

THE OCKENDON ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2012

Company Registration Number: 7451781 (England and Wales)



	Page
Reference and Administrative Details	1
Governors' Report	2 - 7
Statement on Internal Control	8-10
Statement on Regularity	11
Statement of Governors' Responsibilities	12
Report of the Independent Auditor	13
Report of the Reporting Accountant	14
Statement of Financial Activities incorporating an Income and Expenditure Account	15
Balance Sheet	16
Cash Flow Statement	17
Statement of Accounting Policies and Notes to the Financial Statements	18-35

Governing Body	Mrs Barbara King (Principal ex-officio) Rev Brian Duckworth (Chair) Mr Barrie Lawrence (Vice-Chair) Mrs Karen Brown Mrs Kelly Brown (resigned 30 September 2011) Mrs Lorraine Hodges Mrs Samantha Kahn Mr Adam Spurgeon Mrs Joanne Wright Cllr Charles Curtis Mrs Angela Barrell (resigned 26 September 2012) Mrs Kathleen Cooney Mrs Denise Bunn (appointed 9 November 2011, resigned 3 July 2012) Mr Barry Hoare (appointed 9 November 2011) Mrs Sarah- Marie Reynolds (appointed 3 February 2012) Mrs Michele Lucas (appointed 18 October 2011)
Bankers	CCLA Investment Managers Limited 80 Cheapside London EC2V 6DZ HSBC 53 High Street Grays Essex RM17 6NH
Solicitors	Stone King 16 St John's Lane London EC1M 4BS
Auditors	Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD

The Governors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2012

Structure, Governance and Management

Constitution

The Ockendon Academy ("the Academy") is a private company limited by guarantee and an exempt charity. The Charitable Company's Memorandum of Association is the primary governing document of the Academy. The Academy was incorporated as a company and exempt charity on 25 November 2010. The Academy replaced the previous Ockendon School on 1 January 2011.

The Governors act as the trustees for the charitable activities of Ockendon Academy and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Ockendon Academy.

Details of the Governors who served throughout the period are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

The Academy has purchased indemnity insurance for members of the Governing Body.

Principal Activities

The principal object detailed in the academy's Article of Association is to advance for the public benefit education in the UK via the establishment, maintenance and development of a school offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

Governors are subject to retirement by rotation on a four-yearly cycle, but are eligible for reappointment at the end of this period. On 1 January 2011 all former Governors of the Ockendon School became members of the Governing Body of the Academy. Formal appointment as Directors of the Academy took place on 19 January 2011. See 'Organisational Structure' for more details on the appointment process.

Policies and Procedures Adopted for the Induction and Training of Governors

The Academy partakes in Thurrock Council's Governor training and induction scheme. In addition, senior staff at the Academy offer training on an ad hoc basis to members of the Governing Body.

Organisational Structure

Members

The Academy has three founding members who signed the Memorandum of Association dated 25 November 2010. Other people entitled to become members include the chairman of the Governors, any Governor who wishes to become a member, one person appointed by the Secretary of State (if he or she decides to appoint a person in this capacity), and any other person who wishes to become a member subject to unanimous written approval of the existing members. At any time there must be at least three members. All members of the Governing Body elected to become members of the Academy, as such, there has been no separate meetings of members.

Governing Body

The members delegate the management of all business to the Governors. There must be no less than three Governors (no maximum number is specified). The members have the right to attend and vote at the AGM and to appoint up to twelve Governors and are also permitted to appoint a number of Staff Governors (up to one third of the total membership of the Governing Body at the date of appointment). Other members of the governing body can include the Principal, not less than two Parent Governors and a representative of the Secretary of State (if desired by the incumbent). There may also be up to three Co-opted Governors. The Governing Body meets at least three times a year.

The Governing Body is responsible for ensuring that an effective system of internal control, financial or otherwise, is maintained and operated by the Academy.

The Governors have established committees with specific responsibilities for certain areas of the Academy's management. The committees are formed of representatives from the Governing Body and other people with relevant experience as agreed by the Governing Body and have specific responsibility for (1) Achievement, Behavior & Safety, (2) Admissions, and (3) Finance, Premises & Personnel.

Senior Management Team (SMT)

The Governors delegate the responsibility for day-to-day management to the SMT. This comprises the Principal, three Vice Principals and six Assistant Principals. The SMT undertakes to implement the strategy of the Governing Body.

The Principal is the Accounting Officer and responsible for Finance (the Finance Officer reports directly to the Principal). Day to day financial management of the school is delegated to the Principal subject to exceptions contained within the Financial Regulations and Scheme of Delegation.

One Vice Principal is responsible for Human Resources and is jointly responsible for the quality of teaching and learning, a second Vice Principal is responsible for the curriculum and is jointly responsible for the quality of teaching and learning and the third Vice Principal is responsible for behavior and safety. All Vice Principals report to the Principal on their relevant area.

Budgets are approved by the Governing Body. Subsequent amendments are approved by the Finance & Premises Committee.

Risk Management

The Governors have reviewed the major risks to which the Academy is exposed and the systems in place to mitigate such risks. The risk register is reviewed regularly and formally approved at least annually by the Governors.

The Academy has an effective system of internal financial controls as detailed on page 7.

Connected Organisations, including Related Party Relationships

There were no transactions with connected parties in the period.

Objectives and Activities**Objects and Aims**

The primary objective as stated in the Memorandum of Association of the Charitable Company is 'to advance for the public benefit, education in the UK, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum'

The Academy aims to provide an education that inspires students to strive for higher achievement, a commitment to excellence, and an environment that seeks to develop a child's desire for lifelong learning, provide opportunities for students to develop open and questioning minds

Objectives, Strategies and Activities

The principal object of The Academy is to provide education for students of different abilities between the ages of 11 and 18. The Academy has the following specialisms: Maths and Computing, Training School.

The main objectives of the Academy are summarised below:

- to improve students' outcomes and as a result their life chances
- to raise the standard of educational achievement of all students and to ensure progress for all students from Key Stage 2 to Key Stage 4
- to continue to improve the quality of teaching and assessment
- to ensure improvements in standards of behaviour, attendance, punctuality and attitudes to learning
- to develop The Academy as a Training School
- to provide value for money for all expenditure
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness
- to comply with all appropriate statutory and curriculum requirements

The Academy's main strategy is encompassed in its motto "to be the best that we can be in all that we do", its vision "to be a successful and enjoyable business and learning community that inspires all to achieve the best that they can be today, tomorrow and in the future" and in its mission "to inspire each other to actively learn and work together so that we develop the skills, abilities and attitudes we need to be successful, valuable and economically confident members of our community". To this end the activities provided by The Academy include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications
- a structured programme of intervention including 1-to-1 tuition, a specific literacy programme and use of electronic resources
- training opportunities for all staff, particularly teaching staff
- a programme of sporting and after school leisure activities and clubs for all students
- information, advice and guidance to help students obtain employment/move onto higher education

The Academy's priorities for 2012-15 identified in the Academy Improvement Plan are:

- to raise levels of achievement and rates of progress against national benchmarks
- to raise levels of achievement through improving the quality of teaching and feedback
- to improve the personal development of all students by improving behaviours for learning and increasing the percentage figure for attendance and punctuality
- to show outstanding leadership at all levels by ensuring leaders are dynamic and lead by example

Public Benefit

With regards to the Objects and Aims and the Objectives, Strategies and Activities above, the main focus of the Academy is the provision of free education to children aged 11 to 18

The Governors confirm that they have had regard to the guidance on public benefit issued by the Charity Commission when considering the objectives and activities of the Academy

Achievements and Performance

The Academy is in its second year of operation as a company, having been established on 1st January 2011. Total students for the year ended 31/8/12 amounted to 916, with the published admission number being 900 students. We continue to have significant numbers of applications for the Academy. We admitted 199 students into year 7 in September 2012, i.e. 19 students above our published admission number for that year, and we opened an additional class to accommodate this high number of admissions. The October 2012 census saw our numbers on role at its highest ever level of 947 students.

Examination results were as follows: 100% of students gained 5 A*-C passes and 44% obtained 5 A*-C passes including English and Maths (51% A*-C passes in 2011). The fall in the 5 A*-C including English and Maths was a direct result of the change in AQA English grade boundaries despite an excellent moderation report complimenting the Academy's English department. The results were far lower than expected, however in Maths results exceeded expectations with 64% 5 A*-C. Despite the headline figure of 44% including English and Maths, overall the Academy is in line with national averages for rates of progress per individual student.

To ensure that standards are continually raised, The Academy has established a programme of rigorous tracking of student progress and achievement, with underachievement identified early and appropriate interventions put in place. The Academy operates a programme of lesson observations and self-evaluation judgement of lessons by teaching staff.

The Academy has completed building work on a new eight classroom block which now houses the English teaching department. It has also completed the building of a new sports centre roof and has had a large solar PV installation on its roof.

In June 2012 the Academy received final approval to open the Ockendon Studio School in September 2012. This new school operates within the existing academy and will provide a new approach to education via project-based and work-related learning for up to 300 students.

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 Statement of Accounting Policies.

Key Financial Performance Indicators

The aims of the Academy, against which performance will be assessed are set out in 'plans for future periods'.

Financial Review

The results for the period are set out on page 15 of the Financial Statements. The surplus for the period amounted to £1,770,709. Net current assets as at 31 August 2012 were £1,956,207. The pension liability in relation to the Essex Pension Scheme was £856,000 at the year end (see note 26).

The Academy became operational on 1 January 2011 and a transfer of funds from the predecessor school of £964,296 has been included within unrestricted income for 2011 and a further transfer of £665,630 has been included within unrestricted income for 2012.

The Academy receives most of its income from the Education Funding Agency (EFA) in the form of General Annual Grant (GAG) and other grants. The funding received in the period and the associated expenditure are shown as restricted fund transactions in the Statement of Financial Activities (SOFA).

Grants are also received from the EFA for fixed assets. These are shown as restricted income within the fixed assets restricted funds. The balance sheet restricted fixed assets funds are reduced by expenditure equivalent to any depreciation charges over the expected useful economic lives of the assets.

Financial and Risk Management Objectives and Policies

As referred to under the general Risk Management section above, financial risk is reviewed regularly and the Risk Register is formally approved at least annually.

The Academy aims to limit its exposure to financial risks and does not undertake high risk investment strategies.

Trade creditors are paid as the liability falls due and are recorded at invoice value.

Cash balances are only held in UK banks. Long term deposits are held with the COIF fund. No foreign currency balances are held.

Financial and Risk Management Objectives and Policies

The Academy is required to recognise its share of the liability relating to the Essex Pension Fund. Full details of the scheme are included in note 26. The current employers and employee contribution rate has been set with a view to clearing the liabilities of the fund within 20 years.

Principal Risks and Uncertainties

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 of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school 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 school grounds) and internal financial controls (see statement on internal controls) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The system of internal controls is detailed in the Financial Regulation and Scheme of Delegation. This is reviewed at least annually. Regular reviews of risk take place at half termly at meetings of the Finance, Premises & Personnel Committee.

Reserves Policy

The Governing Body has reviewed the free reserves of the Academy. This review encompassed the nature of income and expenditure streams and the need to match income with commitments and the nature of reserves. Accordingly, the Governing Body has determined that the appropriate level of free reserves should be equivalent to 13 weeks of expenditure (approximately £1.29 million). The Academy had £1,895m free reserves at 31 August 2012 (2011 - £1,073m).

Investment Policy

The policy of the Academy is to hold surplus cash in low risk high interest deposit accounts (managed by a bank which is a specialist in charity clients).

Plans for Future Periods

The Academy has re-applied to become a Teaching School.

The Academy has planning permission for a new Studio School building which will provide purpose-built accommodation for the new school. The new building will be funded by the Department for Education and by the Academy and is expected to be completed summer 2013.

The Academy has set itself a target that by 2014 all of its students should make at least three sub levels of progress in English and Mathematics within year 7 and two sub levels progress each year until the end of year 10, resulting in 100% of students making three whole levels of progress from Key Stage 2 to Key Stage 4. The Academy has also set a target by 2015 for 100% of students to gain 5 GCSE A*-C (including Maths and English)

Funds held as Custodian Trustee on behalf of Others

No funds are held as Custodian Trustee on behalf of others by the Academy

Audit Information

The Governors who held office at the date of approval of the Governors' Report confirm that, so far as they are individually aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- each Governor has taken all reasonable steps that he/she ought to have taken as a Governor to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Littlejohn LLP was appointed as auditor to the Academy during the prior period and has signified its willingness to continue in office

Approved by Order of the members of the Governing Body on 27 November 2012
and signed on its behalf by



Rev Brian Duckworth
Chair

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Ockendon Academy 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 Ockendon Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

Governor	Meetings attended	Out of a possible
Mrs Barbara King (Principal ex-officio)	3	4
Rev Brian Duckworth (Chair)	4	4
Mr Barrie Lawrence (Vice-Chair)	3	4
Mrs Karen Brown	4	4
Mrs Lorraine Hodges	3	4
Mrs Samantha Kahn	4	4
Mr Adam Spurgeon	4	4
Mrs Joanne Wright	4	4
Cllr Charles Curtis	2	4
Mrs Angela Barrell	3	4
Mrs Kathleen Cooney	4	4
Mrs Denise Bunn	2	2
Mr Barry Hoare	2	2
Mrs Sarah- Marie Reynolds	1	1
Mrs Michele Lucas	1	2

The **Finance, Personnel and Premises Committee** is a sub-committee of the main governing body. Its finance purpose is to consider and recommend the Academy's budget, contribute to the formulation of the Academy Improvement Plan, to monitor and review income and expenditure, finance policies and procedures and controls and to ensure compliance with the Financial Regulations and Scheme of Delegation and guidance in the Academies Financial Handbook. Its personnel purpose is to prepare, recommend and implement staff related policies and training strategy and its premises purpose is to plan for development and use of the Academy premises and asset management plan and to consider and review health and safety for the Academy. There were seven meetings during the year and attendance was as follows:

Governor	Meetings attended	Out of a possible
Mrs Barbara King (Principal ex-officio)	6	7
Rev Brian Duckworth (Chair)	7	7
Mrs Kathleen Cooney	4	7
Cllr Charles Curtis	1	2
Mrs Lorraine Hodges	5	7
Mr Barrie Lawrence (Vice-Chair)	6	7
Mrs Michele Lucas	4	5

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 Ockendon Academy for the year 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 year ended 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 & Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

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 Bodell of Bodell & Co, 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.

The Governing Body believes that the RO function has been delivered in line with the EFA's requirements. There were no material control issues arising as a result of the RO's work.

Review of Effectiveness

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

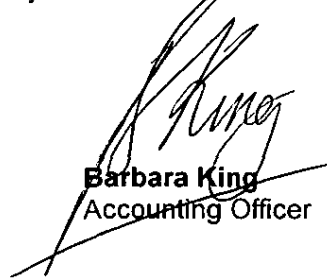
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Personnel and Premises 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 27 November 2012
and signed on its behalf by



Rev Brian Duckworth
Chair



Barbara King
Accounting Officer

As accounting officer of Ockendon Academy I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Barbara King
Accounting Officer
27 November 2012

The Governors (who act as trustees for charitable activities of Ockendon Academy 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 Direction issued by the Education Funding Agency (EFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

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

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

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

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

Approved by Order of the Members of the Governing Body on 27 November 2012
and signed on its behalf by



Rev Brian Duckworth
Chair

Independent Auditor's Report to the Members of The Ockendon Academy

We have audited the financial statements of The Ockendon Academy for the year ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The report is made solely to the Governing Body in accordance with the Companies Act 2006. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to that body in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body for our audit work, for this report or for the opinions we have formed.

Respective Responsibilities of Governors and Auditor

As explained more fully in the Governors' Responsibilities Statement set out on page 12, the trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope for 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 Charitable Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 Charitable Company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with the Academies' Annual Accounts Direction 2011/12 issued by the Education Funding Agency and United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matter Prescribed by the Companies Act 2006

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

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.



Sarah Morrison (Senior Statutory Auditor)
For and on behalf of Littlejohn LLP, Statutory Auditor

27 November 2012

1 Westferry Circus
Canary Wharf
London E14 4HD

Independent Reporting Accountant's Assurance Report on Regularity to The Ockendon Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 1 October 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 The Ockendon Academy during the period 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

Respective responsibilities of The Ockendon Academy accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Ockendon Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook as published by DfES in 2006, 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 1 September 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

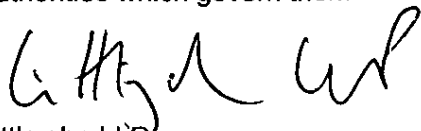
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity

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 trust's income and expenditure

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material aspects the expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Littlejohn LLP
Chartered Accountants
1 Westferry Circus
Canary Wharf
London
E14 4HD

THE OCKENDON ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)
Year ended 31 August 2012

	Note	Unrestricted Funds £	Restricted other funds £	Restricted fixed asset funds £	Total 2012 £	Total 2011 (Restated) £
Incoming Resources						
Incoming resources from generated funds						
Voluntary income	3	-	-	-	-	17,153,508
Activities for generating funds	4	176,399	-	-	176,399	120,495
Investment income	5	25,544	-	-	25,544	2,619
Incoming resources from charitable activities						
Funding for the Academy's educational operations	6	68,017	5,980,119	19,643	6,067,779	3,783,323
Funds transferred on conversion	7	665,630	-	-	665,630	964,296
Total Incoming Resources		935,590	5,980,119	19,643	6,935,352	22,024,241
Resources Expended						
Cost of generating funds						
Costs of generating voluntary income		97,173	-	-	97,173	50,774
Charitable activities						
Academy's educational operations	9	16,064	4,678,221	307,646	5,001,931	3,209,479
Governance costs	10	-	65,539	-	65,539	65,701
Total Resources Expended	8	113,237	4,743,760	307,646	5,164,643	3,325,954
Net Incoming/ (Outgoing) Resources before transfers		822,353	1,236,359	(288,003)	1,770,709	18,698,287
Gross transfers between funds	17	-	(1,891,054)	1,891,054	-	-
Other Recognised Gains and Losses						
Actuarial gains/(losses) on defined benefit pension scheme	26	-	153,000	-	153,000	(971,000)
Net Movement in Funds		822,353	(501,695)	1,603,051	1,923,709	17,727,287
Reconciliation of Funds						
Total funds at 31 August 2011 - previously stated		1,072,610	(293,062)	14,732,639	15,512,187	-
Prior period adjustment	29	-	-	2,215,100	2,215,100	-
Total funds at 31 August 2011 Restated		1,072,610	(293,062)	16,947,739	17,727,287	-
Total Funds carried forward at 31 August 2012	17	1,894,963	(794,757)	18,550,790	19,650,996	17,727,287

All of the Academy's activities derive from continuing operations

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

The accounting policies and notes on pages 18 to 35 form part of these Financial Statements

		Year ended 31 August 2012		Period ended 31 August 2011 (Restated)	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	14		18,550,790		17,156,413
Current Assets					
Debtors	15	373,009		101,522	
Cash at bank and in hand		2,163,391		1,774,935	
		2,536,400		1,876,457	
Creditors: amounts falling due within one year	16	(580,194)		(306,583)	
Net Current Assets			1,956,206		1,569,874
Total assets less current liabilities			20,506,996		18,726,287
Net Assets excluding Pension Liability					
Pension scheme liability	26	(856,000)		(999,000)	
Net Assets including Pension Liability			19,650,996		17,727,287
Funds of the Academy					
Restricted Funds					
Fixed asset fund	17	18,550,790		16,947,739	
Other funds	17	61,243		705,938	
Pension reserve	17	(856,000)		(999,000)	
Total Restricted Funds			17,756,033		16,654,677
Unrestricted Funds					
General funds	17	1,894,963		1,072,610	
Total Unrestricted Funds			1,894,963		1,072,610
Total Funds			19,650,996		17,727,287

The Financial Statements were approved by the Governors, and authorised for issue on 27 November 2012 and are signed on their behalf by

Rev Brian Duckworth
Chair



The accounting policies and notes on pages 18 to 35 form part of these Financial Statements

		Year ended 31 August 2012 £	Period to 31 August 2011 £
	Note		
Net Cash Inflow from Operating Activities	21	2,072,466	1,965,624
Returns on investments and servicing of finance	22	24,997	2,023
Capital expenditure	23	(1,709,007)	(192,712)
		<hr/>	<hr/>
Increase in Cash in the Year	24	388,456	1,774,935
		<hr/>	<hr/>
Cash Balances at 31 August 2012		2,163,391	1,774,935
		<hr/>	<hr/>

The accounting policies and notes on pages 18 to 35 form part of these Financial Statements

1 Statement of Accounting Policies

Basis of Preparation

The Financial Statements have been prepared under the historical cost convention except for the valuation of certain fixed assets and in accordance with applicable United Kingdom Accounting and Financial Reporting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2011/12 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming Resources

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

- **Grants Receivable**

Grants are included in the Statement of Financial Activities (SOFA) 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 to receipt its recognition is deferred and it is included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Donations**

Donations are recognised on a receipts basis.

- **Other Income**

Other income, including for 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.

- **Donated Services and Gifts in Kind**

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 SOFA, except where the gift in kind is a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life of the asset in accordance with the Academy's policies.

1 Statement of Accounting Policies (continued)**Resources Expended**

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

- **Costs of Generating Funds**

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

- **Charitable Activities**

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

- **Governance Costs**

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

The Academy is able to reclaim some, but not all, input VAT (see Taxation Accounting Policy). Irrecoverable VAT is included with the expenditure to which it relates.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost (less residual value), net of depreciation and any provision for impairment.

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

The land and buildings transferred to the Academy upon conversion (1 January 2011) are carried at depreciated replacement cost.

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

Freehold buildings	-	2%
Fixtures, fittings and equipment	-	15%
ICT equipment	-	20%
Freehold improvements	-	10% and 4%

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

Land is not depreciated.

1 Statement of Accounting Policies (continued)**Tangible Fixed Assets (continued)**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable or where the remaining useful life is in excess of 50 years. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Operating Leases

Rentals payable under operating leases are charged on a monthly basis over the lease term.

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.

The Academy is registered for VAT and is able to recover input tax paid in respect of some, but not all, of its taxable supplies. Where VAT cannot be recovered, it is included with the cost to which it relates on the SOFA.

Pensions Benefits

Retirement benefits to employees of the Academy are provided by both 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.

TPS

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.

LGPS

The LGPS is a funded scheme and the assets are held separately from those of the Academy in 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 the SOFA are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the SOFA if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

1 Statement of Accounting Policies (continued)**Pensions Benefits (continued)**

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 the SOFA within Other Restricted Funds.

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 other funds comprise all other restricted funds received and include grants from the EFA and the Department for Education (DfE).

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

	Year ended 31 August 2012 £	Period ended 31 August 2011 £
2 General Annual Grant (GAG)		
a Results and Carry Forward for the Year		
GAG brought forward from previous period	701,905	-
GAG allocation for current year (note 6)	5,501,407	3,535,294
Devolved capital income (from GAG)	19,643	19,542
	<hr/>	<hr/>
Total GAG available to spend	6,222,955	3,554,836
Recurrent expenditure from GAG	(4,251,015)	(2,833,389)
Fixed assets purchased from GAG	(1,910,697)	(19,542)
	<hr/>	<hr/>
GAG carried forward to next year	61,243	701,905
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	662,526	426,580
	<hr/>	<hr/>
Potential surrender of GAG to DfE	-	275,325
	<hr/>	<hr/>
(12% rule breached if result is positive)	No Breach	Breach
b Use of GAG brought forward from previous year for recurrent purposes (Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
Recurrent expenditure from GAG in current year	4,251,015	-
GAG allocation for current year	(5,501,407)	-
GAG allocation for previous year x 2%	(14,038)	
	<hr/>	<hr/>
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(1,264,430)	N/A
	<hr/>	<hr/>
(2% rule breached if result is positive)	No Breach	
	Total 2012 £	Total 2011 £
3 Voluntary Income		
Other donations	-	6,679
Gifts in Kind Freehold transfer on conversion (restated)	-	17,146,829
	<hr/>	<hr/>
	-	17,153,508
	<hr/>	<hr/>

			Total 2012 £	Total 2011 £
4 Activities for Generating Funds (all unrestricted)				
Hire of facilities			76,410	58,204
Catering income			84,803	51,038
Classroom and uniform sales			15,186	11,253
			<hr/>	<hr/>
			176,399	120,495
			<hr/>	<hr/>
5 Investment Income (all unrestricted)				
Short term deposits			25,544	2,619
			<hr/>	<hr/>
	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
6 Funding for Academy's Educational Operations				
DfE/EFA Capital Grant				
Devolved Capital Income (GAG) (note 2)	-	19,643	19,643	19,542
	<hr/>	<hr/>	<hr/>	<hr/>
	-	19,643	19,643	19,542
	<hr/>	<hr/>	<hr/>	<hr/>
DfE/EFA Revenue Grants				
General annual grant (GAG) (note 2)	-	5,501,407	5,501,407	3,522,794
Specialist schools funding	-	-	-	12,500
Other DfE/EFA grants	-	349,535	349,535	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	5,850,942	5,850,942	3,535,294
	<hr/>	<hr/>	<hr/>	<hr/>
Other Government Grants				
ES pupil focused standards funds	-	-	-	16,587
School standards funds	-	-	-	15,000
Graduate training fund	-	-	-	55,303
SEN standards grant	-	60,677	60,677	105,056
Local authority grants	-	68,500	68,500	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	129,177	129,177	191,946
	<hr/>	<hr/>	<hr/>	<hr/>
Other Non Government Income				
Music lessons	1,560	-	1,560	1,138
Educational trips	53,657	-	53,657	25,988
Special educational projects	12,800	-	12,800	3,000
Teachers' insurance	-	-	-	6,414
	<hr/>	<hr/>	<hr/>	<hr/>
	68,017	-	68,017	36,541
	<hr/>	<hr/>	<hr/>	<hr/>
	68,017	5,999,762	6,067,779	3,783,323
	<hr/>	<hr/>	<hr/>	<hr/>

7 Transfer of reserves on conversion

The Ockendon Academy became operational on 1 January 2011. At this date, an amount of £837,629 was transferred to the Academy by the Thurrock Local Authority. These funds were related to public funds previously held by the School and are not restricted as to their use.

Also on 1 January 2011, the private funds from the former School were transferred to the Academy. This amounted to £126,667 and there are no restrictions as to their use.

During the year to 31 August 2012 a further £665,630 was transferred to the Academy by the Thurrock Local Authority. These funds also relate to public funds previously held by the School which are not restricted as to their use.

	Staff costs £	Non-pay expenditure Premises £	Other costs £	Total 2012 £	Total 2011 £
8 Resources Expended					
Costs of generating voluntary income	-	-	97,173	97,173	50,774
Academy's educational operations					
Direct costs	3,083,812	29,942	545,018	3,658,772	2,237,678
Allocated support costs	809,031	498,679	35,449	1,343,159	971,801
	<u>3,892,843</u>	<u>528,621</u>	<u>677,640</u>	<u>5,099,104</u>	<u>3,260,253</u>
Governance costs including allocated support costs	-	-	65,539	65,539	65,701
	<u>3,892,843</u>	<u>528,621</u>	<u>743,179</u>	<u>5,164,643</u>	<u>3,325,954</u>

	Year ended 31 August 2012 £	Period to 31 August 2011 £
Resources expended for the year include		
Operating leases	13,770	7,525
Fees payable to auditor – audit	7,249	9,000
- other services	3,450	2,640
Profit/(loss) on disposal of fixed assets	(1,299)	-

	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
9 Charitable Activities – Academy's Educational Operations				
Direct Costs				
Teaching and educational support staff costs	-	3,083,812	3,083,812	2,034,142
Depreciation	-	29,942	29,942	2,596
Educational supplies	3,569	311,919	315,488	98,303
Examination fees	-	98,498	98,498	38,217
Staff development	-	17,043	17,043	9,053
Educational consultancy	-	43,868	43,868	14,343
Other direct costs	-	70,121	70,121	41,024
	<u>3,569</u>	<u>3,655,203</u>	<u>3,658,772</u>	<u>2,237,678</u>

	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
9 Charitable Activities – Academy's Educational Operations (continued)				
Allocated Support Costs				
Support staff costs	11,948	787,083	799,031	515,046
Pension fund finance costs	-	10,000	10,000	28,000
Depreciation	-	304,331	304,331	200,073
Recruitment and support	-	40,128	40,128	19,542
Maintenance of premises and equipment	-	36,652	36,652	59,514
Cleaning	-	8,812	8,812	5,713
Rates and utilities	-	105,744	105,744	79,054
Insurance	-	33,944	33,944	49,404
Security and transport	-	3,172	3,172	3,999
Bank interest and charges	547	-	547	596
Other support costs	-	(389)	(389)	9,243
Reimbursed expenses	-	1,187	1,187	1,617
	<u>12,495</u>	<u>1,330,664</u>	<u>1,343,159</u>	<u>971,801</u>
	<u>16,064</u>	<u>4,985,867</u>	<u>5,001,931</u>	<u>3,209,479</u>
10 Governance Costs				
Legal and professional fees		54,445	54,445	53,626
Auditor's remuneration				
Audit of financial statements		7,249	7,249	9,000
Preparation of financial statements		3,450	3,450	2,640
Responsible Officer audit		395	395	435
		<u>65,539</u>	<u>65,539</u>	<u>65,701</u>
11 Staff Costs			2012	2011
			£	£
Staff costs during the period were				
Wages and salaries			3,208,896	2,129,538
Social security costs			231,701	151,917
Pension costs			415,061	248,970
Pension fund finance costs			10,000	28,000
			<u>3,865,658</u>	<u>2,558,425</u>
Supply teacher costs			27,185	18,763
			<u>3,892,843</u>	<u>2,577,188</u>

11 Staff Costs (continued)

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

Charitable Activities	2012 No	2011 No.
Teachers	64	58
Administration and support	54	48
Management	8	8
	—	—
	126	114
	—	—

70 (2011 – 73) of the above employees participated in the Teachers' Pension Scheme During the year ended 31 August 2012, pension contributions for these staff amounted to £305,117 (August 2011 - £215,452, eight month period) 50 (2011 - 51) of the above employees participated in the Local Government Pension Scheme, pension contributions amounted to £66,184 (2011 - £33,518, eight month period)

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

£110,001 - £120,000	1	1
	—	—

12 Governors' Remuneration and Expenses

The 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 reimbursed expenses, from the Academy in respect of their role as Governors The value of the Principal's remuneration was £119,028 in the year (2011 - £78,179, £117,269 per annum) The value of staff Governors' remuneration was £31,016 in the year (2011 - £61,455)

No travel or subsistence expenses were reimbursed to Governors (2011 - none)

The Principal's spouse, Mr E King, is a part time employee of the Academy

There were no other related party transactions involving the Governors

13 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2012 was £689 (2011 - £720)

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

14 Tangible Fixed Assets

Cost or Valuation	Freehold land and buildings £	Freehold improvements £	Furniture and equipment £	Computer equipment £	Total £
At 1 September 2011					
Previously stated	14,931,729	91,957	103,738	16,559	15,143,983
Prior year adjustment (see note 29)	2,215,100	-	-	-	2,215,100
At 1 September 2011 – Restated	17,146,829	91,957	103,738	16,559	17,359,083
Additions	1,061,905	510,085	111,777	46,182	1,729,949
Disposals	-	-	-	(1,559)	(1,559)
At 31 August 2012	18,208,734	602,042	215,515	61,182	19,087,474
Depreciation					
At 1 September 2011	199,090	983	1,979	618	202,670
Charged in year	288,002	16,329	22,873	7,070	334,274
Disposals	-	-	-	(260)	(260)
At 31 August 2012	487,092	17,312	24,852	7,428	536,684
Net Book Value					
At 31 August 2012	17,721,641	584,730	190,663	53,754	18,550,790
At 31 August 2011 (restated)	16,947,739	90,974	101,759	15,941	17,156,413

	2012 £	2011 £
15 Debtors		
VAT reclaimable	192,851	73,537
Prepayments and accrued income	80,438	24,107
Other debtors	99,720	3,878
	373,009	101,522

16 Creditors: Amounts Falling Due within One Year

Trade creditors	305,515	125,330
Other taxation and social security	76,664	77,359
Other creditors	19,727	3,540
Accruals and deferred income	178,288	37,201
VAT grant	-	63,153
	580,194	306,583

17 Funds	Balance at 31 August 2011 (restated) £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2012 £
Restricted General Funds					
General Annual Grant (GAG)	701,905	5,501,407	(4,251,015)	(1,891,054)	61,243
Other DfE/EFA grants	-	349,535	(349,535)	-	-
SEN statement income	-	60,677	(60,677)	-	-
Other government grants	-	68,500	(68,500)	-	-
Charitable donations for specific purposes	4,033	-	(4,033)	-	-
Pension reserve	(999,000)	-	(10,000)	153,000	(856,000)
	<u>(293,062)</u>	<u>5,980,119</u>	<u>(4,743,760)</u>	<u>(1,738,054)</u>	<u>(794,757)</u>
Restricted Fixed Asset Funds					
Capital expenditure from GAG	-	19,643	(19,643)	-	-
Tangible Fixed Assets	16,947,739	-	(288,003)	1,891,054	18,550,790
	<u>16,947,739</u>	<u>19,643</u>	<u>(307,646)</u>	<u>1,891,054</u>	<u>18,550,790</u>
Total Restricted Funds	<u>16,654,677</u>	<u>5,999,762</u>	<u>(5,051,406)</u>	<u>153,000</u>	<u>17,756,033</u>
Unrestricted funds	<u>1,072,610</u>	<u>935,590</u>	<u>(113,237)</u>	<u>-</u>	<u>1,894,963</u>
Total unrestricted funds	<u>1,072,610</u>	<u>935,590</u>	<u>(113,237)</u>	<u>-</u>	<u>1,894,963</u>
Total funds	<u>17,727,287</u>	<u>6,935,352</u>	<u>(5,164,643)</u>	<u>153,000</u>	<u>19,650,996</u>

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

General Annual Grant (GAG) income must be used for the running of the Academy including salary costs, overheads, premises costs and curriculum costs. The Academy is allowed to carry forward a surplus of up to 12% each year on any unused GAG funds. Of this 12%, 2% may be used for general purposes but any excess over 2% must be used for capital purposes.

Standards funds and ES pupil focussed standard funds income must be used to raise attainment, for example through initiatives such as one-to-one tuition.

Specialist schools status income is aimed to improve the Academy's expertise in its chosen specialism (Maths and Computing and Training School). It can be spent on any costs associated with this aim. It forms part of GAG funding.

17 Funds (continued)

SEN statement income must be used to assist the learning of children with special educational needs

The pension reserve is the element of the local government pension fund liabilities attributable to the Academy (see note 26)

Capital expenditure from GAG relates to GAG funding received in the form of devolved capital grants
This income must be used to purchase capital items as agreed with the EFA

Specific educational projects income relates to funds provide to the Academy for specific activities where the donors have imposed restrictions

Charitable donations for specific purposes relate to donations made by parent and pupils towards fundraising for national charities and a local charity

The transfer from the restricted general funds to the restricted fixed asset funds reflects the capital expenditure from GAG funding

18 Analysis of Net Assets between Funds

Fund balances at 31 August 2012 are represented by

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	2012 Total funds	2011 Total funds (restated)
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	18,551	18,551	17,156
Current assets	1,895	641	-	2,536	1,876
Current liabilities	-	(580)	-	(580)	(306)
Pension scheme liability	-	(856)	-	(856)	(999)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	1,895	(795)	18,551	19,651	17,727
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

19 Capital Commitments

	2012 £	2011 £
Contracted for, but not provided in the financial statements	82,590	49,686
	<hr/>	<hr/>

20 Financial Commitments**Operating Leases**

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

	2012 £	2011 £
Other		
Expiring within one year	-	3,100
Expiring within two and five years inclusive	-	9,120
Expiring in over five years	-	-
	<hr/>	<hr/>
	-	12,220
	<hr/>	<hr/>

The operating leases were cancelled during the year

21 Reconciliation of Net Income to Net Cash Inflow from Operating Activities

Net income	1,770,709	16,483,187
Depreciation (note 14)	334,274	202,670
Capital grants from DfE and other capital income (note 6)	(19,643)	(19,542)
Interest receivable (note 5)	(25,544)	(2,619)
Interest payable	547	596
Pension fund finance costs	10,000	28,000
Increase in debtors	(271,487)	(101,522)
Increase in creditors	273,610	296,583
Gifts in kind Freehold building		-(14,931,729)
	<hr/>	<hr/>
Net cash inflow from operating activities	2,072,466	1,965,624
	<hr/>	<hr/>

22 Returns on Investments and Servicing of Finance

Interest received	25,544	2,619
Bank interest and charges	(547)	(596)
	<hr/>	<hr/>
Net cash inflow from returns on investment and servicing of finance	24,997	2,023
	<hr/>	<hr/>

23 Capital Expenditure and Financial Investment

	Year ended 31 August 2012 £	Period to 31 August 2011 £
Purchase of tangible fixed assets	(1,729,949)	(212,254)
Capital grants from DfE/EFA	19,643	19,542
Disposal of tangible fixed assets	1,299	-
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment	(1,709,007)	(192,712)
	<hr/>	<hr/>

	Cash flows £	At 31 August 2012 £	At 31 August 2011 £
24 Analysis of Changes in Net Funds			
Cash in hand and at bank	388,456	2,163,391	1,774,935

25 Members' Liability

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

26 Pension and Similar Obligations

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex Pension Scheme 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 August 2011

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year Contributions amounting to £50,966 were payable to the schemes at 31 August and are included within creditors

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme

The latest actuarial valuation of the Scheme by the Government Actuary published in November 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement") The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015

Under the TPS Agreement, employer contribution rates from 1 April 2012 are continuing at 14.1% with employee rates varying between 6.4% and 8.8% For subsequent years data and information is being collated to inform a Government review of the tiering structures in advance of the Department for Education consulting on contribution increases for 2013/14 onwards

26 Pension and Similar Obligations (continued)

The government have set a gross cost ceiling for the main public service pension schemes of 21.7% with a net cost ceiling of 12.1% and an average employee contribution of 9.6%

The Government Actuary's Department has in a report dated 9 March 2012 concluded that the TPS Agreement scheme design is within this required cost ceiling. This conclusion is dependent on and sensitive to the data, methodology and assumptions adopted and further details on these are available in the full Government Actuary's report which is available on the Department for Education website.

The pension charge for the year includes contributions payable to the TPS of £305,117 (2011 £205,784). No amounts were accrued at the yearend in respect of contributions to this scheme.

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £98,976 (2011 - £54,164), of which employer's contributions totalled £66,184 (2011 - £33,518) and employees' contributions totalled £32,792 (2011 - £20,646). The agreed contribution rates for future years are 12.2% for employers (plus £44,000) and between 5.5% and 7.5% for employees.

	At 31 August 2012 %	At 31 August 2011 %
Principal Actuarial Assumptions		
Rate of increase in salaries	3.7	4.3
Rate of increase for pensions in payment/inflation	1.9	2.8
Discount rate for scheme liabilities	3.9	5.3
Inflation assumption (CPI)	1.9	2.8
Commutation of pensions to lump sums	50.0	50.0

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

	At 31 August 2012	At 31 August 2011
Retiring Today		
Males	22.7	22.5
Females	25.3	25.1
Retiring in 20 Years		
Males	24.1	24.0
Females	26.8	26.7

The Academy's share of the net assets and liabilities in the Scheme and the expected rates of return were

	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £'000	Expected return at 31 August 2011 %	Fair value at 31 August 2011 £'000
Equities	5.9	174	7	(149)
Government bonds	2.8	15	3.7	(15)
Other bonds	3.9	23	4.8	(18)
Property	4.9	33	6	(25)
Cash/liquidity	0.5	10	0.5	(10)
Total market value of assets		255		(217)
Present value of scheme liabilities – funded		(1,111)		(782)
Deficit in the scheme		(856)		(999)

	2012 £'000	2011 £'000
Amounts Recognised in the Statement of Financial Activities		
Current service cost (net of employee contributions)	53	24
Past service cost	-	-
Total operating charge	53	24
Analysis of Pension Finance Income/(Costs)		
Expected return on pension scheme assets	11	(12)
Interest on pension liabilities	(45)	(26)
Pension finance costs	(34)	(38)

27 Pension and Similar Obligations (continued)**Local Government Pension Scheme (continued)**

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial gains and losses recognised in the SOFA since the adoption of FRS 17 is a £43,000 gain.

Movements in the Present Value of Defined Benefit Obligations

Opening defined benefit obligation	782	-
Current service cost	86	58
Interest cost	45	26
Employee contributions	33	34
Actuarial loss/(gain)	165	(22)
Business combinations	-	686

Closing defined benefit obligation	1,111	782
------------------------------------	-------	-----

Movements in the Fair Value of Academy's Share of Scheme Assets

Opening fair value of scheme assets	(217)	-
Expected return on assets	11	(12)
Actuarial gain	318	21
Employer contributions	110	68
Employee contributions	33	34
Business combinations	-	(328)

Closing fair value of scheme assets	255	(217)
-------------------------------------	-----	-------

The Five-Year History of Experience Adjustments	2012 £'000	2011 £'000
Present value of defined benefit obligations	(1,111)	(782)
Fair value of share of scheme assets	255	(217)
Deficit in the scheme	(856)	(999)

28 Related Party Transactions

Members of the Board of Governors are drawn from local public and private sector organisations and complete declaration of interest forms annually. Any transactions that take place with organisations in which a member of the Board of Governors may have an interest are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. There were no material related party transactions in the year.

29 Prior Year Adjustment

The freehold land and buildings transferred to The Ockendon Academy on conversion were independently valued during 2010/11 on the basis of depreciated replacement cost for the sum of £14,931,729. Following the signing of the financial statements in respect of the period to 31 August 2011, the Academy was notified by the valuer of an error in the valuation, the land and building assets being understated by £2,215,100. In accordance with Financial Reporting Standard number 3, Reporting Financial Performance, this understatement has been treated as a prior period adjustment as it is the correction of a fundamental error. Note 14, Tangible Fixed Assets, has been amended to reflect the correction of the error. The effect on the opening reserves position is as follows:

	£
Reserves at 31 August 2011 as previously stated	15,512,187
Prior period adjustment	2,215,100
	<hr/>
Reserves at 31 August 2011 as restated	17,727,287
	<hr/>