Progress in English% of pupils making 2 National Curriculum levels 77%

Reading = 88%
Writing = 98%

Progress in Maths% of pupils making 2 National Curriculum levels 91%

93%

Targets set for Year 6 end of KS2 Tests 2013/2014

The school is no longer required to set statutory end of KS2 targets, therefore no targets have been set for 2014

Public Benefit

The Trustees confirm that they have complied with the duty contained in the Charities Act 2011 to have due regard to the Charity Commission'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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

ACHIEVEMENTS AND PERFORMANCE

The Academy is in its two and a half years of operation and has exceeded the forecast number of students. In January 2012 the PLASC Census recorded the total number of pupils on roll as 602. In January 2013 PLASC recorded numbers at 608, an increase of 6 pupils. Analysis of numbers indicates this is due to an increase in Foundation Stage numbers.

We are not full in any year group at present due to Brook Centre pupils being removed from mainstream class lists. This is due to the changes in the funding arrangements for specialist learning centres recently implemented by the DfE. Brook Centre pupils have now been placed into their own registration group.

The Academy was inspected as part of an Ofsted Subject Inspection in June 2013 and was judged to be Outstanding. Staff are delighted with the result.

Continuing professional development for staff has been very successful. Of particular note includes:

- The Executive Headteacher and Head of School of the Pound Pill site successfully completing their Ofsted Inspector training
- Three leaders undertook the Ofsted Outstanding Teaching Training and trainer courses
- Two teachers completed the National College Leading from the Middle course

All teachers and support staff have taken part in some form of training.

During the last year Corsham Primary has achieved:

- Customer Services
- Bristol Standard awarded for the third time
- Eco School's Green Flag

Corsham Primary continues to be an associate of the Cabot Teaching School in Bristol with our two Specialist Leaders of Education providing support and training for teachers within the Cabot Learning Federation. Corsham Primary aims to apply to become a Teaching School in the next round applications (autumn 2013).

Corsham Primary continues to be a leading member of the Challenge Partner Hub based in Royal Wootton Bassett. Two more staff trained as reviewers in the summer term and will shortly join School Review in other Challenge Partner schools which are led by Ofsted Inspectors.

Due to our success of working with other schools Corsham Primary has been approved as an academy sponsor. Discussions are now underway with DfE Brokers to secure an appropriate sponsorship of a school in challenging circumstances.

Other achievements include:

- The school's Parent Group (BW Cups) continues to flourish at the Broadwood site and has used a Greensquare grant to fund toys, art materials and various resources to create a homely and welcoming atmosphere in the Community Room.
- The BW Cups organised a well-attended quiz night and very popular Campfest at the grounds with over a dozen families, including Mr Welch, camping overnight. Plans are being developed for bingo evenings, another quiz and an even bigger Campfest 2014.
- The school won first and second place in the Corsham in Bloom competition. A number of prizes, including many firsts, were also secured at the Box Flower Show.
- The Breakfast Club at Broadwood goes from strength to strength and has formed a mini social enterprise by selling various rolls and breakfast snacks to the staff and visitors. The children report that they feel more alert during the day and enjoy the family-type setting created by both support staff that run the club.

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FOR THE YEAR ENDED 31 AUGUST 2013**

- Pupils and staff from the Broadwood site won a Corsham Town Community Award for their outstanding work establishing a Forest School on land gifted from Greensquare
- In addition new knitting clubs have been established at both sites which are run by volunteer members of the older generation
- The Saturday Music Academy has expanded to include dance groups which is proving very successful
- Both the Broadwood and Pound Pill sites have been awarded "outstanding" (level 5) in the South West in Bloom awards
- Corsham Primary was also nominated for the 'Outstanding School Effort' special award

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.

Key Financial Performance Indicators

The main financial performance indicator is the management of expenditure and income in line with the budget and the management of any variances. This has been achieved through regular financial reporting to the Board, including the projection of the year end position.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2013 were 609, an increase of 6 over 2012. It is anticipated that this number will continue to rise.

The following approach has been adopted during the year with regard to financial performance:

- The setting of a budget which provided for the use of reserves to manage planned additional expenditure, above available capital grant funding, during 2012-13 on the new extension at Pound Pill and achieved a surplus of resources to carry forward to 2013-14. The financial statements show an unrestricted reserve of £39,577 has been carried forward to 2013-14.
- A careful and prudent approach to financial management during the first year.
- The establishment of systems and processes which comply with the Academy accounting framework and which support the efficient payment of salaries, suppliers and the collection of income.
- The management of the £1.345 million capital grant for the new extension at Pound Pill.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the 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 ended 31 August 2013 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2013, total expenditure of £2,871,564 was funded by recurrent grant funding from the DfE, together with other incoming resources of £2,822,139 which has resulted in a shortfall of £49,425. This shortfall for the year has been funded from accumulated unrestricted reserves and is in line with the planned position due to the need to use reserves to fund one off expenditures relating to the new extension at Pound Pill.

At 31 August 2013 the net book value of fixed assets was £6,613,053 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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 Activities with details in note 20 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Procedures Manual which lays out

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**TRUSTEES' REPORT (continued)
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the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending

The Board have adopted a Responsible Officer Policy and appointed CEFM to undertake a programme of internal checks on financial controls. During the year, the Board received reports from the Responsible Officer which contained no matters of significance.

Financial and Risk Management Objectives and Policies

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Board 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 Board 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 Trustees 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.

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

The Board recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 20 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

The Board review the Risk Management Action Plan three times a year.

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 Education Funding Agency. In the last year 96% 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.

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 Board continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependant 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 Board of Trustees 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 Board of Trustees 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 a Responsible Officer 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

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basis

Other risks identified can be located in the Risk Management Plan

Reserves Policy

The Board reviews the level of reserves when the budget is set prior to the commencement of the financial year. This review encompasses the level of future funding available, its certainty and compares this with the budgeted spending plans. Consideration is also given to past expenditure trends along with the risks identified in the Risk Management Schedule.

The Policy is to maintain a reserve equivalent to 2.5% of annual expenditure in order to manage any delays in grant receipts or unforeseen increase in expenditure. The budget for 2013-14 provides for a surplus which will achieve the 2.5% level by 31 August 2014.

Investment Policy

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. During the year the Board reviewed the circumstances in which surplus cash can be invested in order to earn a higher rate of interest. This is now being implemented.

PLANS FOR FUTURE PERIODS

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 aim to develop our own federation and family of schools under an Academy Trust Board to be called Pickwick Learning.

The Academy will continue to support school's in challenging circumstances (NSS/NLE).

The Academy will apply to become a Teaching School.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Board of Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the Board of Trustees on 28/11/13 and signed on its behalf by



E Griffiths
Chair of Trustees

**CORSHAM PRIMARY SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Corsham 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 Board of Trustees has delegated the day-to-day responsibility to the Executive 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 Corsham Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees 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 Trustees' Responsibilities Statement. The Board of Trustees has formally met 9 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
E Griffiths, Chair	8	9
M Sinclair, Vice Chair	6	9
F Allen, Executive Head Teacher	9	9
R Basley	9	9
A Verma	4	7
P Pieri	7	8
R Collard	6	7
J Stanley	1	4
R Hayday	4	4

In addition to the Board, the Academy also has a Governing Body whose role is to oversee the curriculum and the extended services provision.

Attendance at meetings in the year was as follows:

Governing Body	Meetings attended	Out of a possible
A Welch	6	6
G Cooke	6	6
C Wright	4	6
D Crisp	2	6
G Champion	5	6
G Savva-Coyle	6	6
L Searle	5	6
M Harpham	5	6
N Ryan	4	6
P Pieri	5	6
S Smillie	6	6
S Book	6	6

GOVERNANCE STATEMENT (continued)

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 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 Corsham Primary School for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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 Board of Trustees,
- regular reviews by the Board 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 Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Shane Carter, of CEFM Limited, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The RO function has been fully delivered in line with the EFA's requirements. No material control issues arising as a result of the RO's work have been identified.

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive 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 Responsible Officer,
- the work of the external auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy 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 Board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 28/11/13 and signed on their behalf, by


E Griffiths
Chair of Trustees


F Allen
Accounting Officer

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Corsham Primary School I have considered my responsibility to notify the Academy Board of Trustees 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 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 Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy'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.



F Allen
Accounting Officer

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

The Trustees (who act as governors of Corsham 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 of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- 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 and signed on its behalf by


E Griffiths
Chair of Trustees

Date: 28/11/13

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORSHAM PRIMARY SCHOOL

We have audited the financial statements of Corsham Primary School for the year 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 TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (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 Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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.

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 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORSHAM 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 Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Bishop Fleming

David Butler FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date *5 December 2013*

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 27 August 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 Corsham Primary School during the year 1 September 2012 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 Corsham 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 Corsham 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 Corsham Primary School and the EFA, for our work, for this report, or for the conclusion we have formed

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

The Accounting Officer is responsible, under the requirements of Corsham Primary School's funding agreement with the Secretary of State for Education dated 30 March 2011, 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 year 1 September 2012 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

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 year 1 September 2012 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



David Butler FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date *5 December 2013*

CORSHAM 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 YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	17 months ended 31 August 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Transferred on conversion	2	-	-	-	-	5,190,133
Other voluntary income	2	2,709	29,760	-	32,469	308,811
Activities for generating funds	3	63,696	-	-	63,696	60,126
Incoming resources from charitable activities		21,269	2,693,933	10,772	2,725,974	4,780,929
TOTAL INCOMING RESOURCES		87,674	2,723,693	10,772	2,822,139	10,339,999
RESOURCES EXPENDED						
Charitable activities	6,7	131,482	2,617,536	111,163	2,860,181	3,779,357
Governance costs	8	-	11,383	-	11,383	21,325
TOTAL RESOURCES EXPENDED	5	131,482	2,628,919	111,163	2,871,564	3,800,682
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		(43,808)	94,774	(100,391)	(49,425)	6,539,317
Transfers between Funds	16	(1,486)	(180,885)	182,371	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		(45,294)	(86,111)	81,980	(49,425)	6,539,317
Actuarial gains and losses on defined benefit pension schemes		-	13,000	-	13,000	(97,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(45,294)	(73,111)	81,980	(36,425)	6,442,317
Total funds at 1 September 2012		84,871	(173,627)	6,531,073	6,442,317	-
TOTAL FUNDS AT 31 AUGUST 2013		39,577	(246,738)	6,613,053	6,405,892	6,442,317

All activities relate to continuing operations

The Statement of financial activities includes all gains and losses recognised in the year

The notes on pages 26 to 44 form part of these financial statements

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07557894**

**BALANCE SHEET
AS AT 31 AUGUST 2013**

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	13		6,613,053		5,247,829
CURRENT ASSETS					
Debtors	14	243,115		1,209,916	
Cash at bank and in hand		3,831		301,523	
		<u>246,946</u>		<u>1,511,439</u>	
CREDITORS : amounts falling due within one year	15	(206,107)		(87,951)	
NET CURRENT ASSETS			<u>40,839</u>		<u>1,423,488</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,653,892</u>		<u>6,671,317</u>
Defined benefit pension scheme liability	20		(248,000)		(229,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>6,405,892</u></u>		<u><u>6,442,317</u></u>
FUNDS OF THE ACADEMY					
Restricted funds					
General funds	16	1,262		55,373	
Fixed asset funds	16	6,613,053		6,531,073	
		<u>6,614,315</u>		<u>6,586,446</u>	
Restricted funds excluding pension liability					
Pension reserve		(248,000)		(229,000)	
Total restricted funds			<u>6,366,315</u>		<u>6,357,446</u>
Unrestricted funds	16		39,577		84,871
TOTAL FUNDS			<u><u>6,405,892</u></u>		<u><u>6,442,317</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 28/11/13 and are signed on their behalf, by


E Griffiths
Chair of Trustees


F Allen
Accounting Officer

The notes on pages 26 to 44 form part of these financial statements

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

		31 August 2013 £	17 months ended 31 August 2012 £
	Note		
Net cash flow from operating activities	18	1,178,695	(989,317)
Capital expenditure and financial investment		(1,476,387)	1,263,537
Cash transferred on conversion to an academy trust		-	27,303
(DECREASE)/INCREASE IN CASH IN THE YEAR		(297,692)	301,523

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2012**

	31 August 2013 £	17 months ended 31 August 2012 £
(Decrease)/increase in cash in the year	(297,692)	301,523
MOVEMENT IN NET FUNDS IN THE YEAR	(297,692)	301,523
Net funds at 1 September 2012	301,523	-
NET FUNDS AT 31 AUGUST 2013	3,831	301,523

The notes on pages 26 to 44 form part of these financial statements

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 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.

Guidance in the Accounts Direction 2013 has changed from last year and where this impacts the comparative figures these have been adjusted. In particular grants totalling £1,381,775 have been reclassified from voluntary income to incoming resources from charitable activities.

1.2 GOING CONCERN

The Trustees 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 Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. Accordingly the Trustees continue to adopt the going concern basis in preparing the financial statements.

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 Trustees.

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.

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 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 Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	Straight Line over 50 Years
Fixtures and fittings	-	10% Straight Line
Computer equipment	-	20% Straight Line

1.7 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.

1.8 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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), 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 20, 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.

**CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

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.

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	17 months ended 31 August 2012 £
Assets transferred on conversion	-	-	-	5,190,133
Donations	2,709	29,760	32,469	105,308
Grants	-	-	-	203,503
Subtotal	2,709	29,760	32,469	308,811
Voluntary income	2,709	29,760	32,469	5,498,944

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	17 months ended 31 August 2012 £
Lettings	26,148	-	26,148	36,935
Consultancy	21,287	-	21,287	-
Fees received	11,947	-	11,947	17,042
Other	4,314	-	4,314	6,149
	63,696	-	63,696	60,126

CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	17 months ended 31 August 2012 £
DfE/EFA grants				
Capital Grants	-	10,772	10,772	1,363,988
General Annual Grant	-	2,342,196	2,342,196	3,058,103
Other DfE/EFA grants	-	108,240	108,240	61,048
	-	2,461,208	2,461,208	4,483,139
Other government grants				
School standards funds	-	-	-	121,958
Special Educational Needs	-	61,292	61,292	90,844
Other government grants	-	163,876	163,876	38,353
	-	225,168	225,168	251,155
Other funding				
Other	21,269	18,329	39,598	46,635
	21,269	18,329	39,598	46,635
	21,269	2,704,705	2,725,974	4,780,929

5. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Direct costs	1,827,061	123,488	244,989	2,195,538	2,781,409
Support costs	207,334	203,115	254,194	664,643	997,948
CHARITABLE ACTIVITIES	2,034,395	326,603	499,183	2,860,181	3,779,357
GOVERNANCE	-	-	11,383	11,383	21,325
	2,034,395	326,603	510,566	2,871,564	3,800,682

CORSHAM PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

6. DIRECT COSTS

	Total 2013 £	Total 2012 £
Pension finance costs	7,000	5,000
Educational supplies	209,733	307,462
Examination fees	1,562	7,110
Staff development	12,046	-
Supply teachers	6,149	18,435
Recruitment and other staff costs	8,499	15,364
Security and transport	12,325	8,219
Wages and salaries	1,509,572	1,932,784
National insurance	100,202	93,751
Pension cost	217,287	258,683
Depreciation	111,163	134,601
	2,195,538	2,781,409

7. SUPPORT COSTS

	Total 2013 £	Total 2012 £
Other costs	29,046	103,995
Maintenance of premises and equipment	134,911	221,577
Rent and rates	24,518	26,295
Heat and light	29,939	28,941
Insurance	55,186	66,755
Security and transport	13,747	16,558
Catering	30,289	49,083
Technology costs	57,611	81,702
Office overheads	34,566	49,581
Legal and professional	46,067	82,194
Bank interest and charges	1,429	1,365
Wages and salaries	170,525	234,923
National insurance	5,757	1,319
Pension cost	31,052	33,660
	664,643	997,948

CORSHAM PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

8. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	17 months ended 31 August 2012 £
Auditors' remuneration	-	6,180	6,180	6,000
Auditors' non audit costs	-	1,830	1,830	1,750
Legal and Professional	-	3,373	3,373	13,575
	<u>-</u>	<u>11,383</u>	<u>11,383</u>	<u>21,325</u>

9. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	31 August 2013 £	17 months ended 31 August 2012 £
Depreciation of tangible fixed assets		
- owned by the charity	111,163	134,601
Auditors' remuneration	6,180	6,000
Auditors' remuneration - non-audit	1,830	1,750
	<u>119,173</u>	<u>142,351</u>

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

10. STAFF COSTS

	31 August 2013	17 months ended 31 August 2012
	£	£
Wages and salaries	1,680,098	2,167,707
Social security costs	105,959	95,070
Pension costs	248,339	292,343
	<u>2,034,396</u>	<u>2,555,120</u>

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

	31 August 2013	17 months ended 31 August 2012
	No.	No.
Teachers	30	27
Administration and Support	28	28
Management	4	3
	<u>62</u>	<u>58</u>

The number of employees whose annualised emoluments fell within the following bands was

	31 August 2013	17 months ended 31 August 2012
	No.	No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	0	1
	<u>2</u>	<u>4</u>

The above employees participated in the Teachers' Pension Scheme Pension contributions during the year for these staff members amounted to £18,652 (2012 17 months £43,869)

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

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 1 Trustee (2012 1) in respect of defined benefit pension schemes

The Executive Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Head Teacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands: F Allen £70,000 - £75,000 (2012 £95,000 - £100,000), pension £10,000 - £15,000 (2012 £10,000 - £15,000) G Cooke £60,000 - £65,000, pension £5,000 - £10,000 A Welch £50,000 - £55,000, pension £5,000 - £10,000 S Book £40,000 - £45,000, pension £5,000 - £10,000 N Ryan £25,000 - £30,000, pension £nil - £5,000 R Collard £5,000 - £10,000, pension £nil - £5,000 J Stanley £5,000 - £10,000

During the year, no Trustees received any reimbursement of expenses (2012 £NIL)

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees 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 and the cost for the year ended 31 August 2013 was £2,443 (2012 £2,394)

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

13. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2012	5,212,690	81,949	86,642	5,381,281
Additions	1,395,773	13,103	67,511	1,476,387
At 31 August 2013	6,608,463	95,052	154,153	6,857,668
DEPRECIATION				
At 1 September 2012	89,959	14,850	28,643	133,452
Charge for the year	70,463	12,733	27,967	111,163
At 31 August 2013	160,422	27,583	56,610	244,615
NET BOOK VALUE				
At 31 August 2013	6,448,041	67,469	97,543	6,613,053
At 31 August 2012	5,122,731	67,099	57,999	5,247,829

CORSHAM PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

14. DEBTORS

	2013	2012
	£	£
Trade debtors	43,061	1,114,112
Other debtors	96,500	33,791
Prepayments and accrued income	103,554	62,013
	<u>243,115</u>	<u>1,209,916</u>

15. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade creditors	87,034	44,775
Other taxation and social security	29,389	27,326
Other creditors	29	109
Accruals and deferred income	89,655	15,741
	<u>206,107</u>	<u>87,951</u>

DEFERRED INCOME

	£
Deferred income at 1 September 2012	6,731
Resources deferred during the year	12,237
Amounts released from previous years	(6,731)
Deferred income at 31 August 2013	<u>12,237</u>

CORSHAM PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	84,871	87,674	(131,482)	(1,486)	-	39,577
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	2,342,196	(2,159,825)	(182,371)	-	-
Other EFA Grants	-	6,576	(6,576)	-	-	-
Free School Meals	-	18,329	(18,329)	-	-	-
Special needs funding	-	61,292	(61,292)	-	-	-
Other LA Funding	-	15,963	(15,963)	-	-	-
Strategic Growth Fund	-	82,000	(83,486)	1,486	-	-
NLE Deployment Fund	-	15,000	(15,000)	-	-	-
NLE Bursary	-	12,000	(12,000)	-	-	-
GITEP Graduate Teacher Funding	-	38,913	(38,913)	-	-	-
Pupil Premium	12,192	101,664	(113,856)	-	-	-
Donations	4,419	29,760	(34,179)	-	-	-
Extended Services Grant	38,762	-	(37,500)	-	-	1,262
Pension reserve	(229,000)	-	(32,000)	-	13,000	(248,000)
	(173,627)	2,723,693	(2,628,919)	(180,885)	13,000	(246,738)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	5,153,883	-	(87,182)	-	-	5,066,701
DfE/EFA Capital grants	16,494	10,772	(5,496)	-	-	21,770
Capital Maintenance Fund	1,343,422	-	(9,596)	-	-	1,333,826
Capital expenditure from GAG	17,274	-	(8,889)	182,371	-	190,756
	6,531,073	10,772	(111,163)	182,371	-	6,613,053
Total restricted funds	6,357,446	2,734,465	(2,740,082)	1,486	13,000	6,366,315
Total of funds	6,442,317	2,822,139	(2,871,564)	-	13,000	6,405,892

**CORSHAM PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

16. STATEMENT OF FUNDS (continued)

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the school

Other EFA Grants represent funding from the EFA for specific purposes

Free School Meals represents income from the Local Authority to provide meals to less well off students

Special Educational Needs (SEN) funding is received from the EFA to cater for pupils with learning difficulties and other disabilities

Other LA funding represents funding received from the Local Authority for specific purposes

Strategic Growth Fund represents funding from the EFA to provide support to other school looking to convert to academies

NLE Deployment funding is received from the EFA to support the development of teachers

NLE Bursary funding is received from the EFA to support the development of teachers

GITEP Graduate Teacher funding represents funding from GITEP in relation to the development of graduate teachers

Pupil premium represents funding received from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reached the pupils who need it most

Donations represents amounts received from various donors to be used for specific purposes

Extended Services Grant funding is received from the Local Authority in order to fund the extension of the services which the school provides further into the local community

Pension reserve represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years

FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the buildings and equipment donated to the school from the Local Authority on conversion to an Academy

DfE/EFA Capital grants represent devolved capital funding for the period

Capital Maintenance Fund Grant is received from the EFA to be spent on specific building projects

Capital Expenditure from GAG represents capital purchases made from the General Annual Grant

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

CORSHAM PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

16. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	84,871	87,674	(131,482)	(1,486)	-	39,577
Restricted funds	(173,627)	2,723,693	(2,628,919)	(180,885)	13,000	(246,738)
Restricted fixed asset funds	6,531,073	10,772	(111,163)	182,371	-	6,613,053
	<u>6,442,317</u>	<u>2,822,139</u>	<u>(2,871,564)</u>	<u>-</u>	<u>13,000</u>	<u>6,405,892</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	17 months ended 31 August 2012 £
Tangible fixed assets	-	-	6,613,053	6,613,053	5,247,829
Current assets	39,577	143,918	63,451	246,946	1,511,439
Creditors due within one year	-	(142,656)	(63,451)	(206,107)	(87,951)
Defined benefit pension liability	-	(248,000)	-	(248,000)	(229,000)
	<u>39,577</u>	<u>(246,738)</u>	<u>6,613,053</u>	<u>6,405,892</u>	<u>6,442,317</u>

CORSHAM PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August 2013 £	17 months ended 31 August 2012 £
Net (outgoing)/incoming resources before revaluations	(49,425)	6,539,317
Net assets transferred on conversion	-	(5,190,133)
Depreciation of tangible fixed assets	111,163	133,452
Capital grants from DfE	-	(1,363,988)
Decrease/(increase) in debtors	966,801	(1,209,916)
Increase in creditors	118,156	87,951
Increase in provisions	19,000	332,000
Defined benefit pension scheme adjustments	13,000	(318,000)
NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS	<u>1,178,695</u>	<u>(989,317)</u>
	31 August 2013 £	17 months ended 31 August 2012 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(1,476,387)	(100,451)
Capital grants from DfE	-	1,363,988
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE	<u>(1,476,387)</u>	<u>1,263,537</u>

19. 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 £1 for the debts and liabilities contracted before he/she ceases to be a member

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

20. 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 Wiltshire Council 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 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 year

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 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

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20. PENSION COMMITMENTS (continued)

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 year ended 31 August 2013 was £91,000, of which employer's contributions totalled £67,000 and employees' contributions totalled £24,000. The agreed contribution rates for future years are 16.4% for employers and 5.5-7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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

20. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance Sheet are as follows

	31 August 2013	17 months ended 31 August 2012
	£	£
Present value of funded obligations	(735,000)	(574,000)
Fair value of scheme assets	487,000	345,000
	<hr/>	<hr/>
Net liability	(248,000)	(229,000)
	<hr/>	<hr/>

The amounts recognised in the Statement of Financial Activities are as follows

	31 August 2013	17 months ended 31 August 2012
	£	£
Current service cost	(92,000)	(99,000)
Interest on obligation	(26,000)	(32,000)
Expected return on scheme assets	19,000	27,000
	<hr/>	<hr/>
Total	(99,000)	(104,000)
	<hr/>	<hr/>

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

	31 August 2013	17 months ended 31 August 2012
	£	£
Opening defined benefit obligation	574,000	-
Current service cost	92,000	99,000
Interest cost	26,000	32,000
Contributions by scheme participants	24,000	32,000
Actuarial Losses	20,000	71,000
Benefits paid	(1,000)	3,000
Liability transferred on conversion	-	337,000
	<hr/>	<hr/>
Closing defined benefit obligation	735,000	574,000
	<hr/>	<hr/>

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

20. PENSION COMMITMENTS (continued)

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

	31 August 2013	17 months ended 31 August 2012
	£	£
Opening fair value of scheme assets	345,000	-
Expected return on assets	19,000	27,000
Actuarial gains and (losses)	33,000	(26,000)
Contributions by employer	67,000	90,000
Contributions by employees	24,000	32,000
Benefits paid	(1,000)	3,000
Asset transferred on conversion	-	219,000
	487,000	345,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £84,000 (2012 £97,000)

The Academy expects to contribute £69,000 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	2012
Equities	72.00 %	67 00 %
Bonds	15.00 %	19 00 %
Property	10 00 %	11 00 %
Cash	3.00 %	3 00 %

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4 10 %
Expected return on scheme assets at 31 August	5.90 %	4 80 %
Rate of increase in salaries	5 10 %	4 50 %
Rate of increase for pensions in payment / inflation	2.80 %	2 20 %

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

	2013	2012
Retiring today		
Males	21.3	21 3
Females	23.6	23 6
Retiring in 20 years		
Males	23.3	24 9
Females	25.5	25 5

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

Experience adjustments for the current period are as follows

	2013 £	2012 £
Defined benefit obligation	(735,000)	(574,000)
Scheme assets	487,000	345,000
Deficit	<u>(248,000)</u>	<u>(229,000)</u>
Experience adjustments on scheme liabilities	(20,000)	(71,000)
Experience adjustments on scheme assets	<u>33,000</u>	<u>(26,000)</u>

21. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board being drawn from the local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the Board may have 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.

During the period the Academy received income of £11,947 (2012 £17,042) from Pickwick Learning Limited, a company which has 100% of its share capital held by the Executive Head Teacher on behalf of the Academy. At the period end £9,075 (2012 £17,042) was unpaid and due to the Academy.

22. CONTROLLING PARTY

The Academy is under the joint control of the Trustees. There is no ultimate controlling party.