

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2012

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2012**

Governors

S Rowe, Principal (appointed 27 June 2011)^{1,3,4,5}
M Rogers, Chair (appointed 27 June 2011)^{1,4,5}
R Hales, Vice Chair (appointed 27 June 2011)^{4,5}
S Sage (appointed 27 June 2011)^{2,3,5}
J Jethwa (appointed 27 June 2011)^{1,3}
M Morgan (appointed 27 June 2011, resigned 19 July 2012)
B McInerney (appointed 27 June 2011, resigned 19 July 2012)
Rev A Schuman (appointed 27 June 2011)²
P Black (appointed 27 June 2011)³
E Williams (appointed 27 June 2011)^{1,3}
N Beaumont (appointed 27 June 2011)^{2,5}
Dr R Bryce (appointed 27 June 2011)³
N Arora (appointed 27 June 2011)⁴
R Moody (appointed 27 June 2011, resigned 19 July 2012)¹
L Craig (appointed 27 June 2011)^{3,5}
S Geen (appointed 27 June 2011)^{1,3}
C Daplyn (appointed 10 September 2012)

- 1 Finance Committee
- 2 Pastoral Committee
- 3 Curriculum and Standards Committee
- 4 Site and Buildings Committee
- 5 Personnel Committee

Company registered number 07683980

Principal and Registered office Selden Road
Stockwood
Bristol
BS14 8PS

Company secretary Pauline Warburton

Accounting officer Simon Rowe

Senior Leadership Team
S Rowe, Principal
S Sage, Deputy Principal
P Warburton, Business Manager

Auditors Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Bankers Lloyds TSB
102 Regent Street
Kingswood
Bristol
BS15 8HT

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2012**

Advisers (continued)

Solicitors

Browne Jacobson
44 Castle Gate
Nottingham
NG1 7BJ

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2012**

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy (was incorporated on 27 June 2011 and opened as an Academy on 1 August 2011) is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy.

The Governors act as the Trustees for the charitable activities of Waycroft Academy Trust and are also the directors of the charitable company for the purposes of company law.

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

Members' Liability

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

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the Academy. The limit of this indemnity is £10.

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

Principal Activity

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

The principal activity of the Academy is to provide free education for pupils of different abilities between the ages of 3 and 11.

GOVERNORS

Method of recruitment and appointment or election of Governors

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

The Academy's Governing Body comprises the Principal, a minimum of 5 Parent Governors, up to 3 Staff Governors (providing that the total number of Governors, including the Principal, who are employees of the Academy, does not exceed one third of the total number of Governors) and up to 9 other Governors.

The Academy shall have the following Governors as set out in its Articles of Association and funding agreement:

- up to 1 Governor who is appointed by members.
- up to 5 Parent Governors who are elected by parents of registered pupils at the Academy.

**GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012**

- up to 3 Staff Governors appointed by the Governing Body.
- up to 5 Community Governors who are appointed by the Governing Body.
- the Principal who is treated for all purposes as being an ex officio Governor.

Governors are appointed for a four year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

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

Policies and Procedures adopted for the Induction and Training of Governors

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

There are training sessions arranged to keep the Governors updated on relevant developments impacting on their roles and responsibilities. Governors also have access to Bristol City Council Governor Development Service, a service Waycroft Academy subscribes to each year.

Organisational Structure

The Full Governing Body meets once each term, six times per year. The Board establishes an overall framework for the governance of the Academy 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 five committees as follows;

- 1) Finance 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 the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- 2) Curriculum Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment issues.
- 3) Site and Buildings Committee (including Health and Safety) – this meets as and when necessary, at least three times a year.
- 4) Personnel Committee - this meets as and when necessary, at least four times per year.
- 5) Pastoral Committee – this meets as and when there is need.

The following decisions are reserved to the Board of Governors; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Principal and Clerk to the Governors, to approve the School Development Plan (SDP) and budget.

The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Governors have devolved responsibility for day to day management of the Academy to the Principal and Senior Leadership Team (SLT). The SLT (Tier 1) comprises of the Principal and Vice

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Principal. SLT (Tier 2) comprises of SLT (Tier 1), plus four Team Leaders, three core Subject Leaders, the SENCo and the ICT Subject Leader. The SLT (Tiers 1 and 2) implement policies agreed by Governors and report back to them on performance. The School Business Manager joins SLT (Tier 1) for weekly briefings.

The Academy has a leadership structure which consists of the Governors, The Senior Leadership Teams and Subject Leaders. The aim of the leadership structure is to devolve responsibility, distribute leadership and encourage involvement in decision making at all levels.

The Principal, Vice Principal and School Business Manager are responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Principal is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor, usually the Chair of the Personnel Committee.

The Principal is the Accounting Officer.

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances.

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

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control. Financial controls are overseen by the Principal and the School Business Manager.

The Academy has undertaken a full review of the main areas of risk which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

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

Connected Organisations, including Related Party

The Academy has strong collaborative links with Bath Spa University. A Bath Spa senior tutor is a member of the Waycroft Academy Trust Board of Governors. Some Bath Spa teacher training students complete teaching practises at Waycroft.

Waycroft Academy has a 'Friends of Waycroft Committee' a group of volunteer parents and carers, affiliated to the National Parent Teacher Association and a registered charity. This group of volunteers works with Waycroft staff to organise fund raising and social events for Waycroft children, parents and carers.

There are no other related parties which either control or significantly influence the decisions and operations of Waycroft Academy Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

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The principal object and activity of the Charitable Company is the operation of Waycroft Academy to provide free education and care for pupils of different abilities between the ages of 3 and 11.

The aims of the Academy during the period ended 31 August 2012 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra curricular activities
- to develop students as more effective learners
- to enhance the tertiary provision and outcomes
- to develop the Academy site so that it enables children to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to maximise the number of children who achieve National Curriculum (NC) level 4 and 5 in English and Maths
- to provide value for money for the funds expended
- to comply with all appropriate statutory and curriculum requirements
- to maintain close links with the local community
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

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

Objectives, Strategies and Activities

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

- (Priority 1) Developing a curriculum which meets the needs of Waycroft pupils in the 21st century
- (Priority 2) Directly address the Every Child Matters agenda
- (Priority 3) Working with and engaging stakeholders

Key strategies for the hitting of those targets related to priorities 1, 2 and 3 were identified in the School Development Plan (SDP). The SDP is reviewed termly and re-written every three years. A new SDP will be in place for September 2012.

Public Benefit

The Governors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy's aims and objectives and in planning its future activities.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academy we have a duty to support other schools. Waycroft Academy is a National Support School (NSS) and the Principal is a National Leader of Education (NLE). As and when required Waycroft works alongside local and area schools, providing guidance and support if requested. Waycroft is also a Challenge Partner school, linked to the Royal Wootton Bassett Academy 'hub'.

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance

The Academy is in its first year of operation and has exceeded the forecast number of children achieving NC level 4 and 5 in English and Maths.

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The Academy is full in all but one year group. The number of applicants for Nursery and Reception class places has never been higher. The Academy is heavily oversubscribed, with parents going to appeal in an effort to secure a place.

Over 40 parent/carer volunteers have been helping at Waycroft Academy this year. Their commitment to the children and Academy is inspirational. They have helped with reading, trips out of school, fund raising and social events such as a Diamond Jubilee Tea Party for 490 children. Each child was given a Waycroft commemorative mug.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Department Heads and the Senior Leadership Team.

The Academy was inspected by Ofsted in January 2007 and was judged to be 'outstanding' in all 27 categories. Because of continued success and above national average SAT results Ofsted have not re-visited, yet.

During the year, Waycroft's charity fundraising activities have secured in excess of £1,000 for Water Aid, Oxfam and Comic Relief.

Going Concern

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

Key Financial Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is restricted. In the period under review, £216,212 was carried forward representing 11.9% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2011 - 2012 were 490. As the additional children from Stockwood Green Primary move through the school, numbers will return to our capacity of 480, 60 children in each year group, Nursery to year 6.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2012 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy 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 Academy's accounting policies.

At 31 August 2012 the net book value of fixed assets was £3,909,191 and movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The balance of the former school's budget share (£121,758) was transferred across on conversion and is shown as Unrestricted Funds.

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

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, Principal, managers,

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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.

Governors have adopted a Responsible Officer Policy and appointed David Young, HCSS, to undertake a programme of internal checks on financial controls. During the year, the Governors received the initial report from the Responsible Officer which contained no matters of significance.

Financial and Risk Management Objectives and Policies

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

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

Whilst the Academy is over-subscribed, risks to revenue funding reducing from a fall in pupil numbers are small. The freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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

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

The Governing Body 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 Governors consider that Waycroft Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last financial period 89% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

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

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

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

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

Waycroft Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Reserves Policy

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

The Governors have determined that the appropriate level of free cash reserves should approximately cover 3 months worth of expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £176,640.

The Governors have reviewed the future plans of the Academy and have set designated reserves as follows:

- re-wiring KS1,KS2 and the hall
- refurbishing KS1 toilet blocks
- building a sports hall
- building a multi-purpose play area
- ICT development

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. On a daily basis this is achieved by automatic transfer of surplus funds to overnight deposit. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods.

Due to the nature of funding, Waycroft Academy may at times hold cash balances surplus to its short term requirements. The Governors 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.

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Principal and Business Manager within strict guidelines approved by the Governing Body.

PLANS FOR FUTURE PERIODS

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

Waycroft Academy will continue to work with partner schools to improve the educational opportunities for children in the wider community.

Full details of our plans for the future are given in our School Development Plan, which is available on our website or from the Clerk to the Governors.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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**GOVERNORS' REPORT (continued)
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AUDITORS

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

This report was approved by order of the members of the Governing Body on 26 November 2012 and signed on its behalf by:

M Rogers, Chair
Governor

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Governing Body has delegated the day-to-day responsibility to the Principal, 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 Waycroft Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

| Governor | Meetings attended | Out of a possible |
|---------------------|-------------------|-------------------|
| S Rowe, Principal | 6 | 6 |
| M Rogers, Chair | 6 | 6 |
| R Hales, Vice Chair | 4 | 6 |
| S Sage | 5 | 6 |
| J Jethwa | 4 | 6 |
| M Morgan | 5 | 6 |
| B McInerney | 5 | 6 |
| Rev A Schuman | 2 | 6 |
| P Black | 6 | 6 |
| E Williams | 5 | 6 |
| N Beaumont | 3 | 6 |
| Dr R Bryce | 4 | 6 |
| N Arora | 6 | 6 |
| R Moody | 5 | 6 |
| L Craig | 3 | 6 |
| S Geen | 5 | 6 |

The **Finance Committee** is a sub-committee of the main Governing Body. The purpose of the Finance Committee is to ensure that the standards of financial control and administration are adhered to, make financial plans including agreeing the draft budget, and monitor the progress of income and expenditure. The Finance Committee has formally met 8 times during the year. Attendance during the year at meetings was as follows:

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|------------|-------------------|-------------------|
| S Rowe | 8 | 8 |
| M Rogers | 7 | 8 |
| R Moody | 7 | 8 |
| S Geen | 7 | 8 |
| J Jethwa | 2 | 8 |
| E Williams | 5 | 8 |

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

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GOVERNANCE STATEMENT (continued)

and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Waycroft Academy Trust for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance 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 (as set purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed David Young, HCSS, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on _____ and signed on their behalf, by:

M Rogers, Chair
Governor

S Rowe, Principal
Governor

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

S Rowe, Principal

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

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

Approved by order of the members of the Governing Body and signed on its behalf by:

M Rogers, Chair
Governor

Date: 26 November 2012

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYCROFT ACADEMY TRUST

We have audited the financial statements of Waycroft Academy Trust for the period ended 31 August 2012 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the Governors (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 Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYCROFT ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Duncan Nicholas BSc FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

5 December 2012

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WAYCROFT
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Waycroft Academy Trust during the period 27 June 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Waycroft Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Waycroft Academy Trust 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 Waycroft Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF WAYCROFT ACADEMY TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT'S**

The Accounting Officer is responsible, under the requirements of Waycroft Academy Trust's funding agreement with the Secretary of State for Education dated 29 July 2011, and the Academies Financial Handbook as published by DfE in 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 2011/12. 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 period 27 June 2011 to 31 August 2012 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 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WAYCROFT
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 27 June 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming Bath Limited

Chartered Accountants
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date:

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2012

| | Note | Unrestricted funds 2012 £ | Restricted funds 2012 £ | Restricted fixed asset funds 2012 £ | Total funds 2012 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds: | | | | | |
| Transfer from Local Authority on conversion | 3 | 182,093 | (494,314) | 3,841,983 | 3,529,762 |
| Other voluntary income | 3 | 9,923 | - | 146,375 | 156,298 |
| Activities for generating funds | 4 | 17,468 | - | - | 17,468 |
| Investment income | 5 | 341 | - | - | 341 |
| Incoming resources from charitable activities | 6 | 139,026 | 2,036,333 | - | 2,175,359 |
| TOTAL INCOMING RESOURCES | | 348,851 | 1,542,019 | 3,988,358 | 5,879,228 |
| RESOURCES EXPENDED | | | | | |
| Charitable activities | 12 | 172,211 | 1,857,192 | 69,554 | 2,098,957 |
| Governance costs | 8 | - | 27,393 | - | 27,393 |
| TOTAL RESOURCES EXPENDED | 11 | 172,211 | 1,884,585 | 69,554 | 2,126,350 |
| NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS | | | | | |
| | | 176,640 | (342,566) | 3,918,804 | 3,752,878 |
| Transfers between Funds | 20 | - | (10,980) | 10,980 | - |
| NET INCOME FOR THE YEAR | | 176,640 | (353,546) | 3,929,784 | 3,752,878 |
| Actuarial gains and losses on defined benefit pension schemes | | - | (53,000) | - | (53,000) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 176,640 | (406,546) | 3,929,784 | 3,699,878 |
| Total funds at 27 June 2011 | | - | - | - | - |
| TOTAL FUNDS AT 31 AUGUST 2012 | | 176,640 | (406,546) | 3,929,784 | 3,699,878 |

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

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

The notes on pages 22 to 40 form part of these financial statements.

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07683980**

**BALANCE SHEET
AS AT 31 AUGUST 2012**

| | Note | £ | 2012 £ |
|--|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 17 | | 3,909,191 |
| CURRENT ASSETS | | | |
| Debtors | 18 | 181,072 | |
| Cash at bank and in hand | | 399,600 | |
| | | <u>580,672</u> | |
| CREDITORS: amounts falling due within one year | 19 | (164,985) | |
| | | <u>415,687</u> | |
| NET CURRENT ASSETS | | | <u>415,687</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>4,324,878</u> |
| Defined benefit pension scheme liability | 26 | | (625,000) |
| | | | <u>3,699,878</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u>3,699,878</u> |
| FUNDS OF THE ACADEMY | | | |
| Restricted funds: | | | |
| General funds | 20 | 218,454 | |
| Fixed asset funds | 20 | 3,929,784 | |
| | | <u>4,148,238</u> | |
| Restricted funds excluding pension liability | | | |
| Pension reserve | | (625,000) | |
| | | <u>3,523,238</u> | |
| Total restricted funds | | | <u>3,523,238</u> |
| Unrestricted funds | 20 | | <u>176,640</u> |
| TOTAL FUNDS | | | <u>3,699,878</u> |

The financial statements were approved by the Governors, and authorised for issue, on 26 November 2012 and are signed on their behalf, by:

**M Rogers
Governor**

The notes on pages 22 to 40 form part of these financial statements.

**WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012**

| | Note | 2012 £ |
|--|-------------|-------------------|
| Net cash flow from operating activities | 22 | 120,406 |
| Returns on investments and servicing of finance | 23 | 340 |
| Capital expenditure and financial investment | 23 | 9,613 |
| Cash transferred on conversion to an academy trust | 25 | 269,241 |
| INCREASE IN CASH IN THE PERIOD | | 399,600 |

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

| | 2012 £ |
|--|-------------------|
| Increase in cash in the period | 399,600 |
| MOVEMENT IN NET FUNDS IN THE PERIOD | 399,600 |
| NET FUNDS AT 31 AUGUST 2012 | 399,600 |

The notes on pages 22 to 40 form part of these financial statements.

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 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 Governors 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 Governors.

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

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

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

1.4 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

1. ACCOUNTING POLICIES (continued)

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 Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 GOING CONCERN

The Academy has considerable reliance on continued Government funding through the EFA. Although there is no assurance that Government funding will continue at its current level for the period covered by the going concern review the Governors have a reasonable expectation that the Academy will have adequate resources to continue its activities for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

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

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

| | | |
|---------------------------|---|--------------------------|
| L/Term Leasehold Property | - | 10-50 year straight line |
| Fixtures and fittings | - | 5 year straight line |
| Computer equipment | - | 3 year straight line |

Long Term Leasehold Property improvements are depreciated over a shorter life than the property itself.

1. ACCOUNTING POLICIES (continued)

1.8 TAXATION

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

1.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1.10 CONVERSION TO AN ACADEMY TRUST

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

The assets and liabilities transferred on conversion from Waycroft School to an academy have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Land and buildings have been included in the accounts at an estimation of their value at the date of conversion. In determining this value the Governors have referred to the valuation of land and buildings provided by the EFA as at 31 August 2012 which was performed using the Depreciated Replacement Cost method.

Pension assets and liabilities have been valued by Mercer.

Further details of the transaction are set out in note 25.

2. GENERAL ANNUAL GRANT (GAG)

| | 2012 £ |
|--|------------------|
| Result and Carry Forward for the Period | |
| GAG Allocation for current year | 1,960,413 |
| Total GAG Available to spend | 1,960,413 |
| Recurrent expenditure from GAG | (1,733,221) |
| Fixed assets purchased from GAG | (10,980) |
| GAG Carried forward to next year | 216,212 |
| Maximum permitted GAG carried forward at end of current year (12% allocation for current year) | (218,156) |
| GAG to surrender to DfE | (1,944) |
| (12% rule breached if result is positive) | No breach |

The maximum GAG carried forward is based on 12 months to 31 August 2012, however the results for the period included the full 13 month accounting period. The results during the period have been considered and no breach has been identified.

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

3. VOLUNTARY INCOME

| | Unrestricted funds 2012 £ | Restricted funds 2012 £ | Total funds 2012 £ |
|---|------------------------------------|----------------------------------|-----------------------------|
| Transfer from Local Authority on conversion | 182,093 | 3,347,669 | 3,529,762 |
| Donations | 9,923 | - | 9,923 |
| Government grants | - | 146,375 | 146,375 |
| Subtotal | <u>9,923</u> | <u>146,375</u> | <u>156,298</u> |
| Voluntary income | <u><u>192,016</u></u> | <u><u>3,494,044</u></u> | <u><u>3,686,060</u></u> |

4. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2012 £ | Restricted funds 2012 £ | Total funds 2012 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|
| Lettings | 2,130 | - | 2,130 |
| External Catering | 5,881 | - | 5,881 |
| Other | 9,457 | - | 9,457 |
| | <u>17,468</u> | <u>-</u> | <u>17,468</u> |

5. INVESTMENT INCOME

| | Unrestricted funds 2012 £ | Restricted funds 2012 £ | Total funds 2012 £ |
|---------------|------------------------------------|----------------------------------|-----------------------------|
| Bank interest | 341 | - | 341 |

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2012 £ | Restricted funds 2012 £ | Total funds 2012 £ |
|-----------|------------------------------------|----------------------------------|-----------------------------|
| Education | <u>139,026</u> | <u>2,036,333</u> | <u>2,175,359</u> |

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2012 £ | Restricted funds 2012 £ | Total funds 2012 £ |
|------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| DfE/EFA revenue grant | | | |
| General Annual Grant | - | 1,960,413 | 1,960,413 |
| Start up Grants | - | 25,000 | 25,000 |
| Pupil Premium | - | 26,092 | 26,092 |
| | <u>-</u> | <u>2,011,505</u> | <u>2,011,505</u> |
| Other government grants | | | |
| Special Educational Needs | - | 17,294 | 17,294 |
| Early Years Single Funding Formula | 52,488 | - | 52,488 |
| | <u>52,488</u> | <u>17,294</u> | <u>69,782</u> |
| Other funding | | | |
| Internal catering income | 61,988 | - | 61,988 |
| Sales to students | 2,903 | - | 2,903 |
| Other | 21,647 | 7,534 | 29,181 |
| | <u>86,538</u> | <u>7,534</u> | <u>94,072</u> |
| | <u><u>139,026</u></u> | <u><u>2,036,333</u></u> | <u><u>2,175,359</u></u> |

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

| | Unrestricted funds 2012 £ | Restricted funds 2012 £ | Total funds 2012 £ |
|-----------|------------------------------------|----------------------------------|-----------------------------|
| Education | <u><u>172,211</u></u> | <u><u>1,926,746</u></u> | <u><u>2,098,957</u></u> |

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

8. GOVERNANCE COSTS

| | Unrestricted funds 2012 £ | Restricted funds 2012 £ | Total funds 2012 £ |
|---------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Auditors' remuneration | - | 6,000 | 6,000 |
| Auditors' non audit costs | - | 5,987 | 5,987 |
| Legal and Professional | - | 12,527 | 12,527 |
| Governance - wages and salaries | - | 2,519 | 2,519 |
| Governance - NI | - | 34 | 34 |
| Governance - pension costs | - | 326 | 326 |
| | <u>-</u> | <u>27,393</u> | <u>27,393</u> |

9. DIRECT COSTS

| | Education £ |
|-----------------------|------------------|
| Pension finance costs | 17,400 |
| Educational supplies | 60,519 |
| Wages and salaries | 1,162,561 |
| National insurance | 99,366 |
| Pension cost | 171,347 |
| Depreciation | 69,554 |
| | <u>1,580,747</u> |

10. SUPPORT COSTS

| | Education £ |
|---------------------------------------|----------------|
| Pension finance costs | 12,600 |
| Staff development | 4,243 |
| Other costs | 2,087 |
| Recruitment and other staff costs | 2,993 |
| Maintenance of premises and equipment | 47,774 |
| Cleaning | 2,272 |
| Rent and rates | 6,687 |
| Heat and light | 19,859 |
| Insurance | 25,896 |
| Security and transport | 5,788 |
| Catering | 56,941 |
| Technology costs | 23,508 |
| Office overheads | 23,729 |
| Legal and professional | 39,244 |
| Bank interest and charges | 1,057 |
| Wages and salaries | 199,586 |
| National insurance | 9,047 |
| Pension cost | 34,899 |
| | <u>518,210</u> |

WAYCROFT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

11. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

| | Staff costs 2012 £ | Depreciation 2012 £ | Other costs 2012 £ | Total 2012 £ |
|------------|--------------------------|---------------------------|--------------------------|--------------------|
| Education | 1,676,806 | 69,554 | 352,597 | 2,098,957 |
| Governance | 2,879 | - | 24,514 | 27,393 |
| | <u>1,679,685</u> | <u>69,554</u> | <u>377,111</u> | <u>2,126,350</u> |

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

| | Activities undertaken directly 2012 £ | Support costs 2012 £ | Total 2012 £ |
|-----------|---|-------------------------------|--------------------|
| Education | <u>1,580,747</u> | <u>518,210</u> | <u>2,098,957</u> |

13. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

| | |
|--|--------------|
| | 2012 £ |
| Depreciation of tangible fixed assets: - owned by the charity | 69,554 |
| Auditors' remuneration | 6,000 |
| Auditors' remuneration - non-audit | <u>5,987</u> |

During the period, no Governors received any benefits in kind.

During the period, no Governors received any reimbursement of expenses.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

14. STAFF COSTS

Staff costs were as follows:

| | 2012 £ |
|-----------------------|------------------|
| Wages and salaries | 1,364,666 |
| Social security costs | 108,447 |
| Other pension costs | 206,572 |
| | <hr/> |
| | 1,679,685 |
| | <hr/> <hr/> |

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

| | 2012 No. |
|--|-------------|
| Teachers | 22 |
| Teaching Assistants | 12 |
| Administrative and other support staff | 12 |
| Managers | 2 |
| | <hr/> |
| | 48 |
| | <hr/> <hr/> |

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

| | 2012 No. |
|-------------------------------|-------------|
| In the band £60,001 - £70,000 | 1 |
| | <hr/> <hr/> |

The above employee participated in the Teachers' Pension Scheme. Annual equivalent pension contributions during the period ended 31 August 2012 for this staff member amounted to £9,532.

15. GOVERNORS' REMUNERATION

During the period retirement benefits were accruing to 5 Governors in respect of defined contribution pension schemes.

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

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal or staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors.

S Rowe, the Principal, received remuneration over the 13 month period of £73,099 and received £10,307 in respect of contributions for defined benefit pension scheme over the same period. The value of staff governors remuneration and pension contributions in respect of defined benefit pension schemes over the 13 month period fell into £5,000 bandings as follows: S Sage £60,000 - £65,000, R Moody £45,000 - £50,000, L Craig £45,000 - £50,000 and S Geen £15,000 - £20,000.

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16. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1,827.

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

17. TANGIBLE FIXED ASSETS

| | Long Term Leasehold Property £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|------------------------|---|-------------------------------|----------------------------|------------------|
| COST | | | | |
| At 27 June 2011 | - | - | - | - |
| Additions | 177,224 | - | - | 177,224 |
| Transfer on conversion | 3,754,291 | 44,564 | 2,666 | 3,801,521 |
| | <u>3,931,515</u> | <u>44,564</u> | <u>2,666</u> | <u>3,978,745</u> |
| DEPRECIATION | | | | |
| At 27 June 2011 | - | - | - | - |
| Charge for the period | 59,974 | 8,913 | 667 | 69,554 |
| | <u>59,974</u> | <u>8,913</u> | <u>667</u> | <u>69,554</u> |
| NET BOOK VALUE | | | | |
| At 31 August 2012 | <u>3,871,541</u> | <u>35,651</u> | <u>1,999</u> | <u>3,909,191</u> |

18. DEBTORS

| | |
|--------------------------------|----------------|
| | 2012 £ |
| Prepayments and accrued income | 169,253 |
| VAT recoverable | 11,819 |
| | <u>181,072</u> |

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19. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2012 £ |
|---------------------------------|----------------|
| Social security and other taxes | 22,796 |
| Other creditors | 20,200 |
| Accruals and deferred income | 121,989 |
| | <u>164,985</u> |

20. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|--|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| Early Years Single Funding Formula (EYSFF) | - | 140,622 | (104,313) | - | - | 36,309 |
| Other unrestricted funds | - | 208,229 | (67,898) | - | - | 140,331 |
| | <u>-</u> | <u>348,851</u> | <u>(172,211)</u> | <u>-</u> | <u>-</u> | <u>176,640</u> |
| RESTRICTED FUNDS | | | | | | |
| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
| General Annual Grant (GAG) | - | 1,960,413 | (1,733,221) | (10,980) | - | 216,212 |
| Special needs funding | - | 55,022 | (55,022) | - | - | - |
| Pupil premium | - | 35,050 | (35,050) | - | - | - |
| Start up grant | - | 25,000 | (25,000) | - | - | - |
| Healthy schools grant | - | 3,000 | (758) | - | - | 2,242 |
| Other restricted funds | - | 4,534 | (4,534) | - | - | - |
| Pension reserve | - | (541,000) | (31,000) | - | (53,000) | (625,000) |
| | <u>-</u> | <u>1,542,019</u> | <u>(1,884,585)</u> | <u>(10,980)</u> | <u>(53,000)</u> | <u>(406,546)</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

20. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|--|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| Fixed assets transferred on conversion | - | 3,801,521 | (64,410) | - | - | 3,737,111 |
| Fixed assets purchased from GAG and unrestricted funds | - | - | - | 10,980 | - | 10,980 |
| DfE/EFA Capital grants | - | 58,761 | (5,144) | - | - | 53,617 |
| Capital Maintenance Fund | - | 128,076 | - | - | - | 128,076 |
| | - | 3,988,358 | (69,554) | 10,980 | - | 3,929,784 |
| Total restricted funds | - | 5,530,377 | (1,954,139) | - | (53,000) | 3,523,238 |
| Total of funds | - | 5,879,228 | (2,126,350) | - | (53,000) | 3,699,878 |

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the YPLA / Education Funding Agency during the period in order to fund the continuing activities of the school.

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

Pupil premium funding represents amounts received from the EFA to cater for disadvantaged pupils.

The Start up Grant is funding from the Department for Education to cover costs in converting to an academy such as, obtaining legal advice, costs of software licence transfers, HR/TUPE advice, re-branding costs and expenses incurred in setting up the academy trust.

Healthy schools grant is funding from Bristol City Council and the NHS to enable the Academy to be proactive in encouraging pupil wellbeing.

Other restricted funds represents amounts received from Bristol City Council and includes income under the following initiatives; One-to-one Tuition, Swimming and School Cycle Parking.

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

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from Bristol City Council on conversion to an Academy.

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20. STATEMENT OF FUNDS (continued)

Fixed assets purchased from GAG represent amounts spent on fixed assets from the GAG funding received from the YPLA/EFA.

DfE/EFA Capital grants represents devolved capital funding received for the period.

Capital Maintenance grant represents funding received from the Academies Capital Maintenance Fund.

TRANSFERS BETWEEN FUNDS

The transfer from the restricted fund to the restricted fixed asset fund represents the total capital expenditure from General Annual Grant (GAG) during the period.

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|------------------------------|-----------------------------|--------------------------------|--------------------------------|------------------------------|-----------------------------|-----------------------------|
| General funds | - | 348,851 | (172,211) | - | - | 176,640 |
| Restricted funds | - | 1,542,019 | (1,884,585) | (10,980) | (53,000) | (406,546) |
| Restricted fixed asset funds | - | 3,988,358 | (69,554) | 10,980 | - | 3,929,784 |
| | <u>-</u> | <u>5,879,228</u> | <u>(2,126,350)</u> | <u>-</u> | <u>(53,000)</u> | <u>3,699,878</u> |

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2012 £ | Restricted funds 2012 £ | Restricted fixed asset funds 2012 £ | Total funds 2012 £ |
|--|---|---|---|--|
| Tangible fixed assets | - | - | 3,909,191 | 3,909,191 |
| Current assets | 176,640 | 278,510 | 125,522 | 580,672 |
| Creditors due within one year | - | (60,056) | (104,929) | (164,985) |
| Provisions for liabilities and charges | - | (625,000) | - | (625,000) |
| | <u>176,640</u> | <u>(406,546)</u> | <u>3,929,784</u> | <u>3,699,878</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

22. NET CASH FLOW FROM OPERATING ACTIVITIES

| | |
|--|-----------------------|
| | 2012 |
| | £ |
| Net assets transferred on conversion | (3,529,762) |
| Net incoming resources before revaluations | 3,752,878 |
| Net assets transferred on conversion | (340) |
| Depreciation of tangible fixed assets | 69,554 |
| Capital grants from DfE | (186,837) |
| Increase in debtors | (181,072) |
| Increase in creditors | 164,985 |
| Defined benefit pension scheme adjustments | 31,000 |
| | <u>120,406</u> |
| NET CASH INFLOW FROM OPERATIONS | <u>120,406</u> |

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

| | |
|--|---------------------|
| | 2012 |
| | £ |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | |
| Interest received | 340 |
| | <u>340</u> |
| | 2012 |
| | £ |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | |
| Purchase of tangible fixed assets | (177,224) |
| Capital grants from DfE | 186,837 |
| | <u>9,613</u> |
| NET CASH INFLOW FROM CAPITAL EXPENDITURE | <u>9,613</u> |

24. ANALYSIS OF CHANGES IN NET DEBT

| | 27 June 2011 | Cash flow | Other non-cash changes | 31 August 2012 |
|---------------------------|-----------------|----------------|------------------------------|-------------------|
| | £ | £ | £ | £ |
| Cash at bank and in hand: | - | 399,600 | - | 399,600 |
| NET FUNDS | <u>-</u> | <u>399,600</u> | <u>-</u> | <u>399,600</u> |

25. CONVERSION TO AN ACADEMY TRUST

On 1 August 2012 Waycroft School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Waycroft Academy Trust from Bristol City Council for £NIL consideration.

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

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

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|---|----------------------------|--------------------------|---|---------------------|
| Tangible fixed assets | | | | |
| - Freehold/leasehold land and buildings | - | - | 3,754,291 | 3,754,291 |
| - Other tangible fixed assets | - | - | 47,230 | 47,230 |
| Other assets | 182,093 | 46,686 | 40,462 | 269,241 |
| LGPS pension surplus/(deficit) | - | (541,000) | - | (541,000) |
| Net assets/(liabilities) | <u>182,093</u> | <u>(494,314)</u> | <u>3,841,983</u> | <u>3,529,762</u> |

The above net assets include £269,241 that were transferred as cash.

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 administered by Bath and North East Somerset Council. Both are defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

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

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

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ('SCR') is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a

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26. PENSION COMMITMENTS (continued)

result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS17) 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 FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

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 period ended 31 August 2012 was £99,000, of which employer's contributions totalled £74,000. The agreed contribution rate for future years are 12.9% for employers and 5.5 - 7.5% for employees.

The amounts recognised in the Balance sheet are as follows:

| | 2012 |
|-------------------------------------|------------------|
| | £ |
| Present value of funded obligations | (886,000) |
| Fair value of scheme assets | 261,000 |
| | <hr/> |
| Net liability | (625,000) |
| | <hr/> <hr/> |

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26. PENSION COMMITMENTS (continued)

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

| | 2012 £ |
|----------------------------------|------------------|
| Current service cost | (75,000) |
| Interest on obligation | (43,000) |
| Expected return on scheme assets | 13,000 |
| | <hr/> |
| Total | (105,000) |
| | <hr/> <hr/> |

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

| | 2012 £ |
|--------------------------------------|----------------|
| Current service cost | 75,000 |
| Interest cost | 43,000 |
| Contributions by scheme participants | 25,000 |
| Actuarial Losses | 47,000 |
| Liability transferred on conversion | 696,000 |
| | <hr/> |
| Closing defined benefit obligation | 886,000 |
| | <hr/> <hr/> |

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

| | 2012 £ |
|---------------------------------|----------------|
| Expected return on assets | 13,000 |
| Actuarial gains and (losses) | (6,000) |
| Contributions by employer | 74,000 |
| Contributions by employees | 25,000 |
| Asset transferred on conversion | 155,000 |
| | <hr/> |
| | 261,000 |
| | <hr/> <hr/> |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £53,000.

The academy expects to contribute £69,000 to its Defined benefit pension scheme in 2013.

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

| | 2012 |
|----------|---------|
| Equities | 58.50 % |
| Bonds | 24.50 % |
| Property | 7.40 % |
| Cash | 1.80 % |
| Other | 7.80 % |

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26. PENSION COMMITMENTS (continued)

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

| | |
|--|---------------|
| | 2012 |
| Discount rate for scheme liabilities | 4.30 % |
| Expected return on scheme assets at 31 August | 5.53 % |
| Rate of increase in salaries | 3.70 % |
| Rate of increase for pensions in payment / inflation | 2.20 % |
| Inflation assumption (CPI) | 2.20 % |

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

| | |
|----------------------|-------------|
| | 2012 |
| Retiring today | |
| Males | 22.8 |
| Females | 25.7 |
| Retiring in 20 years | |
| Males | 25.1 |
| Females | 28.1 |

Amounts for the current period are as follows:

Defined benefit pension schemes

| | |
|--|------------------|
| | 2012 |
| | £ |
| Defined benefit obligation | (886,000) |
| Scheme assets | 261,000 |
| | (625,000) |
| Deficit | (47,000) |
| Experience adjustments on scheme liabilities | (6,000) |
| Experience adjustments on scheme assets | (6,000) |

27. OPERATING LEASE COMMITMENTS

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

| | Land and buildings | Other |
|-----------------------|-------------------------------|--------------|
| | 2012 | 2012 |
| | £ | £ |
| EXPIRY DATE: | | |
| Between 2 and 5 years | - | 2,991 |

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**NOTES TO THE FINANCIAL STATEMENTS
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28. RELATED PARTY TRANSACTIONS

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

No such transactions have occurred during the current period.

29. CONTROLLING PARTY

The company is under the joint control of the Governors. There is no ultimate controlling party.