

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

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

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LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

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LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013

Directors Mrs Lynn Atkinson, Executive Headteacher (appointed 21 July 2011)^{1,2,3,4}
Mrs Tracey Pitocco, Academy Head (resigned 17 December 2012)¹
Mrs Sally Timmins, Chair of Directors (appointed 21 July 2011)^{1,2,3,4}
Mr Andrew Powell (appointed 21 July 2011)^{1,2}
Mr Peter Martin (appointed 21 July 2011)^{1,2,4}
Mr James Cross (appointed 1 January 2012)¹
Dr Malcolm Findlay (appointed 30 May 2012)¹
Rev Paul Ireton (appointed 30 May 2012)^{1,2,3}
Cllr Julien Parrott (appointed 30 May 2012)^{1,3}
Mrs Karen Barnett, School Business Manager (appointed 17 December 2012)^{1,2}
Rev Gordon Percy (resigned 29 October 2012)

- ¹ Board of Governors
- ² Resources
- ³ Local Advisory Committee for Ellacombe
- ⁴ Local Advisory Committee for Ilsham

Company registered number 07713540

Principal and Registered Office Ilsham Road
Torquay
Devon
TQ1 2JQ

Company Secretary Karen Barnett

Senior Executive Team Lynn Atkinson, Executive Headteacher
Tracey Pitocco, Academy Headteacher
Emma Bone, Academy Headteacher
Karen Barnett, Academy Business Manager

Independent Auditors Francis Clark LLP
Chartered Accountants and Statutory Auditor
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Bankers Lloyds TSB
51-52 Fleet Street
Torquay
Devon
TQ2 5DW

Solicitors Kitsons LLP
Minerva House
Orchard Way
Edginswell Park
Torquay
Devon
TQ2 7FA

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013

The Directors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Learning Academy Partnership (South West) 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 Trust.

The Directors act as the Trustees for the charitable activities of the Learning Academy Partnership (South West) and are 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 Directors who served throughout the year, 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.

Directors' indemnities

Directors benefit from indemnity insurance purchased at the Learning Academy Partnership's expense to cover the liability of the Directors 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 Learning Academy Partnership, provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty or which was committed by the Directors 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 Directors in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10.

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

Principal Activities

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

The partnership is made up of more than one academy and 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. The trust has a shared vision of achieving 'Excellence for All'.

DIRECTORS

Method of recruitment and appointment or election of Directors

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.

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

4 Directors who are appointed by the Trustee Board
4 Staff Directors who are appointed by the Trustee Board
4 Foundation Directors who are appointed by the Diocese
4 Parent Directors who are elected by parents of registered pupils at the Academies

Future directors are appointed or elected, as the case may be under the Articles of Association
Directors are appointed for a four year period, except that the limit does not apply to the Executive Headteacher
Subject to remaining eligible to be a particular type of Director, any Director can be reappointed or re-elected

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

Policies and Procedures adopted for the Induction and Training of Directors

The Learning Academy Partnership has a Directors Recruitment, Induction and Training policy available from the Clerk to the Directors

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

Organisational Structure

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

There are committees as follows,

- Resources Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee
- Local Advisory Committees - these meet at least once a term in each academy to monitor, evaluate and review Learning Academy Partnership policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues

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

The Directors and Board of Directors have devolved responsibility for day to day management of the Learning Academy Partnership to the Executive Headteacher, Senior Executive Team (SET) and Senior Leadership Team (SLT). The SET comprises the Executive Headteacher, Heads of Academies and the Business Manager and control the academies at executive level. The SLT comprises Assistant Head teachers, Team Leaders and Support Staff Leaders. The SET and SLT implement the policies laid down by the Directors and report back to them on performance.

The Executive Headteacher, Academy Business Manager and Resources Committee are responsible for the authorisation of spending within agreed budgets, a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Executive Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts. The Executive Head Teacher is the Accounting Officer.

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

Risk Management

The Directors/Trustees have assessed the major risks to which the Learning Academy Partnership is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances

The Learning Academy Partnership has an effective system of internal financial controls and this is explained in more detail in the Governance Statement

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

Connected Organisations, including Related Party Relationships

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 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. The Trust also works collaboratively within the Diocese and is currently 'building capacity' to apply for Teaching School status in Autumn 2013.

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

The academies both have a Parent Teacher & Friends Association.

Objects and Aims

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

The Trust Board aims to serve its community by providing an education of the highest quality within the context of Christian belief and practice. This will be explicit in Church Academies. It encourages an understanding of the meaning and significance of faith, and promotes Christian values through the experiences it offers to all its pupils.

Our mission statement, through our Core values of

Friendship, Responsibility, Respect and Humility

Is to

- Live and experience our values at the heart of all we do
- Encourage an understanding of the meaning and significance of being part of a faith community through the experiences we offer
- Achieve 'Excellence for All' Wanting the best for everyone

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DIRECTORS' REPORT (continued)
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- Work in partnership with each other, with home, church and the wider community

'Excellence for All' The highest of expectations ensure our commitment to maintain and build upon outstanding outcomes for all our children Our values drive the curriculum experience that we offer our children

We have a vision of our academies as productive, stimulating and rich learning environments in which children and staff experience equal opportunity in all things in order that their true potential is realised Improving basic skills is the responsibility of all staff

Aims of the Learning Academy Partnership (South West)

- 1 All staff at The Learning Academy Partnership aim to provide a caring, disciplined and stimulating environment, in which our children can feel secure, happy and proud
- 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 confident, self-motivated, 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 to work together to offer our children the best possible opportunities to equip them for lifelong learning

Objectives, Strategies and Activities

The core purpose of The Learning Academy Partnership, rooted in school to school support and partnership working, is to serve our communities by improving outcomes and life chances for all children We believe that every child should have an entitlement to be taught by an outstanding teacher in an inspirational school with outstanding leaders that care enough to always put children first We are passionate about promoting, sharing and developing outstanding practice across our schools Our vision is simply 'Excellence for All'

Key priorities for the year are contained in our Academy Development Plan which is available from the Academy Office Improvement focuses identified for this year include

Priority 1 'Excellence for All'.

'Excellence for All'. Achievement is high for ALL groups of pupils

This will include a focus on READING

High quality basic skills embedded across the Curriculum Children are independent learners

Priority 2. Building Further Trust Capacity

To strengthen the sustainability and future success of the Trust

Through restructuring of Governance to ensure skill base to meet Trust Growth

Teaching School Development

Academy Sponsorship

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DIRECTORS' REPORT (continued)
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Priority 3: High quality CPD

Continuing Professional Development is at the heart of school improvement & effectiveness and will realise enhanced provision, for the benefit of all pupils and staff within and beyond the Trust
 Through Ensuring all teaching is outstanding
 Leadership development at all levels

Key activities and targets were identified in the Academy Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding

Public Benefit

The Trustees 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.

Ilsham C of E Academy has been deployed under its National Support School status to support a local Devon school.

ACHIEVEMENTS AND PERFORMANCE

End of Early Years foundation Stage

Ilsham Academy	2010	2011	2012	2013 On entry	2013 End EYFS	2013 Nat Ave
78 points+(National expectation) PSED+CLL 6+ points Good Level of Development Exceeding Level of Development	92%	96%	100%	12	87	52%

Ellacombe Academy	2010	2011	2012	2013 On entry	2013 End EYFS	2013 Nat Ave
78 points+(National expectation) PSED+CLL 6+ points Good Level of Development Exceeding Level of Development	59% 41%	80% 65	93% 77	12%	81%	52%

EYFS Summary

Children enter both Ilsham and Ellacombe below what is expected (a good level of development) and at Ellacombe, significantly below. At the end of EYFS, children from both Ilsham and Ellacombe have made outstanding progress, exceeding national expectations.

Year 1 Phonics Test

As a result of quality teaching and learning, 91% of children in both Ilsham and Ellacombe passed the phonic test. This significantly exceeds national expectations in Year 1 (2012 52%). This shows the impact of leadership and the delivery of high quality phonic teaching and reading provision.

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Ilsham End of Key Stage 1					
Average Point Score and National Curriculum Levels 2013					
	Average Point Scores of cohort			National Curriculum Levels	
	2011	2012	2013	Ilsham 2013	Nat. Ave. 2012
Reading				L2+ 96%	87
				L2B+ 96%	76
				L3 32%	27
National Average 2012					
	17.2	17.0	17.6		
Writing				L2+ 96%	83
				L2B+ 88%	64
				L3 28%	14
Maths				L2+ 100%	91
				L2B+ 96%	77
				L3 28%	22

Ellacombe End of Key Stage 1					
Average Point Score and National Curriculum Levels 2013					
	Average Point Score of Cohort			National Curriculum Levels	
	2011	2012	2013	Ellacombe 2013	Nat Ave 2012
Reading				L2+ 96.9 %	87
				L2B+ 87.5%	76
				L3 28.1%	27
Writing				L2+ 96.9%	83
				L2B+87.5%	64
				L3 15.6%	14
Maths				L2+ 96.9%	91
				L2B+ 84.4%	77
				L3 22%	22

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Key Stage 2 OUTCOMES FOR 2011-2013

Ilsham Academy End of Key Stage 2	National 2011	Ilsham 2011	Ilsham 2012	Ilsham 2013
Percentage of pupils achieving Level 4 and above in ENGLISH and MATHEMATICS	74	87	96	88 *
Percentage of pupils achieving Level 5 and above in ENGLISH and MATHEMATICS	21	35	42*	50
Percentage of pupils achieving 2 National Curriculum Levels progress Key Stage 1 to 2 - ENGLISH	83	96	96	N A
Percentage of pupils achieving 2 National Curriculum Levels progress Key Stage 1 to 2 - Reading and Writing				R 91 W100
Percentage of pupils achieving 2 National Curriculum Levels progress Key Stage 1 to 2 - MATHEMATICS	82	96	96	91

Ellacombe Academy End Of Key Stage 2	National 2011	2011	2012	2013
Percentage of pupils achieving Level 4 and above in ENGLISH and MATHEMATICS	73	57	72	N/A
Percentage of pupils achieving Level 4 and above in Reading, Writing and Maths	N/A	N/A	N/A	56
Percentage of pupils achieving Level 5 and above in ENGLISH and MATHEMATICS	21			20
Percentage of pupils achieving 2 National Curriculum Levels progress Key Stage 1 to 2 - Reading and Writing -	88			W 100
	91			R 79
Percentage of pupils achieving 2 National Curriculum Levels progress Key Stage 1 to 2 English	83	77	97	N/A
Percentage of pupils achieving 2 National Curriculum Levels progress Key Stage 1 to 2 - MATHEMATICS	87	74	89	92

Following the implementation of a rigorous, systematic phonics approach and the implementation of a wide and rich reading curriculum this has resulted in greater enjoyment and engagement in reading for pupils. The impact has been that accelerated outstanding recent progress and this has been evident across the academy and all years groups are now on track to meet or exceed national expectations in reading at the end of Key Stages

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. We are forward thinking and innovative, demonstrating successfully our commitment to working in

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DIRECTORS' REPORT (continued)
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partnership within the local and national context. Through distributed leadership systems, the Executive Headteacher and the governance, continue to build capacity within the LAP, through the development of teachers and leaders and through active engagement as a strategic partner with Torbay Teaching School and more recently in partnership with 'Primary Excellence Teaching School'.

Going Concern

After making appropriate enquiries, the Board of Directors 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.

Pupil numbers for 2013 were -

Ilsham Church of England Academy runs at capacity and Ellacombe Academy 237, an increase of 17 over 2012. It is anticipated that this number will continue to rise.

Student Attendance

Ilsham Church of England Academy	95.5%
Ellacombe Academy	94.7%

FINANCIAL REVIEW

Financial Review

Most of the Learning Academy Partnership's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2013 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Learning Academy Partnership also receives grants for fixed assets from the DfE and 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 year ended 31 August 2013, Incoming resources in the period totalled £2,128,000 (2012 £2,306,000) and resources expended totalled £2,031,000 (2012 £1,468,000).

Total expenditure of £2,031,000 was covered by recurrent grant funding from the DfE, together with other incoming resources of £25,000. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £115,000.

At 31 August 2013 the net book value of fixed assets was £835,000 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The accounting treatment of the assets has been reviewed as a result of the clarification of ownership of the land and buildings. It has been established that the land and buildings with the exception of a new build at Ellacombe are on lease. As a result the land and buildings have been restated by £3,465,000.

The Deficit on the Local Government Pension Scheme in respect of its non teaching staff is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

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

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

Directors have adopted an internal audit programme and appointed Devon Audit Partnership to undertake a programme of internal checks on the financial controls. During the year, the Directors received an annual report from the internal auditors which contained no matters of significance.

Financial and Risk Management Objectives and Policies

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

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

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

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

The Board of Directors recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Learning Academy Partnership 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 Learning Academy Partnership are as follows:

Financial - the Learning Academy Partnership has considerable reliance on continued Government funding through the EFA. In the current financial climate it is uncertain of future funding to be received from the Government.

Failures in governance and/or management - the risk in this area arises 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 applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Directors ensure that student 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 Learning Academy Partnership is reliant on the quality of its staff and so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

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Fraud and mismanagement of funds - The Learning Academy Partnership has appointed internal auditors to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

Reserves Policy

The Directors review the reserve levels of the Learning Academy Partnership annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors take into consideration the future plans of the Learning Academy Partnership, the uncertainty over future income streams and other key risks identified during the risk review.

The Directors have reviewed the future plans of the Learning Academy Partnership and have set reserves as follows:

£50,000 for building maintenance reserve and two investment accounts containing £75,000 in each as operational reserves.

The Directors have made allowance for -

Future planned expenditure that cannot be met from the annual budget.

For the replacement of capital and infrastructure items.

The creation and maintenance of capacity to deal with unknown items of expenditure that cannot be expected to be funded from annual budget.

Investment Policy

Due to the nature of funding, the Learning Academy Partnership may at times hold cash balances surplus to its short-term requirements. The Directors have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Day to day management of the surplus funds is delegated to the Executive Headteacher and Business Manager within strict guidelines approved by the Board of Directors.

PLANS FOR FUTURE PERIODS

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

The Learning Academy Partnership are strategic Partners with Torbay Teaching School and committed to Torbay Teaching School Alliance, engaging in leading, and supporting collaborative networking and School to School support across Torbay. This commitment and involvement across the community is important to us. In addition, the Learning Academy Partnership is applying for Teaching School Status and currently, with Blackpool C of E Primary, who has recently been awarded Teaching School status, have formed a partnership to develop The Primary Excellence Teaching School. This programme is being developed to take schools from Good to Outstanding.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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AUDITOR

In so far as the Directors are aware

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

The auditors, Francis Clark LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting

Approved by order of the Board of Directors on 12/12/13 and signed on its behalf by



Mrs Sally Timmins
Chair of Directors

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of directors 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 board of directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Directors' responsibilities statement. The board of directors has formally met 3 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Director	Meetings attended	Out of a possible
Mrs Lynn Atkinson, Executive Headteacher	3	3
Mrs Tracey Pitocco, Academy Head	0	0
Mrs Sally Timmins, Chair of Directors	1	1
Mr Andrew Powell	0	0
Mr Peter Martin	3	3
Mr James Cross	2	3
Dr Malcolm Findlay	0	0
Rev Paul Ireton	0	0
Cllr Julien Parrott	3	3
Mrs Karen Barnett, Business Manager	0	0
Rev Gordon Percy	0	0

The **Resources Committee** is a sub-committee of the main board of directors. Its purpose is to deal with the finance and management of the partnership. It also acts as the Audit Committee.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mrs Lynn Atkinson, Principal	4	4
Mrs Karen Barnett, Business Manager	4	4
Mr Peter Martin	4	4
Mr Andrew Powell	3	4
Mrs Sally Timmins, Chair of Governors	3	4
Rev Paul Ireton	3	4

The Learning Academy Partnership also has two other committees known as the Local Advisory Committee for Ilsham and the Local Advisory Committee for Ellacombe. These committees are made up of members of the board and various co-opted members.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Learning Academy Partnership (South West) for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (continued)
financial statements

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of directors,
- regular reviews by the Resources 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 board of directors has considered the need for a specific internal audit function and has decided to appoint Devon Audit Partnership as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the internal auditor reports to the board of directors on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

Devon Audit Partnership has delivered their schedule of work as planned. There were no material control issues arising as a result of the work. The reports were considered by the Resources Committee and the Full Board and any recommendations were implemented as appropriate.

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 internal auditor,
- the work of the external auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources 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 board of directors on and signed on their behalf, by

Mrs S Timmins
Chair



Mrs L Atkinson
Chair of Directors




LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Learning Academy Partnership (South West) I have considered my responsibility to notify the academy board of directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012)

I confirm that I and the academy board of directors are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012)

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)
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

The Directors (who act as trustees 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 Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to

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

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

Approved by order of the members of the board of directors and signed on its behalf by



Mrs Sally Timmins
Chair of Governors

Date:

12/12/13

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEARNING ACADEMY PARTNERSHIP
(SOUTH WEST)

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

This report is made solely to the academy 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's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

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

Christopher Hicks BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

Francis Clark LLP

Chartered Accountants and Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF
Date

20 December 2013

Francis Clark LLP

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LEARNING ACADEMY PARTNERSHIP (SOUTH WEST) AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learning Academy Partnership (South West) during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

RESPECTIVE RESPONSIBILITIES OF LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)'S ACCOUNTING OFFICER AND THE REPORTING AUDITOR

The accounting officer is responsible, under the requirements of Learning Academy Partnership (South West)'s funding agreement with the Secretary of State for Education dated 11 July 2011, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

The work undertaken to draw our conclusion has been designed to comply with the requirements set out in the Accounts Direction 2013 and includes:

- Inspection and review of documentation providing evidence of governance procedures
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant transactions

CONCLUSION

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LEARNING
ACADEMY PARTNERSHIP (SOUTH WEST) AND THE EDUCATION FUNDING AGENCY (continued)**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Christopher Hicks BA FCA DChA (Senior statutory auditor)

for and on behalf of

Francis Clark LLP

Chartered Accountants and Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Fr: cel ut

Date 20 December 2013

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

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

		Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	As restated Total funds 2012 £000
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds						
Transfer on conversion	2	-	-	-	-	800
Voluntary income	2	6	1	-	7	35
Activities for generating funds	3	45	4	-	49	197
Investment income	4	1	-	-	1	-
Incoming resources from charitable activities	5	-	2,006	65	2,071	1,274
TOTAL INCOMING RESOURCES		52	2,011	65	2,128	2,306
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising expenses and other costs		-	-	-	-	17
Charitable activities		52	1,884	83	2,019	1,415
Governance costs	7	-	12	-	12	37
TOTAL RESOURCES EXPENDED	10	52	1,896	83	2,031	1,468
NET INCOMING (OUTGOING) RESOURCES BEFORE TRANSFERS, CARRIED FORWARD		-	115	(18)	97	838

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

		Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	As restated Total funds 2012 £000
	Note					
NET INCOMING RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD		-	115	(18)	97	838
Transfers between Funds	21	-	(41)	41	-	-
NET INCOME (EXPENDITURE) FOR THE YEAR		-	74	23	97	838
Actuarial gains and losses on defined benefit pension schemes		-	(10)	-	(10)	(29)
NET MOVEMENT IN FUNDS FOR THE YEAR		-	64	23	87	809
Total funds at 1 September 2012		194	(250)	865	809	-
TOTAL FUNDS AT 31 AUGUST 2013		194	(186)	888	896	809

All activities relate to continuing operations

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

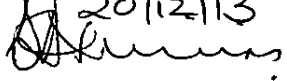

The notes on pages 25 to 46 form part of these financial statements

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER 07713540

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£000	2013 £000	As restated 2012 £000
FIXED ASSETS				
Tangible assets	16		835	865
CURRENT ASSETS				
Stocks	17	3	-	
Debtors	18	77	119	
Cash at bank		348	152	
		<u>428</u>	<u>271</u>	
CREDITORS: amounts falling due within one year	19	<u>(62)</u>	<u>(46)</u>	
NET CURRENT ASSETS			<u>366</u>	<u>225</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,201</u>	<u>1,090</u>
Defined benefit pension scheme liability	26		<u>(305)</u>	<u>(281)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>896</u></u>	<u><u>809</u></u>
FUNDS OF THE ACADEMY				
Restricted funds				
Restricted funds	21	119	31	
Restricted fixed asset funds	21	888	865	
		<u>1,007</u>	<u>896</u>	
Restricted funds excluding pension liability				
Pension reserve		<u>(305)</u>	<u>(281)</u>	
Total restricted funds			<u>702</u>	<u>615</u>
Unrestricted funds	21		<u>194</u>	<u>194</u>
TOTAL FUNDS			<u><u>896</u></u>	<u><u>809</u></u>

The financial statements were approved by the Directors, and authorised for issue, on 20/12/13 and are signed on their behalf, by

 
Chair of Trustees

The notes on pages 25 to 46 form part of these financial statements

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

		Year ended 31 August 2013 £000	As restated Period ended 31 August 2012 £000
	Note		
Net cash flow from operating activities	23	183	26
Returns on investments and servicing of finance	24	1	-
Capital expenditure and financial investment	24	12	(15)
Cash transferred on conversion to an academy trust		-	174
INCREASE IN CASH IN THE YEAR		196	185

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

	Year ended 31 August 2013 £000	As restated Period ended 31 August 2012 £000
Increase in cash in the year	196	185
MOVEMENT IN NET FUNDS IN THE YEAR	196	185
Net funds/(debt) at 1 September 2012 (as restated)	152	(33)
NET FUNDS AT 31 AUGUST 2013	348	152

The notes on pages 25 to 46 form part of these financial statements

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Directors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.4 Incoming resources

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

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

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

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

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

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

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

1.5 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

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

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

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

L/Term Leasehold Property	-	2% straight line
Fixtures and fittings	-	between 2 to 3 years straight line
Computer equipment	-	between 2 to 3 years straight line

1.8 Leased Assets

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

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Taxation

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

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

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

2 VOLUNTARY INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	As restated Total funds 2012 £000
Transfer on conversion	-	-	-	800
Donations	6	1	7	12
Government grants	-	-	-	23
Subtotal	6	1	7	35
Voluntary income	6	1	7	835

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Fees Received	26	4	30	197
Other	19	-	19	-
	45	4	49	197

4. INVESTMENT INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Short term deposits	1	-	1	-

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
DfE/EFA revenue grant				
General Annual Grant	-	1,725	1,725	1,183
Other DfE/EFA Grants	-	205	205	30
National Leader of Education Grants	-	18	18	-
Startup Grant	-	-	-	50
	-	1,948	1,948	1,263
Other government grants				
Nursery Funding	-	58	58	-
Special Educational Needs	-	50	50	11
	-	108	108	11
Other funding				
Other income	-	4	4	-
Restricted donations	-	1	1	-
Awards for all Capital Grant	-	10	10	-
	-	15	15	-
	-	2,071	2,071	1,274

6 EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	As restated Total funds 2012 £000
Educational Operations	52	1,967	2,019	1,415

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £000	Other costs 2013 £000	Total 2013 £000	As restated Total 2012 £000
Educational Operations	1,474	545	2,019	1,415

LEARNING ACADEMY PARTNERSHIP (SOUTH WEST)
(A COMPANY LIMITED BY GUARANTEE)

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

7. GOVERNANCE COSTS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Governance Internal audit costs	-	3	3	1
Governance Auditors' remuneration	-	4	4	4
Governance Auditors' non audit costs	-	5	5	-
Governance Legal & Professional	-	-	-	32
	<u>-</u>	<u>12</u>	<u>12</u>	<u>37</u>

8. DIRECT COSTS

	Educational Operations £000	Total 2013 £000	As restated Total 2012 £000
Pension income	7	7	7
Depreciation	83	83	69
Educational Supplies	35	35	24
Staff Development	15	15	17
Educational Consultancy	16	16	10
Other Direct Costs	18	18	16
Other Support Costs	14	14	17
Wages and salaries	1,097	1,097	775
National insurance	75	75	55
Pension cost	159	159	135
Subtotal	<u>1,519</u>	<u>1,519</u>	<u>1,125</u>
Other direct costs	-	-	(17)
	<u>1,519</u>	<u>1,519</u>	<u>1,108</u>

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9. SUPPORT COSTS

	Educational Operations £000	Total 2013 £000	Total 2012 £000
Recruitment and Support	2	2	1
Maintenance of Premises and Equipment	34	34	19
Cleaning	53	53	31
Rent and Rates	27	27	30
Insurance	20	20	8
Security and Transport	3	3	2
Catering	76	76	44
Other Support Costs	115	115	74
Energy Costs	27	27	-
Wages and salaries	121	121	81
National insurance	6	6	5
Pension cost	16	16	12
	500	500	307

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £000	Premises 2013 £000	Other costs 2013 £000	Total 2013 £000	As restated Total 2012 £000
Costs of activities for generating funds	-	-	-	-	17
Educational Operations	1,474	173	372	2,019	1,415
Governance	-	-	12	12	37
	1,474	173	384	2,031	1,469

11. NET INCOMING RESOURCES

This is stated after charging

	Year ended 31 August 2013 £000	As restated Period ended 31 August 2012 £000
Depreciation of tangible fixed assets - owned by the charity	83	70
Auditors' remuneration	4	4
Auditors' remuneration - non-audit	5	-
Governance Internal audit costs	3	1

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12. STAFF COSTS

Staff costs were as follows

	Year ended 31 August 2013 £000	Period ended 31 August 2012 £000
Wages and salaries	1,209	807
Social security costs	81	60
Other pension costs (Note 26)	175	147
	<u>1,465</u>	<u>1,014</u>
Supply teacher costs	-	6
Compensation payments	9	43
	<u>1,474</u>	<u>1,063</u>

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

	Year ended 31 August 2013 No.	Period ended 31 August 2012 No.
Teachers	18	21
Administration and Support	23	24
Senior Executive Team	12	5
	<u>53</u>	<u>50</u>

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

	Year ended 31 August 2013 No.	Period ended 31 August 2012 No.
In the band £90,001 - £100,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for this member of staff amounted to £11,882 (2012: £12,145)

13 DIRECTORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Directors (2012 - 4) in respect of defined benefit pension schemes

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

	Year ended 31 August 2013 £000	Period ended 31 August 2012 £000
Mrs Lynn Atkinson, Principal	95-100	110-115
Mrs Tracey Pitocco, Academy Head	15-20	25-30
Mrs Karen Barnett, School Business Manager	30-35	25-30
Mrs Yvonne Johnson, Deputy Principal		65-70

During the year ended 31 August 2013, expenses totalling £877 (2012 - £820) were reimbursed to 1 Director (2012 - 3).

14. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,222 (2012 - £639).

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

15. OTHER FINANCE INCOME

	Year ended 31 August 2013 £000	Period ended 31 August 2012 £000
Expected return on pension scheme assets	16	9
Interest on pension scheme liabilities	(23)	(16)
	(7)	(7)

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16 TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2012 (as restated)	747	119	69	935
Additions	12	23	18	53
At 31 August 2013	759	142	87	988
Depreciation				
At 1 September 2012 (as restated)	11	36	23	70
Charge for the year	13	44	26	83
At 31 August 2013	24	80	49	153
Net book value				
At 31 August 2013	735	62	38	835
At 31 August 2012 (as restated)	736	83	46	865

17. STOCKS

	2013 £000	2012 £000
Curriculum Stationery	3	-

18. DEBTORS

	2013 £000	2012 £000
Trade debtors	1	3
Prepayments	32	18
Other debtors	28	77
Tax recoverable	16	21
	77	119

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19. CREDITORS

Amounts falling due within one year

	2013 £000	2012 £000
Taxation and social security	46	-
Accruals and deferred income	16	46
	<u>62</u>	<u>46</u>
		£000
Deferred income		
Resources deferred during the year		<u>8</u>

Income for residential trips to be held in October 2013 £8k

20. PRIOR YEAR ADJUSTMENT

A prior period adjustment affecting the 2011 fixed assets has been required due to the establishment of ownership of the land and buildings. It has been established that the academy own one building at Ellacombe valued at £700,000 the remainder being leased from the Church of England Diocese (Ilsham) and the Church Wardens (Ellacombe)

Opening Balance	£4,330,000
Restatement	£(3,465,000)
Restated opening balance	£ 865,000

21. STATEMENT OF FUNDS

	Brought Forward As restated £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
Unrestricted funds	<u>194</u>	<u>52</u>	<u>(52)</u>	<u>-</u>	<u>-</u>	<u>194</u>

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21. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual						
Grant (GAG)	31	1,720	(1,591)	(41)	-	119
Pupil Premium	-	150	(150)	-	-	-
SEN	-	50	(50)	-	-	-
Nursery	-	58	(58)	-	-	-
National Leaders of Education	-	18	(18)	-	-	-
Other Restricted Funds	-	15	(15)	-	-	-
Pension reserve	(281)	-	(14)	-	(10)	(305)
	<u>(250)</u>	<u>2,011</u>	<u>(1,896)</u>	<u>(41)</u>	<u>(10)</u>	<u>(186)</u>

Restricted fixed asset funds

Inherited fixed asset fund	777	-	(66)	-	-	711
DfE/EFA capital grants	23	55	(1)	-	-	77
Capital expenditure from GAG	65	-	(13)	41	-	93
Awards for All	-	10	(3)	-	-	7
	<u>865</u>	<u>65</u>	<u>(83)</u>	<u>41</u>	<u>-</u>	<u>888</u>
Total restricted funds	<u>615</u>	<u>2,076</u>	<u>(1,979)</u>	<u>-</u>	<u>(10)</u>	<u>702</u>
Total of funds	<u>809</u>	<u>2,128</u>	<u>(2,031)</u>	<u>-</u>	<u>(10)</u>	<u>896</u>

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

National Leaders of Education is to be used for deploying the Governing Body £2k, enabling the Executive Head to identify school improvement priorities, develop and deliver a package of support. The support provided should lead to measurable improvements in pupil outcomes £10k and to contribute towards the cost of due diligence exercise/pay towards travel to meetings/pay towards the attendance of two members of staff £6k

Other restricted Funds

St Wilfreds Trust to be used to enhance RE within the school setting
NQT training to be used for the provision of NQT training
Teaching School - Maths - to be used for development projects

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2013 were allocated as follows

	As restated Total £000
Ilsham C of E Academy	126
Ellacombe Academy	187
	<hr/>
Total before fixed asset fund and pension reserve	313
Restricted fixed asset fund	888
Pension reserve	(305)
	<hr/>
Total	896
	<hr/>

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total £000
Ilsham C of E Academy	486	65	21	195	767
Ellacombe Academy	844	78	14	244	1,180
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,330	143	35	439	1,947
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	As restated Total funds 2012 £000
Tangible fixed assets	-	-	835	835	865
Current assets	194	181	53	428	271
Creditors due within one year	-	(62)	-	(62)	(46)
Provisions for liabilities and charges	-	(305)	-	(305)	(281)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	194	(186)	888	896	809
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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23. NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 31 August 2013 £000	As restated Period ended 31 August 2012 £000
Net incoming resources before revaluations	97	838
Returns on investments and servicing of finance	(1)	-
Cash transferred on conversion	-	(174)
Assets transferred on conversion	-	(847)
Depreciation of tangible fixed assets	83	68
Capital grants from DfE and other capital income	(65)	(38)
Increase in stocks	(3)	-
Decrease/(increase) in debtors	42	(119)
Increase in creditors	16	46
FRS 17 transfer in of pensions liability	-	220
FRS 17 defined benefit pension scheme adjustment	14	32
Net cash inflow from operations	183	26

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	Year ended 31 August 2013 £000	Period ended 31 August 2012 £000
Returns on investments and servicing of finance		
Interest received	1	-
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(53)	(53)
Capital grants from DfE	65	38
Net cash inflow/(outflow) capital expenditure	12	(15)

25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £000	Cash flow £000	31 August 2013 £000
Cash at bank and in hand	152	196	348
Net funds	152	196	348

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26 PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2010

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

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

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

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26. PENSION COMMITMENTS (continued)

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

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

Teachers' Pension Scheme Changes

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

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £88,000, of which employer's contributions totalled £69,000 and employees' contributions totalled £19,000. The agreed contribution rates for future years are 17.4% for Ilsham and 17.2% for Ellacombe employers and between 5.5% - 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the

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26 PENSION COMMITMENTS (continued)

Department for Education The guarantee came into force on 18 July 2013

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £000
Equities	60 00	229	60 00	154
Gilts	13 00	50	14 00	36
Property	9 00	34	6 00	15
Cash	3 00	11	5 00	13
Target return portfolio	15 00	57	15 00	38
Total market value of assets		381		256
Present value of scheme liabilities		(686)		(537)
(Deficit)/surplus in the scheme		(305)		(281)

The amounts recognised in the Balance sheet are as follows

	Year ended 31 August 2013 £000	Period ended 31 August 2012 £000
Present value of funded obligations	(686)	(537)
Fair value of scheme assets	381	256
Net liability	(305)	(281)

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

	Year ended 31 August 2013 £000	Period ended 31 August 2012 £000
Current service cost	(76)	(37)
Interest on obligation	(23)	(16)
Expected return on scheme assets	16	9
Gains on curtailments and settlements	-	(20)
Total	(83)	(64)

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26. PENSION COMMITMENTS (continued)

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

	Year ended 31 August 2013 £000	Period ended 31 August 2012 £000
Opening defined benefit obligation	537	424
Current service cost	76	37
Interest cost	23	16
Contributions by scheme participants	19	11
Actuarial Losses	34	31
Losses on curtailments	-	20
Benefits paid	(3)	(2)
	<u>686</u>	<u>537</u>
Closing defined benefit obligation	<u>686</u>	<u>537</u>

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

	Year ended 31 August 2013 £000	Period ended 31 August 2012 £000
Opening fair value of scheme assets	256	204
Expected return on assets	16	9
Actuarial gains and (losses)	24	2
Contributions by employer	69	32
Contributions by employees	19	11
Benefits paid	(3)	(2)
	<u>381</u>	<u>256</u>
	<u>381</u>	<u>256</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £10,000 (2012 - £NIL)

The academy expects to contribute £55,000 to its Defined benefit pension scheme in 2014

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

	2013	2012
Equities	60.00 %	6 30 %
Bonds	13 00 %	2 80 %
Other bonds	- %	3 90 %
Property	9.00 %	5 30 %
Cash	3 00 %	0 50 %
Target Return portfolio	15 00 %	4 70 %

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26. PENSION COMMITMENTS (continued)

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

	2013	2012
Discount rate for scheme liabilities	4.70 %	3.90 %
Rate of increase in salaries	5.10 %	4.10 %
Rate of increase for pensions in payment / inflation	2.90 %	1.90 %
Inflation assumption (CPI)	2.90 %	1.90 %
RPI increases	3.70 %	2.70 %

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

	2013	2012
Retiring today		
Males	20.6	20.5
Females	24.6	24.5
Retiring in 20 years		
Males	22.6	22.5
Females	26.5	26.4

Amounts for the current and previous period are as follows

Defined benefit pension schemes

	2013 £000	2012 £000
Defined benefit obligation	(686)	(537)
Scheme assets	381	256
Deficit	(305)	(281)
Experience adjustments on scheme liabilities	(34)	(31)
Experience adjustments on scheme assets	24	2

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26. PENSION COMMITMENTS (continued)

Sensitivity Analysis

	£000's	£000's	£000's
Adjustment to discount rate	+0.1%	1.0%	-0.1%
Present Value of Obligation	669	686	703
Projected Service Cost	79	81	84
Adjustment to mortality age rating assumption	+1 year	None	-1 Year
Present Value of Total obligation	661	686	711
Projected Service Cost	77	81	85

27. OPERATING LEASE COMMITMENTS

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

	2013 £000	2012 £000
Expiry date:		
Within 1 year	1	2
Between 2 and 5 years	2	-
	<u> </u>	<u> </u>

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28. RELATED PARTY TRANSACTIONS

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

The related party transactions for the period ended 31 August 2013 are set out below:

Chris Atkinson – Website Designer, son of Executive Head

Transactions totalling £916.48 (Ilsham £470.73) / (Ellacombe £445.75) relating to work on upgrading the academy website and ad-hoc maintenance. There were no amounts outstanding.

Mrs Sally Timmins - National Leader of Governance, Chair of Governors

Transactions totalling £877.10 (Ilsham) relating to work for as a National Leader of Governance for work supporting Governance.

Kitsons LLP - a firm in which James Cross, a Governor, is employed

Transactions totalling £nil (2012 £23,635) (Ilsham) relating to the purchase of legal advice took place in the period.

There were no amounts outstanding at the period end.