

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2012



**Company Registration Number
07713540 (England and Wales)**

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Financial Statements

Period Ended 31 August 2012

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LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

REFERENCE AND ADMINISTRATIVE DETAILS

Period Ended 31 August 2012

Directors (Trustees)

Governors

		Appointed	Resigned/Terminated
Mrs Lynn Atkinson ^{1 2}	Principal	21 July 2011	
Mrs Yvonne Johnson ¹	Deputy Principal	21 July 2011	31 August 2012
Mrs Tracey Pitocco ¹	Academy Head	30 May 2012	
Mrs Karen Barnett ^{1 2}	Business Manager	21 July 2011	31 March 2012
Mrs Sally Timmins ^{1 2}	Chair of Governors	21 July 2011	
Mr Andrew Powell ^{1 2}		21 July 2011	
Mrs Jacqueline Rowe ¹		21 July 2011	1 March 2012
Rev Gordon Percy ¹		21 July 2011	29 October 2012
Mr Peter Martin ^{1 2}		21 July 2011	
Mrs Pat Wooten ¹		21 July 2011	1 March 2012
Mr James Cross ¹		1 January 2012	
Mr Malcolm Findlay ¹		30 May 2012	
Rev Paul Iretton ^{1 2}		30 May 2012	
Mr Julien Parrott ¹		30 May 2012	

Company Secretary

Karen Barnett

Committees

Board of Governors¹

Leadership and Management ²

Senior Executive Team

Executive Headteacher

Academy Headteacher

Academy Headteacher

Assistant Headteacher (Head of Inclusion)

Academy Business Manager

Lynn Atkinson

Tracey Pitocco

Yvonne Johnson

Elizabeth Davidson

Karen Barnett

Principal and Registered Office

Ilsham Church of England Academy
Ilsham Road
Torquay
Devon
TQ1 2JQ

Company Registration Number

07713540 (England and Wales)

Independent Auditor

Bishop Fleming
50 The Terrace
Torquay
Devon
TQ1 1DD

Bankers

Lloyds TSB
51-52 Fleet Street
Torquay
TQ2 5DW

Solicitors

Kitson Hutchings
Minerva House
Orchard Way
Edginswell Park
Torquay
TQ2 7FA

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Governors' Report

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 is a company limited by guarantee and an exempt charity, and was incorporated on the 21st July 2011. The school was granted academy status on the 17th August 2011. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as the directors for the charitable activities of Ilsham C of E Academy and Ellacombe Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as the Learning Academy Partnership (South West).

Details of the governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 2.

Members' Liability

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

Directors' Indemnities

The Learning Academy Partnership maintains Directors' liability insurance in accordance with requirements.

Principal Activities

The Learning Academy Partnership (South West)'s core purpose is to serve the community by providing an outstanding education, for children aged 3-11 years, within the context of Christian belief and practice.

Ilsham Church of England Academy started as a single standalone academy which, during the period, evolved into the Learning Academy Partnership (South West) incorporating both Ilsham and Ellacombe School which became an Academy on 1st April 2012.

We firmly believe that by working together, supporting and challenging each other, sharing and developing outstanding practice, and resources, all children can excel and will receive the best that our education system has to offer.

Ilsham C of E Academy is an outstanding academy and the sponsor of the 'Learning Academy Partnership,' an academy trust committed to a shared vision of 'Achieving Excellence for All'.

"This is an outstanding School. It provides an excellent education in an exciting and stimulating learning environment, which fully reflects its Christian ethos." (OFSTED)

After many years of underachievement, Ellacombe Academy is now a rapidly improving school.

The ethos of the trust is evident in a culture of high expectations and aspirations for all, which underpins every development in the Partnership. We aim to provide an outstanding education for all, giving pupils the best possible start in life. We will do this by continually focusing on developing exceptional teaching and learning that will continually raise standards improving outcomes and life chances for all.

The ethos across the Academy Trust is determined and positive, outstanding leaders and talented teachers and support staff work together, teaching and learning across the Academy Trust for the benefit of all our children. We are committed in our determination of high standards and the highest aspirations for all. Whilst, we share common values, we embrace our distinctiveness and this is reflected in the communities that we serve.

The ethos at Ilsham C of E Academy, for example, is underpinned by Christian beliefs and values which are lived out in the daily life of our academy.

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Method of Recruitment and Appointment or Election of Governors

The Learning Academy Partnership has determined that there will be not less than 3 nor more than 16 directors on the board of the following categories. It has been agreed that there should currently be up to 12 directors on the Board, this being, 3 directors in each category. At such time that the Board agrees to a full complement of 16 directors, there would be 4 in each category.

4 Community Directors
4 Staff Directors
4 Foundation Directors
4 Parent Directors

Future directors are appointed or elected, as the case may be under the Articles of Association.

A Director's term of office is four years, save this does not apply to the Executive Head Teacher.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction for new Directors will depend on their existing experience. Where necessary, induction will include training as required.

All new Directors will be given a tour of the Learning Academy Partnership (LAP) and a chance to meet with staff and pupils.

Directors are provided with copies of policies, procedures, minutes, accounts, budgets and plans as necessary to undertake their role.

All training is done individually and tailored to specifically suit the individual.

Organisational Structure

The Trustees have appointed a Board of Directors and devolved responsibility for the day to day management of the Partnership to the Chief Executive Officer (CEO), in the current structure this may then be delegated to the Senior Executive Team (SET).

The SET meets regularly to discuss aspects of the Learning Academy Partnership and implement policies laid down by the Board of Directors. As required, recommendations from the SET are passed through the relevant Committees. Committees discuss these recommendations and approve as necessary. If a significant decision is required, for example Budget authorisation and capital projects, the relevant committee will pass the decision to the full Board of Directors for authorisation.

Risk Management

The Board of Directors have formed a sub-committee to carry out a review of the academy and produce a risk register to identify risks to the Learning Academy Partnership.

The Board of Directors has also appointed an external auditor to carry out the role of Responsible Officer with a remit to carry out checks on the financial management of the Partnership and report back to the Board of Directors with the findings.

Connected Organisations including Related Party Relationships

The Learning Academy Partnership (South West) is an academy trust to promote the sharing and development of outstanding practice across schools in the South West.

Ilsham C of E Academy is a designated National Support School, working closely with the National College of School Leadership and the Local Authority, demonstrating its commitment to school to school support, outreach work, system leadership, continuing professional development and joint practice development.

The Executive Headteacher on behalf of the Learning Academy Partnership is a strategic partner at Oldway Teaching School, a member of Oldway Teaching School Alliance and enjoys excellent relationships with networks of schools within Torbay and Devon. It also works collaboratively within the Diocese and is currently 'building capacity' to apply for Teaching School status in 2013.

The Learning Academy Partnership works in partnership with Marjon, Exeter and Plymouth Universities.

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Objectives and Activities' 'Excellence for All'

Our vision is a Learning Academy Partnership which has high expectations of all its children, academies in which children's contributions and children as individuals are valued and respected

We have a vision of our academies as productive, stimulating and rich learning environment in which children and staff experience equal opportunity in all things in order that their true potential is realised
We are committed to providing happy and challenging learning environments and aim to provide modern, world class curriculums in which all children can become successful learners, confident individuals and responsible citizens

Ilsham is a Church of England Academy in the Diocese of Exeter. Recognising its historic foundation the Academy strives to preserve and develop its religious character in accordance with the principles and practice of the Church of England and in partnership with the church in the parish and the Diocese

The Academy aims to serve its community by providing an education of the highest quality within the context of Christian belief and practice. It encourages an understanding of the meaning and significance of faith, and promotes Christian values through the experiences it offers to all its pupils

Learning Academy Partnership (South West) - Aims

- 1 All staff at the Learning Academy Partnership aim to provide a caring, disciplined and stimulating learning environment, in which our children can feel secure, happy and proud. We foster and encourage a Christian ethos respecting the spiritual and moral values of others
- 2 We respect every child and are committed to nurturing every aspect of his or her development – intellectual, creative, emotional, physical and spiritual. We will ensure the safety of every child and will promote opportunities to adopt a healthy and active lifestyle
- 3 Our drive to develop each child's potential, accessed through the provision of a broad and balanced curriculum, is underpinned by our commitment to continually improve achievement in the basic skills
- 4 We offer an inclusive curriculum to ensure that each child's learning experience offers maximum opportunities for excellence, enjoyment, personal development, respect for self and others. Our aim is for children to become successful learners, confident individuals and responsible citizens to enable them to make a positive and economic contribution to society
- 5 We value our partnership with parents and the community. We will constantly strive for opportunities of working together to offer our children the best possible opportunities to equip them for life long learning

Strategies

The Learning Academy Partnership aims to continue to build capacity to further realise the Academy Trust vision of 'Achieving Excellence for All' and to continue to build upon its outstanding provision. It is our aim that all teaching across the Partnership will be 'outstanding', resulting in outstanding learning and outstanding achievement for all pupils, so that both existing and potential new academies joining the Trust are also recognised as 'OUTSTANDING'.

Through an analysis and evaluation of monitoring, pupil progress, data, leadership and directors meetings the following were identified as key areas for development throughout the academic year 2012-2013

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Priority 1

'Excellence for All' Developing teaching and learning opportunities, so that all children make outstanding progress This will include

- Narrow any gaps in achievement for all groups of pupils
- Development of systematic whole school phonic approach
- KS2 Grammar, Spelling and Punctuation Approach
- Establish a nursery provision
- Further develop a values led Curriculum

Priority 2

Building capacity to strengthen the sustainability and future success of the Trust

Examples to include

- Development of systems and shared resourcing across the LAP
- Governance and strategy
- Teaching School development
- National Support School and system leader actions

Priority 3

Developing and leading Continuing Professional Development through enhanced provision, to the benefit of pupils within and beyond the Trust

- CPD focused on developing outstanding teaching and learning
- Leadership development
- Develop a programme working with the Teaching School, Teacher Agency and universities to establish outstanding provision for teacher development at all stages of their career Initial teacher training experience, NQT support and development, middle and senior leaders, system leaders
- Research and development and joint practice development

Public Benefit

Directors are clear that the Learning Academy Partnership has the charitable purpose of the advancement of education

The impact of Ilsham's National Support School deployment is well evidenced and has resulted in rapid progress measures for the pupils and community of Ellacombe, there has also been continued high and improved performance at Ilsham, as both academies have worked together in support and joint practice development

Achievements and Performance

End of Early Years Foundation Stage

Ilsham Academy	2008	2009	2010	2011	2012
78 points+ (National expectation)	56%	77.1%	92%	96%	100%

Ellacombe Academy	2008	2009	2010	2011	2012
78 points+ (National expectation)	50%	47%	59%	80%	93%

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Ilsham End of Key Stage 1 Average Point Score and National Curriculum Levels 2012							
	Average Point Scores of cohort					National Curriculum Levels	
	2008	2009	2010	2011	2012	Ilsham 2012	Nat. Ave. 2011 2012
Reading	14.3	16.7 ↑	17.3	17.2	17.0	L2+ 92% L2B+ 88% L3 40%	85 87 74 77 26 27
Writing	13.2	15.8 ↑	16.5	16.2	16.4	L2+ 92% L2B+ 84% L3 32%	81 84 61 65 13 14
Maths	15.1	16.5	16.6	17.0	16.1	L2+ 92% L2B+ 80% L3 40%	90 91 74 77 20 22

Ellacombe End of Key Stage 1 Average Point Score and National Curriculum Levels 2012							
	Average Point Score of Cohort					National Curriculum Levels	
	2008	2009	2010	2011	2012	NC Level	Nat Ave. 2011 2012
Reading NA 15.7	14.0	13.9	14.1	14.3	15.2↑	L2+ 80 % L2B+69% L3 31%	85 87 74 77 26 27
Writing NA 14.4	12.1	12.8	12.6	13.1	14.5↑	L2+ 80% L2B+60% L3 17%	81 84 61 65 13 14
Maths NA 15.7	13.4	13.1	13.7	13.2	15.11 ↑	L2+ 88% L2B+ 68% L3 17%	90 91 74 77 20 22

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Key Stage 2 OUTCOMES FOR 2011 and 2012

Ilsham Academy End of Key Stage 2	National 2011	Ilsham 2011	Ilsham 2012
Percentage of pupils achieving Level 4 and above in ENGLISH and MATHEMATICS	74	87	96
Percentage of pupils achieving Level 5 and above in ENGLISH and MATHEMATICS	21	35	42*
Percentage of pupils achieving 2 National Curriculum Levels progress Key Stage 1 to 2 - ENGLISH	83	96	96
Percentage of pupils achieving 2 National Curriculum Levels progress Key Stage 1 to 2 - MATHEMATICS	82	96	96

Ellacombe Academy End of Key Stage 2	National 2011	Ellacombe 2011	Ellacombe 2012
Percentage of pupils achieving Level 4 and above in ENGLISH and MATHEMATICS	73	57	72
Percentage of pupils achieving Level 5 and above in ENGLISH and MATHEMATICS	21		
Percentage of pupils achieving 2 National Curriculum Levels progress Key Stage 1 to 2 - ENGLISH	83	77	97
Percentage of pupils achieving 2 National Curriculum Levels progress Key Stage 1 to 2 - MATHEMATICS	82	74	89

Ilsham % of pupils achieving L4+ in both English and Maths

Floor Targets	2008	2009	2010	2011	2012
60%					
National 72%	78%	88%	83%	87	96

Ellacombe % of pupils achieving L4+ in both English and Maths

Floor Targets	2009	2010	2011	2012	2013?
L4+ English and Maths	38%	36% (ta)	57%	72%	Ontrack 81%

Ellacombe % of pupils achieving 2 levels + progress in Key Stage 2

	2008	2009	2010	2011	2012
English	68	75		77	97
Maths	74	61		75	89

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Ilsham % of pupils achieving 2 levels + progress in Key Stage 2

	2008	2009	2010	2011	2012
English	85	100	100	96	96
Maths	68	91	100	96	96

End of Key Stage 2

Ellacombe Academy

Mathematics :	76% L4+	10% L5
Reading :	72% L4+	31% L5
Writing	79% L4+	21% L5
English (overall)	79% L4+	27% L5
Combined English and Mathematics % level 4+		72%
English % children making 2 levels of progress		97%
Mathematics % children making 2 levels of progress		89%

Ilsham Academy

Mathematics :	96% L4+	64% L5
Reading.	88% L4+	64% L5
Writing	96% L4+	44% L5
English (overall)	96% L4+	60% L5
Combined English and Mathematics % level 4+		96%
English % children making 2 levels of progress		96%
Mathematics % children making 2 levels of progress		96%

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

Pupil numbers are a key financial performance indicator.

Ilsham C of E Academy is at capacity with 176 pupils and Ellacombe Academy currently has 220 pupils with 90 places available.

It is hoped that Ellacombe Academy will increase its pupil numbers in future years to increase funding from the EFA and thus improve its provision for pupils.

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Financial Review

Most of the Academies 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 period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the period ended 31 August 2012 total expenditure of £1,497,000 was covered by recurrent grant funding from the DfE together with other income resources of £323,000. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £38,000.

At 31 August 2012 the net book value of fixed assets was £4,330,470 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academies.

The balance of the former school's budget share of £103,507 (Ilsham) and £70,025 (Ellacombe) was transferred across on conversion and is shown in Unrestricted Funds.

The academies have taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated with the Statement of Financial Activity with details in notes to the financial statements.

Key financial policies adopted or reviewed include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the directors, Executive Headteacher, managers, budget holders and other staff, as well as delegated authority for spending.

Directors have adopted a Responsible Officer policy and appointed Devon Audit Services to undertake a programme of internal checks on financial controls.

During the period, the Leadership & Management Committee received reports from the Responsible Officer visits.

Financial and Risk Management Objectives and Policies

The directors examine the financial health formally every term by way of regular update reports at the Leadership & Management committee meetings and these are available to the Full Board of Directors. The directors also regularly review cash balances and ensure sufficient funds are held to cover all known and anticipated commitments.

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

The directors recognise that the defined benefit scheme deficit (Local Government Pension Scheme) which is set out in the financial statements, represents a significant potential liability. However as the directors consider that the academies are able to meet their known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Principal Risks and Uncertainties

The Learning Academy Partnership monitors the principal risks and has drawn up a risk register which is reviewed.

Financial - The most significant risk and uncertainty the Learning Academy Partnership faces are common to all schools. In the current financial climate it is uncertain of future funding to be received from the government.

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

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

Reputational – the continuing success of the Learning Academy Partnership is dependent on continuing to attract pupils by maintaining the highest educational standards. To mitigate this risk directors ensure that pupil success and achievement are closely monitored and reviewed

Safeguarding and child protection – the directors 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 Partnership is reliant on the quality of its staff and so the directors monitor and review policies and procedures to ensure continued professional development and training of staff

Fraud and mismanagement of funds – The Learning Academy Partnership 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 with financial practice requirements and develop their skills in this area

Reserves Policy

The directors will review the value of the reserves held by the Learning Academy Partnership annually. Restricted reserves will be held at a level commensurate with the identified need going forward but be no greater than 12% of the GAG as laid down by the EFA

Unrestricted reserves will be at a level necessary to –

Allow future planned expenditure that cannot be met from the annual budget

Allow for the replacement of capital and infrastructure items

Create and maintain capacity to deal with unknown items of expenditure that cannot be expected to be funded from annual budget

Investment Policy

Directors have adopted an Investment policy to ensure that funds, which the Learning Academy Partnership (LAP) does not immediately need to cover anticipated expenditure, are invested in such a way as to maximise the Learning Academy Partnership's income but without risk

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

Plans for Future Periods

The Trust's plans for the future are included in The Learning Academy Partnership Development Plan which is reviewed regularly

The strength of the Partnership Trust is that standards and outcomes for pupils have risen in both academies through support, challenge and joint practice development. We are very clear that targeted high quality Continuing Professional Development is a major factor in improving outcomes for children. The Trust is, therefore, committed to collaborative working and enjoys already a number of successful working relationships with other schools across the community. We will explore opportunities of further joint practice support and development. This may include

- Further National Support School Deployment and system leadership opportunities
- Growing the number of schools/academies within the trust, either as a convertor or sponsor academies
- Building our capacity to further support Oldway Teaching School Alliance and explore Teaching School status in partnership with the Diocese

_LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Auditor

In so far as the governors are aware

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

Approved by order of the members of the Governing Body on 17/12/12 and signed on its behalf by



Mrs S Timmins
Chair

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Governance Statement

As central government public sector bodies academy trusts are required to provide assurance that they are appropriately managed and are controlling the resources for which they are responsible. This assurance should be communicated in a governance statement. The wording of this statement will need to be amended to reflect the circumstances of the individual academy trust, particularly where it is a new academy trust in the period.

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Learning Academy Partnership Trust (SW) 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 Mrs L Atkinson, 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 Learning Academy Partnership (South West) and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities. The governing body has formally met 6 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mrs L Atkinson	6	6
Mrs K Barnett	4	4
Mr P Martin	6	6
Mr A Powell	4	6
Mrs S Timmins	4	6
Mrs P Wootten	2	3
Mrs J Rowe	3	6
Mrs Y Johnson	6	6
Mr J Cross	3	6
Rev G Percy	3	6
Cllr J Parrot	2	2
Dr M Finlay	2	2
Rev P Ireton	2	2
Mrs T Pitocco	1	2

The **Leadership and Management Committee** is a sub-committee of the main governing body. Its purpose is the finance and management of the partnership. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs L Atkinson	6	6
Mrs K Barnett	4	4
Mr P Martin	6	6
Mr A Powell	6	6
Mrs S Timmins	6	6
Rev P Ireton	2	2

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 Learning Academy Partnership (South West) for the period ended 31 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 General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr M Gould, Devon Audit Partnership, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Review of Effectiveness

As accounting officer, Mrs L Atkinson 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 auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 17/12/12 and signed on its behalf by



Mrs S Timmins
Chair



Mrs L Atkinson
Accounting officer

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Statement on Regularity, Propriety and Compliance

As accounting officer of Learning Academy Partnership (South West) 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.



Mrs L Atkinson
Accounting officer

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Statement of Governors' Responsibilities

The governors (who act as trustees for charitable activities of Learning Academy Partnership (South West) 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 Young People's Learning Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

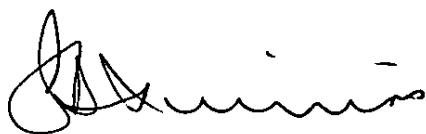
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the YPLA/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 17/12/12 and signed on its behalf by



Mrs S Timmins
Chair

Independent Auditor's Report to the Members of LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

We have audited the financial statements of Learning Academy Partnership for the period ended 31 August 2012 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 Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 trust'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 academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report³ 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 trust'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, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Matters on which we are required to report by exception

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

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



Pamela Tuckett FCA DChA (Senior Statutory Auditor)

For and on behalf of

Bishop Fleming Chartered Accountants

Statutory Auditors

50 The Terrace

Torquay

TQ1 1DD

Date 20/12/12

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Independent Auditor's Report on Regularity to the Governing Body of the LEARNING ACADEMY PARTNERSHIP (SOUTH WEST) and the Education Funding Agency

In accordance with the terms of our engagement letter dated 29 August 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 17 August 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed

Respective responsibilities of the governing body and Auditors

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 17 August 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

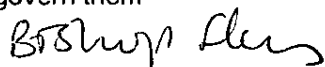
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity

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 trust's income and expenditure

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Bishop Fleming Chartered Accountants
Statutory Auditors
50 The Terrace
Torquay
TQ1 1DD

Date 20/12/12

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Statement of Financial Activities for the period ended 31 August 2012

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total 2012 £000s
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	6	6	23	35
Voluntary income - transfer from LA on conversion	3	174	(220)	4,340	4,294
Activities for generating funds	4	156	41	-	197
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	5	-	1,274	-	1,274
Total incoming resources		337	1,101	4,363	5,800
Resources expended					
<i>Cost of generating funds</i>					
Fundraising expenses and other costs	6	-	17	-	17
<i>Charitable activities</i>					
Academy's educational operations	7	127	1,219	98	1,444
Governance costs	8	-	36	-	36
Total resources expended		127	1,272	98	1,497
Net incoming / (outgoing) resources before transfers		209	(171)	4,265	4,303
Gross transfer between funds	15	(15)	(50)	65	-
Net income/(expenditure) for the year		194	(221)	4,330	4,303
Other recognised gains and losses					
Actuarial (losses) gains on defined benefit pension schemes	22	-	(29)	-	(29)
Net movement in funds		194	(250)	4,330	4,274
Funds carried forward at 31 August 2012		194	(250)	4,309	4,274

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

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

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Balance sheet as at 31 August 2012

Company Registration number 07713540

	Note	2012 £000s	2012 £000s
Fixed assets			
Tangible assets	12		4,330
Current assets			
Debtors	13	119	
Cash at bank and in hand		152	
		<u>271</u>	
Currents liabilities			
Creditors Amounts falling due within one year	14	(46)	
Net current assets			<u>225</u>
Total assets less current liabilities			4,555
Net assets excluding pension liabilities			4,555
Pension scheme liability	22		<u>(281)</u>
Net assets including pension liability			<u>4,274</u>
Funds of the Academy			
Restricted funds			
Fixed asset fund(s)	15		4,330
General fund(s)	15		31
Pension Reserve	15		<u>(281)</u>
Total restricted funds			<u>4,080</u>
Unrestricted funds			
General fund(s)	15		<u>194</u>
Total unrestricted funds			<u>194</u>
Total Funds			<u>4,274</u>

The financial statements on pages 21 to 23 along with the notes to the financial statements on pages 24 to 43, were approved by the Governors, and authorised for issue on 17/12/12 and are signed on their behalf by



Mrs S Timmins
Chair

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Cash Flow Statement for the period ended 31 August 2012

	Note	2012 £000s
Net cash inflow from operating activities	17	(110)
Cash transferred on conversion to an academy trust	17	174
Returns on investments and servicing of finance	18	-
Capital expenditure	19	88
(Decrease)/Increase in cash in the year	20	<u>152</u>

Reconciliation of net cash flow to movement in net funds

Net funds at 31 August 2012	<u>152</u>
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All of the cash flows are derived from acquisitions in the current financial period

Notes to the Financial Statements for the period ended 31 August 2012

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the 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. Based on the level of funding for the new financial year, the governors are satisfied that the Academy will have sufficient resources and therefore believe that the financial statements should be prepared on a going concern basis.

Incoming Resources

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

- **Grants receivable**
Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.
- **Sponsorship income**
Sponsorship income provided to the Academy Trust 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.
- **Donations**
Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.
- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.
- **Donated Services and gifts in kind**
The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Transfer of Land

Upon becoming an Academy Trust the Charitable Company received a transfer of publicly funded land at nil consideration which for the purposes of this transaction shall include leases granted at a peppercorn rent. The transfer has been accounted for using the acquisition method.

Further details of the transaction are set out in note 24.

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

1. Statement of Accounting Policies (continued)

Resources Expended

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

- **Costs of generating funds**

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

- **Charitable activities**

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

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

Depreciation is provided on all tangible fixed assets other than 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:

Leasehold buildings	2% straight line
Fixtures, fittings and equipment	between 2 to 3 years straight line
ICT equipment	between 2 to 3 years straight line

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

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

Leased Assets

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

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

1. Statement of Accounting Policies (continued)

Taxation

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

Pensions Benefits

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

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

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

Fund Accounting

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

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

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

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

1. Statement of Accounting Policies (continued)

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 Ilsham C of E Primary and Ellacombe Primary 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 the Learning Academy Partnership Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transactions are set out in note 24.

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

2. General Annual Grant (GAG)

ILSHAM C of E ACADEMY

a. Results and Carry Forward for the period	2012 £000s
GAG brought forward from previous period	-
GAG allocation for current period	701
Total GAG available to spend	701
Recurrent expenditure from GAG	(645)
Fixed assets purchased from GAG	(25)
Transfer from unrestricted fund	-
GAG carried forward to next year	31
Maximum permitted GAG carry forward at end of current year (12% of allocation for current period)	(81)
GAG to surrender to DfE	(81)
(12% rule breached if result is positive)	no breach

ELLACOMBE ACADEMY

a. Results and Carry Forward for the period	2012 £000s
GAG brought forward from previous period	-
GAG allocation for current period	482
Total GAG available to spend	482
Recurrent expenditure from GAG	(457)
Fixed assets purchased from GAG	(25)
Transfer from unrestricted fund	-
GAG carried forward to next year	-
Maximum permitted GAG carry forward at end of current year (12% of allocation for current period)	(58)
GAG to surrender to DfE	(58)
(12% rule breached if result is positive)	no breach

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

3. Voluntary Income

	Unrestricted Funds £000s	Restricted Funds £000s	Restricted Fixed Asset Funds £000s	Total 2012 £000s
Transfers on conversion from Local Authority	174	(220)	4,340	4,294
Capital Grants	-	-	23	23
Charitable donations	-	6	-	6
Other donations	6	-	-	6
	6	6	23	35
	180	(214)	4,363	4,329

4. Activities for Generating Funds

	Unrestricted Funds £000s	Restricted Funds £000s	Restricted Fixed Asset Funds £000s	Total 2012 £000s
Other Income	156	41	-	197
	156	41	-	197

5. Funding for Academy's educational operations

	Unrestricted Funds £000s	Restricted Funds £000s	Restricted Fixed Asset Funds £000s	Total 2012 £000s
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,183	-	1,183
Start Up Grants	-	50	-	50
Other DfE/EFA grants	-	30	-	30
	-	1,263	-	1,263
Other Government Grants				
Local authority grants	-	11	-	11
	-	11	-	11
	-	1,274	-	1,274

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

6 Resources Expended

	Staff Costs £000s	Non Pay Premises £000s	Expenditure Other Costs £000s	Total 2012 £000s
Costs of fundraising expenses and other costs	-	-	17	17
Academy's educational operations				
Direct costs	940	98	99	1,137
Allocation support costs	98	90	119	307
	1,038	188	218	1,444
Governance costs including allocated support costs	-	-	36	36
	1,038	188	271	1,497

Incoming/outgoing resources for this period include:

	2012 £000s
Operating leases	2
Fees payable to auditor - audit	4
- other services	-

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

7 Charitable Activities - Academy's educational operations

	Unrestricted Funds £000s	Restricted Funds £000s	Restricted Fixed Asset Funds £000s	Total 2012 £000s
<i>DIRECT COSTS</i>				
Wages & Salaries	92	683	-	775
National Insurance	-	55	-	55
Pension costs	-	110	-	110
Depreciation	-	-	98	98
Educational Supplies	16	8	-	24
Staff development	-	17	-	17
Educational consultancy	-	10	-	10
Pensions finance cost	-	32	-	32
Other direct costs	-	16	-	16
	108	931	98	1,137
<i>ALLOCATED SUPPORT COSTS</i>				
Wages and salaries	-	81	-	81
National Insurance	-	5	-	5
Pension costs	-	12	-	12
Recruitment and support	-	1	-	1
Maintenance of premises and equipment	19	-	-	19
Cleaning	-	31	-	31
Rent and rates	-	30	-	30
Insurance	-	8	-	8
Security and transport	-	2	-	2
Catering	-	44	-	44
Other support costs	-	74	-	74
	19	288	-	307
	127	1,219	98	1,444

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

8. Governance costs

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2012 £000s
Legal and professional fees governance	-	31	31
Auditor's remuneration	-	-	-
Audit of financial statements	-	4	4
Responsible officer audit	-	1	1
Support costs	-	-	-
Governors' reimbursed expenses	-	-	-
	-	36	36

9. Staff costs

Staff costs during the period were	2012 £000s
Wages and salaries	856
Social security costs	60
Other pension costs	122
	1,038
Supply teacher costs	6
Compensation payments	43
	1,087

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

	2012 No.
Charitable Activities	
Teachers	21
Administration and support	24
Senior Executive Team	5
	50

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

	2012 No.
In the band £90,001 - £100,000	1
In the band £80,001 - £90,000	-
In the band £70,001 - £80,000	-
In the band £60,001 - £70,000	1

One of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £12,145. The other employee participated in the local government pension scheme.

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

10. Trustees/Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. The governors' remuneration paid for this period was as follows: L Atkinson in the band £110,000 - £115,000, Y Johnson in the band £65,000 - £70,000, T Pitocco in the band £25,000 - £30,000 and K Barnett in the band £25,000 - £30,000.

Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' expenses was as follows: S Timmins £325, J Rowe (Nee Yau) £356 and A Powell £139.

Other related party transactions involving the trustees are set out in note 23.

11. Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors' and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2012 was £639.

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

12 Tangible Fixed Assets

	Leasehold Land and buildings £000s	Fixtures Fittings and equipment £000s	Computer equipment £000s	Total £000s
Cost				
Transfer on conversion	4,192	87	61	4,340
Additions	48	32	8	88
At 31 August 2012	4,240	119	69	4,428
Depreciation				
Charged in period	39	36	23	98
At 31 August 2012	39	36	23	98
Net book values				
At 31 August 2012	4,201	83	46	4,330

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

13. Debtors

	2012 £000s
Trade debtors	3
Prepayments	18
Other debtors	98
	<u>119</u>

14. Creditors: amounts falling due within one year

	2012 £000s
Accruals and deferred income	46
	<u>46</u>

15 Funds

	Incoming resources £000s	Resources Expended £000s	Gains, losses and transfers £000s	Balance at 31 August 2012 £000s
Restricted general funds				
General Annual Grant (GAG)	1,183	(1,102)	(50)	31
Start Up Grant	50	(50)	-	-
Other DfE/EFA grants	30	(30)	-	-
Other restricted Funds	58	(58)	-	-
Pension Reserve	(220)	(32)	(29)	(281)
	<u>1,101</u>	<u>(1,272)</u>	<u>(79)</u>	<u>(250)</u>
Restricted fixed asset funds				
DfE/EFA capital grants	23	-	-	23
Inherited fixed asset fund	4,340	(98)	-	4,242
Capital expenditure from GAG	-	-	65	65
	<u>4,363</u>	<u>(98)</u>	<u>65</u>	<u>4,330</u>
Total Restricted funds	<u>5,464</u>	<u>(1,370)</u>	<u>(14)</u>	<u>4,080</u>
Unrestricted funds				
Unrestricted funds	336	(127)	(15)	194
Total Unrestricted funds	<u>336</u>	<u>(127)</u>	<u>(15)</u>	<u>194</u>
Total funds	<u>5,800</u>	<u>(1,497)</u>	<u>(29)</u>	<u>4,274</u>

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

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

General Annual Grant	Restricted to the resources expended on the Academy's educational operations
Start up Grant	Restricted to the resources expended on the set up of the Academy's
Pupil Premium	Restricted to the resources expended to ensure that pupils from low-income families reached required levels of attainment
Sponsor Grant	Restricted to the resources expended on increasing the staffing capacity for the sponsored academy
School Trip	Restricted to resources expended on ensuring school trips are run

16. Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted Funds £000s	Restricted General funds £000s	Restricted Fixed Asset Funds £000s	Total £000s
Tangible fixed assets	-	-	4,330	4,330
Current assets	194	77	-	271
Current liabilities	-	(46)	-	(46)
Pension scheme liabilities	-	(281)	-	(281)
Total net assets	194	(250)	4,330	4,274

17. Reconciliation of net income to net cash inflow

	2012 £000s
Net income	4,303
Cash transferred on conversion to an academy trust	(174)
Assets transferred on conversion	(4,340)
Depreciation (note 12)	98
Capital grants from DfE and other capital income	38
FRS 17 transfer in of pensions liability	(220)
FRS 17 defined benefit pension scheme adjustment	281
Transfer in of school fund	(23)
Increase)/decrease in stocks	-
(Increase)/decrease in debtors	(119)
(Increase)/decrease in creditors	46
Net cash inflow from operating activities	(110)

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

	2012 £000
18. Returns on investments and servicing of finance	
Interest received	-
Net cash inflow from returns on investment and servicing of finance	-
19 Capital expenditure and financial investment	
Purchase of tangible fixed assets	88
Capital grants from DfE/EFA	-
Capital funding received from sponsors and others	-
Receipts from sale of tangible fixed assets	-
Net cash outflow from capital expenditure and financial investment	88

20. Analysis of changes in net funds

Analysis of changes in net funds	Cash flows £000s	At 31 August 2012 £000s
Cash in hand and at bank	152	152
	152	152

21. 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

22. Pension and similar obligations - Ilsham and Ellacombe

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County 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 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 year

Teachers' Pension Scheme

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

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

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

22. Pension and similar obligations - Ilsham and Ellacombe continued

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 5.5% and 7.5%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy 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 and the implications for the academy in terms of the anticipated contribution rates.

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

22. Pension and similar obligations - Ilsham and Ellacombe continued

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 2012 were £30,000, of which employer's contributions totalled £22,000 and employees' contributions totalled £8,000. The agreed contribution rates for future years are 17.4% for Ilsham & 17.2% for Ellacombe and between 5.5% - 7.5% for employees.

Principal Actuarial Assumptions

	At 31 August 2012	Ilsham At 17 August 2011	Ellacombe At 1 April 2012
Rate of increase in salaries	4.1%	5%	4.8%
Rate of increase for pensions in payment / inflation	1.9%	2.7%	2.5%
Discount rate for scheme liabilities	3.9%	5.3%	4.6%
Inflation assumption (CPI)	1.9%	2.7%	2.5%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are (for both Ilsham and Ellacombe) -

	At 31 August 2012
<i>Retiring today</i>	
Males	20.5
Females	24.5
<i>Retiring in 20 years</i>	
Males	22.5
Females	26.4

The academy's share of the assets and liabilities in the schemes and the expected rates of return were

	Expected return at 31 August 2012	Fair Value Ilsham 31 August 2012	Fair Value Ellacombe 31 August 2012
Equities	6.3%	73	79
Bonds	2.8%	17	23
Other bonds	3.9%	0	0
Property	5.3%	7	7
Cash	0.5%	6	8
Target return portfolio	4.7%	18	1
	5.2%	121	119

The return on the funds for the period to 31 August 2012 are estimated to be 3% for Ellacombe and 8% for Ilsham. The overall expected rate of return on scheme assets has been determined by the actuaries Barnett Waddingham based on the estimated fund value at the previous accounting date and the estimated fund value at this accounting date.

The actual return on scheme assets was £9,000, £3,000 in relation to Ellacombe and £6,000 in relation to Ilsham.

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

22. Pension and similar obligations - Ilsham and Ellacombe continued

Amounts recognised in the statement of financial activities

	2012 £000s
Current service cost (net of employee contributions)	37
Gains on curtailment and settlement	(20)
Total operating charges	17

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(9)
Interest on pension liabilities	16
Pension finance income / (costs)	7

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £29,000 loss (£26,000 loss relating to Ilsham staff & £3,000 loss relating to Ellacombe staff).

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

	Ilsham 2012 £000s	Ellacombe 2012 £000s	Total 2012 £000s
Opening defined benefit obligation	177	247	424
Current service cost	24	13	37
Interest cost	11	5	16
Employee contributions	8	3	11
Actuarial (gain)/loss	28	3	31
Benefits paid	(2)	-	(2)
Past Service cost	-	20	20
Curtailments and settlements	-	20	20
At 31 August	246	291	537

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

22. Pension and similar obligations - Ilsham and Ellacombe continued

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

	Ilsham 2012 £000s	Ellacombe 2012 £000s	Total 2012 £000s
Opening fair value of scheme assets	85	119	204
Expected return on assets	6	3	9
Actuarial gain/(loss)	2	-	2
Employer contributions	22	10	32
Employee contributions	8	3	11
Benefits paid	(2)	-	(2)
At 31 August	121	135	256

The estimates value of employer contributions for the year ended 31 August 2013 are £115,000 in respect of Ilsham and £134,000 in respect of Ellacombe

Sensitivity Analysis

Set out below is the estimated impact on defined benefit obligation and projected service cost of a small change in the discount rate and the mortality assumption

	£000's	£000's	£000's
Change in discount rate	1%	0%	1%
Ellacombe Present value of total obligation	283	291	299
Projected service cost	31	32	33
Ilsham Present value of total obligation	239	246	252
Projected service cost	26	27	28
Changes in mortality age rating assumption	+1 year	None	-1 year
Ellacombe Present value of total obligation	280	291	302
Projected service cost	31	32	33
Ilsham Present value of total obligation	237	246	255
Projected service cost	26	27	28

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

23. Related Party Transactions

Owing to the nature of the Academy'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's financial regulations and normal procurement procedures.

The related party transactions for the period ended 31 August 2012 are set out below:

Kitsons LLP – a company in which James Cross, a governor is employed

Transactions totalling £23,635 (Ilsham) relating to the purchase of legal advice took place in the period. There were no amounts outstanding at the period end.

24. Conversion to an academy Trust - Ilsham Academy

On 17th August 2011 Ilsham C of E Primary converted to an academy trust status under the Academies Act 2010 and all operations and assets and liabilities were transferred to Ilsham Academy Trust Limited from Torbay Local Authority for £nil consideration.

As described in note 23 the LGPS obligation relates to the employees of the academy 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 transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

24. Conversion to an academy Trust - Ilsham Academy continued

	Unrestricted Funds £000s	Restricted General Funds £000s	Restricted Fixed Assets Funds £000s	Total £000s
Tangible fixed assets	-	-	52	52
Leasehold /leasehold land and buildings	-	-	1,605	1,605
Budget Surplus on LA funds	103	-	-	103
Budget Surplus on other school funds				-
LGPS pension surplus/(deficit)				-
Net assets	103	-	1,657	1,760

The above net assets include £103k that was transferred as cash

24. Conversion to an academy Trust - Ellacombe Academy

On 1st April 2012 Ellacombe Primary converted to an academy trust status under the Academies Act 2010 and all operations and assets and liabilities were transferred to Ellacombe Academy Trust Limited from Torbay Local Authority for £nil consideration

As described in note 22 the LGPS obligation relates to the employees of the academy 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 transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000s	Restricted General Funds £000s	Restricted Fixed Assets Funds £000s	Total £000s
Tangible fixed assets	-	-	96	96
Leasehold /leasehold land and buildings	-	-	2,587	2,587
Budget Surplus on LA funds	70	-	-	70
LGPS pension surplus/(deficit)				-
Net assets	70	-	2,683	2,753

The above net assets include £70k that was transferred as cash

25. Lease commitments

Operating leases

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

<u>Other</u>	£'000s
Expiring within one year	2
Expiring within two and five years inclusive	-
Expiring in over five years	-
	<hr/>
	2
	<hr/>