

# Moulsham High School

(A company limited by guarantee)

## ANNUAL REPORT AND FINANCIAL STATEMENTS

For the period ended  
31 August 2012

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COMPANIES HOUSE

Company registration number  
07663795 (England and Wales)

# Moulsham High School

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# Moulsham High School

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

Mr I Bentley*	(Appointed on 1 July 2011)
Mr S Bennett *	
Mrs S Chivers**	(Appointed on 1 July 2011)
Mr N Cook* (Chair 01/07/11 – 10/07/12)	(Resigned on 17 July 2012)
Mrs S Dalton	(Appointed on 1 July 2011 & resigned on 31 January 2012)
Mrs N Dunn*	(Appointed on 1 December 2011)
Mr M Farmer*	(Appointed on 1 July 2011)
Mr D Gullick*	(Appointed on 1 July 2011)
Mr P Kennedy	(Appointed on 1 July 2011)
Mr C Kirkby**	(Appointed on 1 July 2011)
Mrs A Lane (Forster)	(Appointed on 30 November 2011)
Rev P Magee	(Appointed on 1 July 2011 & resigned on 31 January 2012)
Mr L Medici	
Mr S Moore*	(Appointed on 1 July 2011)
Ms. L Newberry	(Appointed on 1 July 2011 & resigned on 21 September 2011)
Dr R Orton (Chair 10/07/12 – 31/08/12)**	
Mrs T Price	(Appointed on 1 July 2011)
Mrs K Salmons**	(Appointed on 1 July 2011)
Rev C Smith*	
Mr. J Stephens	(Appointed on 30 November 2011)
Mr P Wyatt*	(Appointed on 1 July 2011)
Ms A Forster	(Appointed on 1 July 2011 & resigned on 12 November 2011)

\* Member of the Finance & Corporate Risk & Estates Committee

\*\* Member of the Audit & Risk Committee

All of the above Governors were appointed on conversion unless otherwise stated

### Company secretary

Mrs W Simmonds 01/07/11 – 31/12/11  
Mr S Marshall 01/01/12 – 10/07/12  
Ms J Mead 11/07/12 to present

### Senior Management Team

Headteacher	Mr M Farmer
Deputy Headteacher	Ms J Mead
Deputy Headteacher	Mrs A Finnegan
Deputy Headteacher	Mr A Mugford
Business Manager	Mrs L Williams
Assistant Headteacher	Mr A Longstaff
Assistant Headteacher	Vacancy

# Moulsham High School

## REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

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Principal and Registered Office	Moulsham High School Brian Close Chelmsford Essex CM2 9ES
Company Registration Number	07663795
Independent Auditor	Baker Tilly UK Audit LLP Marlborough House Victoria Road South Chelmsford Essex CM1 1LN
Bankers	Barclays 41 High Street Chelmsford CM1 1BE
Solicitors	Winkworth Sherwood Minerva House 5 Montague Close London SE1 9BB

# Moulsham High School

## GOVERNORS' REPORT

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The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2012

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### CONSTITUTION

The Academy Trust was incorporated on 9th June 2011, opened as an Academy on 1st July 2011 and is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as the Trustees for the charitable activities of Moulsham High School and are also the directors of the Charitable Company for the purposes of company law.

Details of the Governors who served throughout the period, except as noted, are included in the Reference and Administration Details on page 1.

#### MEMBERS' LIABILITY

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

#### GOVERNORS' INDEMNITIES

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors, which by virtue of any rule of law would otherwise attach to them. In respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the Academy Trust. The limit of this indemnity is £2,000,000.

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

#### PRINCIPAL ACTIVITIES

The Academy Trust's principal activities are

- To advance education for the public benefit by establishing, maintaining, continuing, managing and developing a secondary school offering a broad and balanced curriculum
- To provide free education for students of mixed abilities between the ages of 11 and 18 with an emphasis on English and the Humanities

# Moulsham High School

## GOVERNORS' REPORT (CONTINUED)

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### GOVERNORS

#### METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

On 1st July 2011 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. 5 Governors are members of the Academy trust which are:

Chair of the Governing Body – Mr N Cook (1st July 2011-17th July 2012) Dr R Orton (10th July 2012 to date)  
Chair of the Finance and Corporate Risk & Estates Committee – Mr S Bennett  
Chair of the Curriculum Committee – Mr L Medici  
Chair of the Personnel Committee – Dr R Orton  
Chair of the Student Committee – Rev C Smith

The Academy is aware that the Articles of Association refer to the Curriculum Committee and in the Terms of Reference this is known as The Curriculum and Learning Resources Committee (Articles to be amended)

The Governing Body, which includes the members detailed above, shall have the following Governors as set out in its Articles of Association and funding agreement:

- Up to 7 Parent Governors elected by [Parents of registered students at the Academy]
- Up to 3 staff Governors appointed by [Governing Body]
- Up to 9 Community Governors appointed by [the Governing Body]
- The Headteacher who is treated for all purposes as being an ex officio Governor

The Governors 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.

Governors are appointed for a four-year period, with the exception the Headteacher who will remain a Governor whilst in post. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

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

#### POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The Academy has a Governor Recruitment, Induction and Training policy available from the Clerk to the Governors.

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

#### ORGANISATIONAL STRUCTURE

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

# Moulsham High School

## GOVERNORS' REPORT (CONTINUED)

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### ORGANISATIONAL STRUCTURE (CONTINUED)

There are 10 formally delegated committees

- Finance & Corporate Risk & Estates Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management and reporting, compliance with reporting and regulatory requirements, and drafting the annual budget including setting staffing levels. Since the introduction of the Audit & Risk committee the Governing Body have been trialling a reorganisation. The responsibility for Risk has been delegated to Audit & Risk and this committee has been renamed as Finance & Premises
- Curriculum & Learning Resources Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues
- Admissions Committee - this meets twice a year to deal with all matters relating to admissions
- Audit & Risk Committee - meets once a term to monitor the financial and risk management activities of the Academy including receiving reports from the Responsible Officer and reviewing the Academy Trust's Annual Report
- Personnel Committee - meets once per term to assist the Headteacher in the appointment of staff, be responsible for the appointment of the Headteacher and Deputy Headteachers. To review all personnel related policies and procedures including performance management and absence management
- Student Committee - meets once per term to advise on organisation of the school and curriculum, issues relating to student welfare, issues raised by Parent Council, school behaviour and anti-bullying policies, charity and community work
- Student Disciplinary Committee - meets as required
- Chairs Committee (which consists of the 5 Academy Members) - meets termly and deals with items that would traditionally be dealt under Chairs Action
- Headteachers Pay Review Group - to undertake the performance management process for the Headteacher and determine the salary accordingly and to determine the pay progression for all other members of the Senior Leadership Team
- Staff Pay Appeals Committee - meets as required to determine formal appeals against pay decisions

The following decisions are reserved to the Board of Governors to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Governors, to approve the School Improvement Plan and budget

The Trustees/Board of Governors have devolved responsibility for day-to-day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteachers, Assistant Headteachers and the Business Manager. The SLT implements the policies laid down by the Governors and reports back to them on performance.

The Headteacher is the Accounting Officer

### RISK MANAGEMENT

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

# Moulsham High School

## GOVERNORS' REPORT (CONTINUED)

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### RISK MANAGEMENT (CONTINUED)

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control

The Academy's formal risk management process involves identifying all material risks the Academy faces, scoring and prioritising such risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. The results of this assessment process are codified in a Risk Register which is reviewed, updated and monitored on a regular basis.

### CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy is a member of the Moulsham Partnership which includes Moulsham, Mildmay and Oaklands Infant Schools and Moulsham and Mildmay Junior Schools.

### OBJECTIVES AND ACTIVITIES

#### OBJECTIVES AND AIMS

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, continuing, managing and developing a school, offering a broad range of curriculum for students of mixed abilities, with a strong emphasis on achievement for all.

- To continue to raise the standard of educational attainment and achievement of all students
- To provide a broad and balanced curriculum, including extra-curricular activities
- To develop students as more effective learners
- To enhance the tertiary provision and outcomes
- To develop the Academy site so that it enables students to achieve their full potential
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To maximise the number of students who achieve 5 A\* - C GCSE grades including English and Maths
- To provide value for money for the funds expended
- To develop greater coherence, clarity and effectiveness in school systems
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with industry and commerce
- To develop the Academy's capacity to manage change
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Moulsham High School aims to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.



# Moulsham High School

## GOVERNORS' REPORT (CONTINUED)

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### OBJECTIVES, STRATEGIES AND ACTIVITIES

The Major Strategic Aims for Moulsham High School are

- **Teaching & Learning** For the main drive and focus within the school to be on Teaching and Learning
- **Resources** To ensure that all resources (Human & Physical) are used and deployed effectively and efficiently linked to the school priorities.
- **Achievement** All outcomes for learners to be the best they can. This is compared against all benchmarks, national standards and local schools. All learners to make at least the expected progress from KS2-4 and KS4-5 (ie, 3 levels from KS2-4)
- **Provision** We have a curriculum that is appropriate for the 21st century, ensuring all can access and succeed. This will equip all learners for life beyond school and the world of work. Our care and safety is outstanding for all.
- **Quality Assurance** To ensure that structures and accountability are fully in place so that we can quality assure all aspects of school life. The basis of this is targets, tracking, intervention, and monitoring/checking, with the child at the centre.

The School Improvement Plan strategic aims and areas for improvement for the period up until 31st of August 2012 included

- Improve communication to parents/guardians – improvements were made to the website and parental emails and texts are working well giving up-to-date information re school closures etc. Further developments to on-line reporting needed.
- Raise the quality of teaching with improved lesson monitoring and the development of a twelve-week mentoring programme to help improve teaching and learning.
- Ensure at least 85% of all students make the expected levels of progress throughout the various key stages.
- Carry out a full curriculum review and plan for its implementation from September 2012 so that there are distinct curriculum pathways at KS3, KS4 and KS5 which allow all students to succeed, provide them with clear progression routes and take into consideration national developments in education.
- Implement rigorous tracking systems (pastoral and curriculum) that trigger effective intervention strategies throughout the school for all students identified as making less than expected progress.
- Review, and if necessary restructure, the non-teaching staff structure, in line with changes to operational need.
- Respond to staff feedback and the curriculum review, to review, and if necessary restructure, the TLR model within the school.

### PUBLIC BENEFIT

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in South Chelmsford and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development schools, offering a broad curriculum with a strong emphasis on, but in no way limited to the specialism of English and Humanities.

## ACHIEVEMENTS AND PERFORMANCE

### GCSE RESULTS

There were 266 students (135 boys, 131 girls) in Year 11, all of which were in the 15-16 year age group 257 students were entered for eight Full Course and three Short Course GCSEs 4 students were not entered for any courses

Performance Indicator	Target 2012	Actual 2012	2011	2010
%5 A*-C, including maths and English	63%	61%	59%	58%
% 5A*-C	75%	71 10%	79%	76%
3 Levels of progress in English	82%	77%	76%	86%
3 Levels of progress in Maths	69%	75%	76%	57%
% Achieving 2 A*-C in science	68%	77%	-	-
% A/A*	26%	20 90%	-	-
% Achieving A*-C in a language	34%	18%	-	-

Although these results do not represent any cause of concern for the school, they are still short of the school's aspirations and reinforce the importance of 2012-13's School Improvement Priorities, particularly those addressing progress, attainment, the quality of teaching and learning and curriculum provision While it is true that some subjects such as English Language were affected by the change in the grade boundaries, there are still lower than acceptable results in subjects such as Food Technology, Product Design, ICT and Child Development Drama, Science, History, Media Studies and English Literature have seen significant improvements with 3 Drama students achieving A\* in the subject for the first time

### AS and A2 RESULTS

There were 122 students in Year 12 (76 girls and 46 boys) There were 104 students in Year 13 this year (51 boys and 53 girls)

During the two years of study the students took 398 A Levels and 93 AS Levels

#### Overall Performance

- 38 4% of all grades at A level were A\*-B in comparison with 41% in 2011 At AS level this figure was 27% (2011 30 4%) Both figures are low and below the national average of 40% Increasing the % A\*-B grades to be at least in line with national average is one of 2012-13's School Improvement Priorities
- 98% of all grades at A level were A\*-E in comparison with 99 2 in 2011 98% is in line with the national average
- 84% of all grades at AS level were A\*-E in comparison with 89 3 in 2011 This is disappointingly low

At A Level 98 % of the grades were passes (A to E) 78% of students gained a grade A – C and 38% gained an A\*-B grade Graphics, Economics, French, German and Maths significantly improved their performances at A\* - B in 2012 Biology, Fine Art, Media and RE continued to deliver strong performances ICT and Physics are still subjects causing concern

# Moulsham High School

## GOVERNORS' REPORT (CONTINUED)

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### AS and A2 RESULTS (CONTINUED)

The entry requirements for the Sixth Form changed in September 2012. There are now three pathways. Pathways 1 and 2 require 42 points from students' top 8 GCSEs and a B grade in the subject they wish to study at A level. Pathway 3 is 38 – 41 points and a combination of A levels and BTEC courses can be studied. This should ensure the students start their A level studies with a sound grasp of the subject.

The Governors recognise the need for further improvement. The School Improvement Plan continues its emphasis on teaching and learning through improvements to the curriculum, staff coaching programmes, student tracking and improved pastoral care.

### EXTRA - CURRICULAR

Moulsham High School provides its students with other opportunities. The PE department manages football, rugby, netball, athletics and cross country clubs, entering them into county and national competitions where possible. Last year's girl's football team is the current district champions.

The Duke of Edinburgh Award from Bronze through to Gold is open to all students. The Bronze expedition began on the Isle of Wight, Silver continued in the Peak District and the Gold ended with a four day hike in Slovenia.

The staff at Moulsham High School are committed to providing the students with a fully rounded education with trips enhancing the classroom learning. Trips and visits this year included Austria skiing, New York, the battlefields in France, biology field centre in Dorking, Sheffield, and many more.

The Drama/Music departments produced Guys and Dolls, the Summer Concert, a concert in celebration of the 150th Anniversary of St Mary's Church, Widford and the Christmas Carol Concert at the Cathedral. The school is fortunate to have an orchestra to support the school performances.

### GOING CONCERN

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

### KEY FINANCIAL PERFORMANCE INDICATORS

The following Key Financial Indicators were approved by the Finance and Premises Committee and are reported on a quarterly basis.

### STAFFING

Governors felt that an upper limit of 75% for all staff against all income and 60% of teaching staff against GAG income would be appropriate and 'investing in quality staff' was essential to raise student performance and improve standards. The aim is to attract experienced teachers to the school. These indicators are there as a trigger to ensure that if the threshold was to be passed that there was a sound justification for any increases in staffing costs.

### PAYROLL/TOTAL INCOME

(TOTAL PAYROLL (INCLUDING FRS17)/TOTAL RESTRICTED INCOME (EXCL CAPITAL))

MIN	MAX	P3	P6	P9	P12
68%	75%	-	-	71.91%	72.58%

# Moulsham High School

## GOVERNORS' REPORT (CONTINUED)

### TEACHING STAFF/GAG (1001R+1023R/6003R)

MIN	MAX	P3	P6	P9	P12
55%	60%	-	57.44%	57.18%	58.68%

### PREMISES & CAPITATION

Governors wanted to ensure that we invested enough funding into the repairs, maintenance and upkeep as well as monitoring the occupancy costs associated with a large campus. They also wanted to ensure that departments had appropriate maintenance funding within the curriculum (Development budgets not included within these indicators). The minimum and maximum thresholds have been set using a benchmark of similar schools in the area and will be carefully monitored in the next financial year to ensure they are realistic.

### PREMISES COSTS/GAG (2002R TO 2156R-2013R/6003R)

MIN	MAX	P3	P6	P9	P12
6%	7%	-	6.80%	6.06%	6.91%

### CAPITATION/GAG (TOTAL CAPITATION/GAG INCOME)

MIN	MAX	P3	P6	P9	P12
1.25%	1.5%	-	1.37%	1.45%	1.29%

### INCOME, MARGINS & CASHFLOW

Governors wanted to monitor the range of income streams the school received and target increased income through lettings and improve income generation. The margins are monitored to ensure that any surplus is within the EFA published guidelines and income is invested appropriately for students currently in education. Cash days are also an indicator to ensure adequate cash flow and trigger discussions re longer term investments.

### DIVERSITY OF INCOME (TOTAL INCOME LESS EFA GRANTS (rev and cap)/TOTAL INCOME (EXCL CAPITAL))

MIN	MAX	P3	P6	P9	P12
7%	NO MAX	-	-	7.56%	7.48%

### MARGIN (SURPLUS AS A PERCENTAGE OF GAG) (SURPLUS FOR THE YEAR /TOTAL INCOME (EXCL CAPITAL))

MIN	MAX	P3	P6	P9	P12
1.5%	3%	-	-	6.09%	10.29%

\*if £440,000 capital investment is removed surplus would be 4.42%

### CASH DAYS IN HAND (CASH AND CASH EQUIVALENTS X 365/TOTAL INCOME)

MIN	MAX	P3	P6	P9	P12
30 days	60 days	-	-	89 days	52 days

# Moulsham High School

## GOVERNORS' REPORT (CONTINUED)

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### FINANCIAL REVIEW

#### FINANCIAL PERFORMANCE

Moulsham High School generates most of its funding from the Education Funding Agency through the General Annual Grant (GAG) and Local Authority Central Spending Equivalent Grant (LACSEG). Special Educational Needs (SEN) is still allocated through the Local Authority.

The school has been successful in securing capital bids from both the EFA for security, improvement to the student toilets and CCTV and the Local Authority for lift access for a disabled student.

#### FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Governors examine the Academy's financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular reports at all Full Governing Body' and Finance and Premises Committee meetings. The Governors ensure sufficient funds are held to cover all known current and anticipated future commitments.

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.

#### FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Academy are

**Financial** - the principal financial risk is that the Academy's assets are not managed and controlled in accordance with accepted financial regulations. Governors considered the risk to the Academy is low with robust financial controls in place, a Finance & Premises Committee monitoring key financial indicators and an Audit & Risk Committee monitoring internal controls & financial practices. Trusted professionals are in place to provide continuous advice and guidance.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that through a structure of training and monitoring using both internal and external agencies these risks are mitigated.

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

# Moulsham High School

## GOVERNORS' REPORT (CONTINUED)

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### PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

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

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

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out independent 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 risk management process and ensuring staff awareness. A risk register is reviewed, updated and monitored on a regular basis

### INVESTMENT POLICY

The Academy's aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The school does not consider the investment of surplus funds as a primary activity, rather it is the result of good financial management as and when circumstances allow

All funds surplus to immediate requirements are invested to optimal effect. On a daily basis this is achieved by automatic transfer of surplus funds to overnight deposit. The Governing Body is producing an investment policy to ensure funds which the school do not immediately need to cover anticipated expenditure are invested in such a way to maximise the school's income but with minimum risk

### PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its students 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

Following the notification of a successful capital funding bid for a new security system the Governors will ensure Moulsham High Schools' assets are protected fully

Full details of our plans for the future are given in our Academy Development Plan, which is available from the Clerk to the Governors

### RESERVES POLICY

The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The Governors intend to review the reserves policy annually to ensure that this aim can be achieved

At the balance sheet date, the charitable company had free reserves of £287,821

The Governors intend to utilise these reserves in the near future to enhance the education of students

# Moulsham High School

## GOVERNORS' REPORT (CONTINUED)

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### FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

### AUDITORS

The auditors, Baker Tilly UK Audit LLP, were appointed as auditors to the company during the year, and have indicated their willingness to continue in office

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

Approved by order of the Governing Board at its meeting on 13 December 2012 and signed on its behalf by



Dr Richard Orton  
Chair of Governors

# Moulsham High School

## GOVERNANCE STATEMENT

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### SCOPE OF RESPONSIBILITY

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

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

### GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body, either as a committee or the full board, has formally met 24 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

GOVERNOR	MEETINGS ATTENDED	OUT OF POSSIBLE
Mr S Bennett	11	12
Mr I Bentley	9	12
Mrs S Chivers	10	12
Mr N Cook	15	18
Mrs S Dalton	1	6
Mrs N Dunn	11	12
Mr M Farmer	23	24
Mrs A Forster	2	4
Mr D Gullick	9	12
Mr P Kennedy	11	12
Mr C Kirkby	11	12
Mrs A Lane	7	8
Rev P Magee	2	4
Mr L Medici	11	11
Mr S Moore	12	15
Ms L Newberry	-	1
Ms S Nichols	-	1
Dr R Orton	11	12
Mrs T Price	14	15
Mrs K Salmons	11	12
Rev C Smith	14	15
Mr J Stephens	4	6
Mr P Wyatt	10	12

Mr Nicholas Cook resigned as Chair of Governors on the 14th July 2012. Dr Richard Orton agreed to be acting chair for one term until a replacement was found. Subsequently Dr Orton has been elected as Chair of Governors on a permanent basis.



# Moulsham High School

## GOVERNANCE STATEMENT (CONTINUED)

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### GOVERNANCE (CONTINUED)

The Finance and Corporate Risk & Estates Committee is a sub-committee of the main Governing Body. Its purpose is to challenge all financial aspects of the school, approve expenditure as delegated through the Financial Regulations and ensure maintenance of the Estate and monitor compliance to all Health & Safety regulations.

GOVERNOR	MEETINGS ATTENDED	OUT OF POSSIBLE
Mr Bennett (Chair)	3	3
Mr Bentley	3	3
Mrs Dunn	2	2
Mr Farmer	3	3
Mr Gullick	2	3
Mr Kennedy	3	3
Mr Moore	3	3
Mr Wyatt	3	3

### THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Moulsham High School for the period ended 31st August 2012 and up to the date of approval of the annual report and financial statements.

### CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties;
- identification and management of risks
- independent Audit and Risk committee monitoring both financial and non-financial risks

# Moulsham High School

## GOVERNANCE STATEMENT (CONTINUED)

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### THE RISK AND CONTROL FRAMEWORK (CONTINUED)

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Baker Tilly to carry out all the Responsible Officer (RO) responsibilities and reports to the Audit & Risk Committee termly. The RO's role includes giving advice on financial matters and performing a range of independent checks on the Academy Trust's financial systems.

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.

### REVIEW OF EFFECTIVENESS

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

- The work of the Responsible Officer,
- The work of the external auditor,
- The financial management and governance self-assessment process,
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework, and
- The monitoring of the Risk Register

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

Approved by order of the members of the Governing Body on 13 December 2012 and signed on its behalf by



Dr Richard Orton  
Chair of Governors



Mr M Farmer  
Accounting Officer

# Moulsham High School

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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As Accounting Officer of Moulsham High School Academy Trust I have considered my responsibility to notify the academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date except for one ex gratia payment in the period for £4,500 which was made to a member of staff without prior consent of the Secretary of State as required under the Funding Agreement. Retrospective consent for this payment is being sought.



Mr M Farmer  
Accounting Officer

# Moulsham High School

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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The Governors (who act as trustees for charitable activities of Moulsham High School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

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

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

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

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

Approved by order of the members of the Governing Body on 13 December 2012 and signed on its behalf by



Dr Richard Orton

Chair of Governors

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOULSHAM HIGH SCHOOL**

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We have audited the financial statements of Moulsham High School for the period ended 31 August 2012 on pages 21 to 44. 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 2011/12 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **RESPECTIVE RESPONSIBILITIES OF GOVERNORS' AND AUDITORS**

As explained more fully in the Statement of Governors' Responsibilities set out on page 17, the Governors (who act as trustees for the charitable activities of the company, and are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

## **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## **OPINION ON THE FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

## **OPINION ON OTHER REQUIREMENT OF THE COMPANIES ACT 2006**

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOULSHAM HIGH SCHOOL (CONTINUED)

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## 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

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

*Baker Tilly UK Audit LLP*

HANNAH CATCHPOOL (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Marlborough House

Victoria Road South

Chelmsford

Essex

CM1 1LN

*14 January 2013*

# Moulsham High School

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

For the period ended 31 August 2012

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Voluntary income	2	336,352	100	-	336,452
Voluntary income - transfer from local authority on conversion	25	184,627	(1,657,000)	9,781,530	8,309,157
Activities for generating funds	3	152,331	-	-	152,331
Investment income	4	2,163	-	-	2,163
Income from charitable activities					
Funding for the Academy's educational operations	5	-	9,576,235	13,140	9,589,375
<b>TOTAL INCOMING RESOURCES</b>		<b>675,473</b>	<b>7,919,335</b>	<b>9,794,670</b>	<b>18,389,478</b>
<b>RESOURCES EXPENDED</b>					
Cost of generating funds					
Costs of generating voluntary income	6	318,889	-	-	318,889
Costs of activities for generating funds	6	68,763	-	-	68,763
Charitable activities					
Academy's educational operations	7	-	9,042,105	303,599	9,345,704
Governance costs	8	-	44,834	-	44,834
Other resources expended - transfer from local authority on conversion					
<b>TOTAL RESOURCES EXPENDED</b>		<b>387,652</b>	<b>9,086,939</b>	<b>303,599</b>	<b>9,778,190</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>					
Gross transfers between funds	15	-	-	-	-
<b>NET INCOME/(EXPENDITURE) FOR THE PERIOD</b>		<b>287,821</b>	<b>(1,167,604)</b>	<b>9,491,071</b>	<b>8,611,288</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>					
Actuarial (losses)/gains on defined benefit pension schemes	15,23	-	(493,000)	-	(493,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>287,821</b>	<b>(1,660,604)</b>	<b>9,491,071</b>	<b>8,118,288</b>

# Moulsham High School

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) (CONTINUED)

For the period ended 31 August 2012

		Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
	<i>Notes</i>				
NET MOVEMENT IN FUNDS		287,821	(1,660,604)	9,491,071	8,118,288
RECONCILIATION OF FUNDS					
Total funds brought forward at 9 June 2011		-	-	-	-
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2012	16	287,821	(1,660,604)	9,491,071	8,118,288

All of the Academy Trust's activities derive from continuing operations during the above financial period

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



# Moulsham High School

## BALANCE SHEET

As at 31 August 2012

	Notes	2012 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	12		9,477,931
<b>CURRENT ASSETS</b>			
Debtors	13	730,422	
Cash at bank and in hand		601,940	
		<u>1,332,362</u>	
<b>CREDITORS</b> Amounts falling due within one period	14	<u>(434,005)</u>	
<b>NET CURRENT ASSETS</b>			<u>898,357</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>10,376,288</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u>10,376,288</u>
Pension Scheme Liability	23		<u>(2,258,000)</u>
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u>8,118,288</u>
<b>THE FUNDS OF THE ACADEMY TRUST</b>			
<b>RESTRICTED FUNDS</b>			
Fixed asset fund	15		9,491,071
General fund	15		597,396
			<u>10,088,467</u>
Restricted funds excluding pension reserve			
Pension reserve	15		<u>(2,258,000)</u>
<b>TOTAL RESTRICTED FUNDS</b>			<u>7,830,467</u>
<b>TOTAL UNRESTRICTED FUNDS</b>	15		<u>287,821</u>
<b>TOTAL FUNDS</b>			<u>8,118,288</u>

The financial statements on pages 21 to 44 were approved by the Governors and authorised for issue on 13 December 2012 and are signed on their behalf by



Mr M Farmer

# Moulsham High School

## CASH FLOW STATEMENT

For the period ended 31 August 2012

	<i>Notes</i>	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	402,010
Returns on investments and servicing of finance	19	2,163
Capital expenditure	20	13,140
Cash transferred on conversion to an academy trust	19A	184,627
INCREASE IN CASH IN THE PERIOD	21	<u>601,940</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		
NET FUNDS AT 9 JUNE 2011		-
Increase in cash in the period		<u>601,940</u>
NET FUNDS AT 31 AUGUST 2012		<u>601,940</u>

# Moulsham High School

## ACCOUNTING POLICIES

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### BASIS OF PREPARATION

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

### GOING CONCERN

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

### INCOMING RESOURCES

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

### GRANTS RECEIVABLE

Fixed asset 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. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

### OTHER INCOME

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

### INTEREST RECEIVABLE

Interest receivable is included in the Statement of Financial Activities on a receivable basis and is stated inclusive of related tax credits.

### FUND ACCOUNTING

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

Restricted general funds are resources subject to specific restrictions imposed by funders or donors and include grants from the Education Funding Agency and the Department for Education.

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

# Moulsham High School

## ACCOUNTING POLICIES (CONTINUED)

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### 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 to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

### COSTS OF GENERATING FUNDS

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

### CHARITABLE ACTIVITIES

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

### GOVERNANCE COSTS

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

All resources expended are inclusive of irrecoverable VAT.

### TANGIBLE FIXED ASSETS

Tangible fixed assets costing £5,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

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

Long leasehold buildings	10 - 72 years straight line
Leasehold land	Over the life of the lease

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

### TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust 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.

# Moulsham High School

## ACCOUNTING POLICIES (CONTINUED)

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### LEASED ASSETS

Rentals under operating leases are charged on a straight-line basis over the lease term

### PENSION BENEFITS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

### CONVERSION TO AN ACADEMY TRUST

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

The assets and liabilities transferred on conversion from the maintained school Moulsham High School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Moulsham High School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in as a gift in the Statement of Financial Activities and analysed under unrestricted, restricted general and restricted fixed assets funds. Further details of the transaction are set out in note 25.

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 1 GENERAL ANNUAL GRANT (GAG)

	2012 £
a) Results and carry forward for the period	
GAG brought forward from previous period	-
GAG allocation for current period	8,811,191
<b>TOTAL GAG AVAILABLE TO SPEND</b>	<b>8,811,191</b>
Recurrent expenditure from GAG	(8,213,895)
Fixed assets purchased from GAG	-
<b>GAG CARRIED FORWARD TO NEXT PERIOD</b>	<b>597,296</b>
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	(1,057,343)
<b>GAG TO SURRENDER TO DfE</b> (12% rule breached if result is positive)	<b>(460,047)</b>
	no breach
b) Use of GAG brought forward from previous period for recurrent purposes (of the amount carried forward each period, a maximum of 2% of GAG can be used for recurrent purposes Any balance, up to a maximum of 12%, can only be used for capital purposes)	
Recurrent expenditure from GAG in current period	8,213,895
GAG allocation for current period	(8,811,191)
GAG allocation for previous period x 2%	-
GAG brought forward from previous period in excess of 2% used on recurrent expenditure in current period (2% rule breached if result is positive)	-
	no breach

### 2 VOLUNTARY INCOME

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
Trips income	305,452	-	-	305,452
Other donations	30,900	100	-	31,000
	<b>336,352</b>	<b>100</b>	<b>-</b>	<b>336,452</b>

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
Security costs income	12,472	-	-	12,472
Lettings income	44,410	-	-	44,410
Educational books income	13,053	-	-	13,053
Collections income	21,009	-	-	21,009
Reprographics income	17,512	-	-	17,512
Music income	16,070	-	-	16,070
Teacher training income	27,805	-	-	27,805
	<u>152,331</u>	<u>-</u>	<u>-</u>	<u>152,331</u>

### 4 INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Total 2012 £
Short term deposits	2,163	-	2,163
	<u>2,163</u>	<u>-</u>	<u>2,163</u>

### 5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
<b>DfE/EPA REVENUE GRANTS</b>				
General annual grant (GAG) (note 1)	-	8,811,191	-	8,811,191
Start up grants	-	25,000	-	25,000
Other DfE/EFA grants	-	275,078	13,140	288,218
	<u>-</u>	<u>9,111,269</u>	<u>13,140</u>	<u>9,124,409</u>
<b>OTHER GOVERNMENT GRANTS</b>				
School Standard Funds	-	-	-	-
Special educational projects	-	464,966	-	464,966
	<u>-</u>	<u>464,966</u>	<u>-</u>	<u>464,966</u>
	<u>-</u>	<u>9,576,235</u>	<u>13,140</u>	<u>9,589,375</u>

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 6 RESOURCES EXPENDED

	Staff costs	Non pay expenditure		Total
	£	Premises	Other costs	2012
	£	£	£	£
Costs of generating voluntary income	-	-	318,889	318,889
Costs of activities for generating funds	-	-	68,763	68,763
Academy's education operations				
Direct costs	5,968,738	-	468,392	6,437,130
Allocated support costs	852,688	1,405,223	650,663	2,908,574
	<u>6,821,426</u>	<u>1,405,223</u>	<u>1,506,707</u>	<u>9,733,356</u>
Governance costs including allocated support costs	-	-	44,834	44,834
	<u>6,821,426</u>	<u>1,405,223</u>	<u>1,551,541</u>	<u>9,778,190</u>
Net incoming/(outgoing) resources for the period include				2012
				£
Operating leases - plant and machinery				38,562
Fees payable to Baker Tilly UK Audit LLP and its associates for				
- audit				8,000
- other services				1,800



# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 7 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATION OPERATIONS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2012 £
<b>DIRECT COSTS</b>				
Teaching and educational support staff costs	-	(477,223)	-	(477,223)
Educational supplies	-	46,905	-	46,905
Examination fees	-	-	-	-
Staff development	-	-	-	-
Student welfare	-	561,473	-	561,473
Other direct costs	-	-	-	-
	-	131,155	-	131,155
<b>ALLOCATED SUPPORT COSTS</b>				
Support staff costs	-	734,796	-	734,796
Legal fees and consultancy	-	15,584	-	15,584
Recruitment and support	-	7,307	-	7,307
Depreciation of premises	-	-	-	-
Maintenance of premises and equipment	-	426,446	-	426,446
Light & heat	-	(2,309)	-	(2,309)
Cleaning	5,986	18,989	-	24,975
Rent and rates	-	39,582	-	39,582
Insurance	-	525	-	525
Security and transport	-	4,205	-	4,205
Computer costs	-	130,767	-	130,767
PPS and telephone	-	117,681	-	117,681
Catering	-	50,206	-	50,206
Bank interest and charges	-	24,585	-	24,585
Pension scheme - other finance cost	-	101,000	-	101,000
Other support costs	-	19,570	-	19,570
	5,986	1,688,934	-	1,694,920
	5,986	1,820,089	-	1,826,075

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 8 GOVERNANCE COSTS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2012 £
Legal and professional fees	-	-	-	-
Auditors' remuneration				
Audit of financial statements	-	8,000	-	8,000
Accountancy services	-	1,800	-	1,800
Support costs	-	(9,800)	-	(9,800)
	-	-	-	-

### 9 STAFF COSTS

	2012 £
Staff costs during the period were	
Wages and salaries	356,645
Social security costs	387,790
Pension costs	491,605
	1,236,040
Supply teacher costs	9,366
	1,245,406

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

	2012 No
Management	6
Teachers	91
Administration and support	112
	209

Included within administration and support is 36 casual paid invigilators

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

	2012 No
£60,001 - £70,000	2
£80,001 - £90,000	1
£101,001 - £110,000	1

All 4 of the above employees participated in the Teachers' Pension Scheme.

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

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### 10 GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff Governors and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy Trust in respect of their role as Governors. The value of the Principal's remuneration was £109,203 in 2012. The value of the staff Governors' remuneration was as follows:

- Mrs A Forster, Staff Governor & trustee	£5k - £10k
- Mrs A Lane, Staff Governor & trustee	£25k - £30k
- Mr P Kennedy, Staff Governor & trustee	£50k - £55k
- Mrs S Nicholls, Staff Governor & trustee	£5k - £10k
- Mr J Stephens, Staff Governor & trustee	£20k - £25k

The above Governors received remuneration in respect of their employment as members of the academy's staff and not in respect of their services as trustees of the academy trust. All remuneration disclosed above covers a fourteen month period and is therefore higher than the Governors' annual salaries.

During the period ended 31 August 2012, travel and subsistence expenses totalling £Nil were reimbursed to Governors.

Related party transactions involving the trustees are set out in note 24.

### 11 GOVERNORS' AND OFFICERS INSURANCE

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

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

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 12 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Total £
<b>COST</b>		
At 9 June 2011	-	-
Transfer on conversion (note 25)	9,781,530	9,781,530
	<u>9,781,530</u>	<u>9,781,530</u>
31 August 2012	<u>9,781,530</u>	<u>9,781,530</u>
<b>DEPRECIATION</b>		
At 9 June 2011	-	-
Charge for the period	303,599	303,599
	<u>303,599</u>	<u>303,599</u>
31 August 2012	<u>303,599</u>	<u>303,599</u>
<b>NET BOOK VALUE</b>		
31 August 2012	<u>9,477,931</u>	<u>9,477,931</u>

### 13 DEBTORS

	2012 £
Trade debtors	33,885
Prepayments	109,128
Other debtors	587,409
	<u>730,422</u>

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

14	CREDITORS Amounts falling due within one year	2012 £
	Trade creditors	900
	Other taxation and social security	115,850
	Other creditors	189,926
	Accruals and deferred income	127,329
		<hr/> 434,005 <hr/>
	Deferred income	2012 £
	Deferred income at 9 June 2011	-
	Resources deferred in the period	119,549
		<hr/> 119,549 <hr/>
	Deferred income at 31 August 2012	<hr/> 119,549 <hr/>

Included within deferred income at 31 August 2012 is funding of £119,549 for the academy's educational operations received in advance for activities, events and school trips taking place in 2012/2013

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 15 FUNDS

	At 9 June 2011 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2012 £
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	-	8,811,191	(8,213,895)	-	597,296
LGPS Deficit Fund	-	(1,657,000)	(108,000)	(493,000)	(2,258,000)
	-	7,154,191	(8,321,895)	(493,000)	(1,660,704)
Academy Start Up Fund	-	25,000	(25,000)	-	-
Other DfE/EPA grants	-	740,044	(740,044)	-	-
Voluntary income	-	100	-	-	100
	-	7,919,335	(9,086,939)	(493,000)	(1,660,604)
<b>RESTRICTED FIXED ASSET FUNDS</b>					
DfE capital grants	-	13,140	-	-	13,140
Inherited fixed asset fund	-	9,781,530	(303,599)	-	9,477,931
	-	9,794,670	(303,599)	-	9,491,071
<b>TOTAL RESTRICTED FUNDS</b>	-	17,714,005	(9,390,538)	(493,000)	7,830,467
<b>UNRESTRICTED FUNDS</b>					
Unrestricted funds	-	675,473	(387,652)	-	287,821
<b>TOTAL UNRESTRICTED FUNDS</b>	-	675,473	(387,652)	-	287,821
<b>TOTAL FUNDS</b>	-	18,389,478	(9,778,190)	(493,000)	8,118,288

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the EFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy. The academy is allowed to carry forward up to 12% of the current GAG, and of the carried forward amount, up to 2% of the GAG can be used for general purposes at the discretion of the academy, but any balance over 2% must be used for capital purposes.

The LGPS Deficit Fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 15 FUNDS (CONTINUED)

The Academy Start Up Fund has been created to recognise the restricted grant funding received from the DfE to assist with the costs incurred by the school during the process on conversion to academy status. The overspend on this fund has been covered by the GAG.

Other DfE/EFA grants relate to the restricted income received from both the Department for Education and the Education Funding Agency to assist with the costs of the academy in relation to specific activities.

The DfE capital grant fund has been established to recognise the restricted grant funding received from the local authority towards capital expenditure projects undertaken throughout the school. The overspend on this fund will be covered by the GAG.

The General Annual Grant fixed asset fund has been set up to recognise the tangible assets purchased by the academy following conversion that have been funded from the General Annual Grant. This fund has been created by a transfer from the General Annual Grant fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those assets is allocated to the fund.

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the local authority which represent the school site inherited from the local authority including the freehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

### 16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
Tangible fixed assets	-	-	9,477,931	9,477,931
Current assets	429,756	889,466	13,140	1,332,362
Current liabilities	(141,935)	(292,070)	-	(434,005)
Pension scheme liability	-	(2,258,000)	-	(2,258,000)
<b>TOTAL NET ASSETS</b>	<b>287,821</b>	<b>(1,660,604)</b>	<b>9,491,071</b>	<b>8,118,288</b>

### 17 FINANCIAL COMMITMENTS

#### OPERATING LEASES

At 31 August 2012 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2012 £
Other	
Expiring within one year	6,582
Expiring within two and five years inclusive	16,455
	<b>23,037</b>

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

18	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2012 £
	Net income	8,611,288
	Cash impact of transfer on conversion (note 25)	(8,309,157)
	Depreciation	303,599
	Capital grants from DfE and others	(13,140)
	Interest receivable	(2,163)
	FRS 17 pension cost less contributions payable (note 23)	7,000
	FRS 17 pension finance income (note 23)	101,000
	(Increase)/decrease in debtors	(730,422)
	Increase/(decrease) in creditors	434,005
	NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>402,010</u>
19	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
	Interest received	<u>2,163</u>
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	<u>2,163</u>
19A	CASH TRANSFERRED ON CONVERSION TO AN ACADEMY	2012 £
	Cash balance transferred on conversion (Note 25)	<u>184,627</u>
20	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
	Capital grants from DfE/EFA	<u>13,140</u>
	NET CASH INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	<u>13,140</u>



# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 21 ANALYSIS OF CHANGES IN NET FUNDS

	At 9 June 2011 £	Acquisition £	Cash flows £	At 31 August 2012 £
Cash at bank and in hand	-	184,627	417,313	601,940
	-	184,627	417,313	601,940

### 22 MEMBERS' LIABILITY

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

### 23 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff. These are centralised schemes for certain qualifying employees with the assets held in a separate fund administered by the trustees of the respective pension schemes.

As described in note 23, the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to and did join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

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

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

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### 23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

#### Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pensions cost is normally assessed no less than every four periods in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's Pension (Employer's Supplementary Contribution) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period.

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August was £312,000, of which employer's contributions totalled £238,000 and employees' contribution totalled £74,000. The agreed rates for future periods are 12.3 per cent for employers and 5.5 - 7.5 per cent for employees.

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

#### Principal actuarial assumptions

	2012 %
Rate of increase in salaries	3.7
Rate of increase for pensions in payment	1.9
Discount rate	3.9
Inflation (CPI)	1.9

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

	2012
Retiring today	
Males	22.7
Females	25.3
Retiring in 20 periods	
Males	24.1
Females	26.8

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

	Expected return at 31 August 2012 %	Fair value at 31 August 2012	
		£'000	%
Equities	5.9	511	68.0
Gilts	2.8	45	6.0
Other bonds	3.9	68	9.0
Property	4.9	98	13.0
Cash	0.5	30	4.0
<b>TOTAL MARKET VALUE OF ASSETS</b>		<b>752</b>	
<b>Present value of scheme liabilities</b>			
- Funded		(3,010)	
<b>DEFICIT IN THE SCHEME</b>		<b>(2,258)</b>	

The actual return on the scheme assets was £47,000

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

<b>Amounts recognised in the statement of financial activities</b>	2012 £'000
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Current service cost (net of employee contributions)	245
Past service cost	-
	<hr/>
Total operating charge	245
	<hr/>

#### **Analysis of pension finance income/(costs)**

Expected return on pension scheme assets	42
Interest on pension liabilities	(143)
	<hr/>
Pension finance income/(costs)	(101)
	<hr/>

The actuarial gains and losses for the current period are recognised in the SOFA

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS17 is £493,000

<b>Movements in the present value of defined benefit obligations were as follows:</b>	2012 £'000
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On conversion to an academy	2,049
Current service cost	245
Interest cost	143
Employee contributions	74
Actuarial loss	499
	<hr/>
At 31 August	3,010
	<hr/>

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

<b>Movements in the fair value of Academy Trust's share of scheme assets:</b>	<b>2012 £'000</b>
On conversion to an academy	392
Expected return on assets	42
Actuarial gain	6
Employer contributions	238
Employee contributions	74
At 31 August	<u>752</u>

The estimated value of employer contributions for the period ended 31 August 2013 is £229,000

Amounts for the period

	<b>2012 £'000</b>
Present value of defined benefit obligations	(3,010)
Fair value of share of scheme assets	<u>752</u>
Deficit in the scheme	<u>(2,258)</u>
Experience adjustments on share of scheme assets	<u>6</u>
Experience adjustments on scheme liabilities	<u>-</u>

# Moulsham High School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

### 24 RELATED PARTIES

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

### 25 CONVERSION TO AN ACADEMY TRUST

On 1 July 2011 the Moulsham High School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Moulsham High School from the Essex County Council Local Authority for £Nil consideration.

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

#### Voluntary income/ other resources expended analysis:

	<b>TOTAL</b>	<b>Unrestricted funds</b>	<b>Restricted general fund</b>	<b>Restricted fixed asset funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets				
Leasehold land and buildings	9,781,530	-	-	9,781,530
Fixtures and fittings	-	-	-	-
School funds	96,449	96,449	-	-
Local authority	88,178	88,178	-	-
LGPS pension deficit	(1,657,000)	-	(1,657,000)	-
Net assets	<u>8,309,157</u>	<u>184,627</u>	<u>(1,657,000)</u>	<u>9,781,530</u>

The above net assets include £184,627 that were transferred as cash.