

**The Ecclesbourne School  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Period ended 31 August 2011**

**Company Registration Number:  
07524069 (England and Wales)**

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## **The Ecclesbourne School**

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## **The Ecclesbourne School**

### **Reference and administrative details**

#### **Governors**

K Wharam (appointed 9<sup>th</sup> February 2011)\*  
R Lindop (appointed 9<sup>th</sup> February 2011) - Chair  
R Tingle (appointed 9<sup>th</sup> February 2011)\*  
(resigned 11<sup>th</sup> July 2011)  
B Goth (appointed 3<sup>rd</sup> October 2011)\*  
J Winwood (appointed 1<sup>st</sup> March 2011)  
C Keble (appointed 1<sup>st</sup> March 2011)  
B Wigram (appointed 1<sup>st</sup> March 2011) - Vice Chair  
T Hoblyn (appointed 1<sup>st</sup> March 2011)  
Y Woods (appointed 1<sup>st</sup> March 2011)  
K Eley (appointed 1<sup>st</sup> March 2011)  
S Lound (appointed 1<sup>st</sup> March 2011)  
P Greenwood (appointed 1<sup>st</sup> March 2011)  
J Minton (appointed 1<sup>st</sup> March 2011)  
C Ourabi (appointed 1<sup>st</sup> March 2011)  
A Williams (appointed 17<sup>th</sup> October 2011)  
B Goth (appointed 1<sup>st</sup> March 2011)  
K Naylor (appointed 1<sup>st</sup> March 2011)  
P Wilkinson (appointed 1<sup>st</sup> March 2011)  
S Baines (appointed 24<sup>th</sup> May 2011)  
S Cook (appointed 24<sup>th</sup> May 2011)  
N Edwards (appointed 24<sup>th</sup> May 2011)

#### **Secretary**

G Cawley (appointed 9<sup>th</sup> February 2011)

#### **Senior management team**

J McNamara - Head Teacher  
J Skinner - Deputy Head  
M Williams - Deputy Head  
L Walton - Deputy Head  
R Martland - Deputy Head  
L Allen - Bursar

#### **Registered Office**

Wirksworth Road  
Duffield  
Belper  
DE56 4GS

#### **Company Registration Number**

07524069

#### **Auditors**

Sibbalds Limited  
57 Ashbourne Road  
Derby  
DE22 3FS

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**The Ecclesbourne School**

**Reference and administrative details (continued)**

**Bankers**

HSBC Bank Plc  
Derbyshire Commercial Park  
3 Pride Park  
Derby  
DE24 8QR

**Solicitors**

Flint Bishop LLP  
St Michael's Court  
St Michael's Lane  
Derby  
DE1 3HQ

**Surveyors**

David Brown Commercial  
Third Floor  
35/36 Iron Gate  
Derby  
DE1 3GA

## **The Ecclesbourne School**

### **Governors' Report**

The governors present their annual report together with the audited financial statements of the School for the period ended 31 August 2011

### **Structure, Governance and Management**

#### *Constitution*

The School is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the School.

The governors act as the trustees for the charitable activities of The Ecclesbourne School and the governors marked with a \* are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Ecclesbourne School.

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

#### *Members' Liability*

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

#### *Governors' Indemnities*

During the period, the School maintained liability insurance and third party indemnification provisions for its Governors, under which the School has agreed to indemnify the Governors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as Governors of the School. The insurance provides cover up to £5,000,000 on any one claim.

#### *Principal Activities*

The Ecclesbourne School's object and activity is to advance for the public benefit education in the United Kingdom, 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 Ecclesbourne School in Duffield, Derbyshire caters for all abilities between the ages of 11 and 18 with specialisms in Technology and the Arts.

#### *Method of Recruitment and Appointment or Election of Governors*

The Governors that are marked with a \* are directors of the charitable company for the purposes of the Companies Act 2006 but all governors are trustees for the purposes of charity legislation. The term of office for any Governor shall be 4 years, save that a) this time limit shall not apply to the Head Teacher, b) a Staff Governor shall only hold office for so long as he continues to be employed as a teacher or member of support staff as the case may be.

The Members may appoint up to 12 Governors. The Trust may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Head Teacher) who are employees of the School Trust does not exceed one third of the total number of Governors. The Head Teacher shall be treated for all purposes as being an ex officio Governor. The Parent Governors shall be elected by parents of registered pupils at the School. A Parent Governor must be a parent of a pupil at the School at the time when he is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the School. Any election of Parent Governors which is contested shall be held by secret ballot.

## **The Ecclesbourne School**

### **Governors' Report (continued)**

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the School Trust by a registered pupil at the School

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the School is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the School, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age

#### **Policies and Procedures Adopted for the Induction and Training of Governors**

During the six months under review the governors held 6 meetings. In addition, there was a half day's facilitated training event covering the School's improvement planning process. The training and induction provided for new Governors will depend on their existing experience.

Where necessary induction will provide training on charity and educational legal and financial matters including safeguarding training. All new Governors will be given a tour of the School and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual.

#### **Organisational Structure**

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the School by the use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments.

The Strategic Leadership Team are the Head Teacher, Four Deputy Heads and the Bursar. These leaders control the School at an executive level implementing their policies which have been agreed with the Governors and reporting back to them. As a group the Strategic Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Strategic Leadership Team always contain a Governor. Some spending control is devolved to individual budget holders who have responsibility for the line management of individual functions within the school structure, with limits above which the Head Teacher and Bursar must countersign.

#### **Risk Management**

The Governors confirm that the major risks to which the Trust and the School are exposed have been reviewed and systems have been established to mitigate those risks. Where significant financial risk still remains they have ensured that they have in place adequate insurance cover. The Trust has ensured that the School has effective systems of internal financial controls as detailed below.

## **The Ecclesbourne School**

### **Governors' Report (continued)**

#### Connected Organisations, including Related Party Relationships

The Ecclesbourne School seeks to work collaboratively on specific issues with the Ripley, Heanor and Aldercar Area Partnership and with the BAMBER group of schools on matters relating to management of behaviour and managed moves. In addition, the school works closely in partnership with Little Eaton School with the aim of improving educational outcomes for students at Key Stage 2, specifically with reference to literacy, numeracy and modern foreign languages.

### **Objectives and Activities**

#### Objects and Aims

The Ecclesbourne School's object and activity is to advance for the public benefit education in the United Kingdom, 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. In pursuance of this object its principal activity is to operate The Ecclesbourne School in Duffield Derbyshire, which caters for all abilities between the ages of 11 and 18 with specialisms in Technology and the Arts.

#### Objectives, Strategies and Activities

The Ecclesbourne School strives to be a successful and caring learning community in which individuals are inspired to meet the challenges of the future.

All members of our School Community should

- Acquire the knowledge and skills for now and for a fulfilling future
- Develop confidence in themselves and their abilities
- Feel valued and value others
- Work together effectively and with enthusiasm
- Create an innovative learning environment
- Appreciate the world at large

The School Community includes everyone who learns and works within the School and all those with a supportive interest in the School.

#### Public Benefit

The Ecclesbourne School is a non-selective, non-fee paying secondary school and as such operates entirely for the public benefit. In addition to striving for and achieving the highest of educational standards and attainment for all its students it also engages in partnership working with other local secondary schools, especially with regard to effective operation of inclusion measures and systems.

The Ecclesbourne School supports Little Eaton School through

- ICT technical support
- Dedicated ongoing allocation of our staff to support literacy, numeracy and modern foreign languages development

As a specialist Technology and Arts College the school has developed strong links with the local community and business of reciprocal benefit.

The school lets out its facilities to local sports, arts and hobby-based clubs offering a wide range of evening courses which are advertised to the local community.

The School actively engages in charity work through a range of themed activities and days throughout the year.

**Governors' Report (continued)**

**Achievements and Performance**

The school became an academy on 1 March 2011 and therefore the results show six months of operation and student results

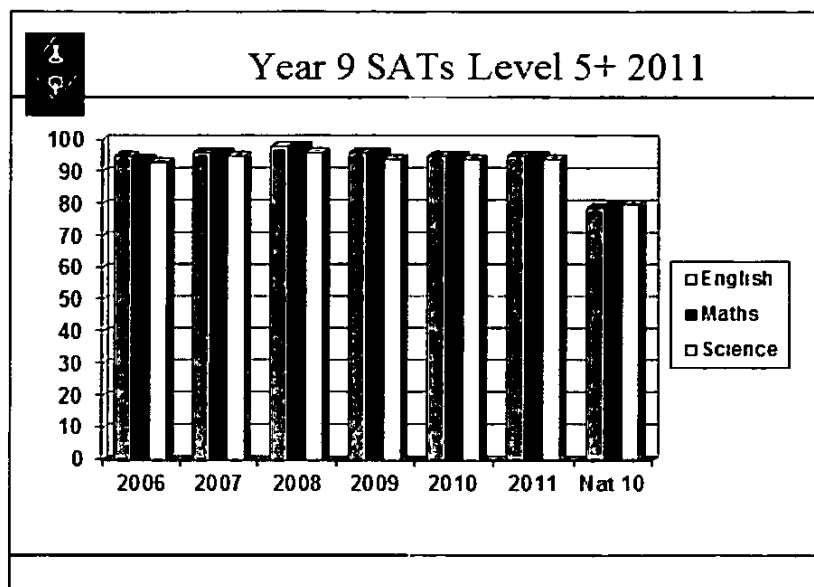
*Year 9 Standardised Attainment Tests – 5 year series*

NATIONAL CURRICULUM LEVELS								
ENGLISH	Abs	Disapplied or below Level 4	4	5	6	7		
2011 TA	0	0	2	23	42	33		
MATHS	Abs	Disapplied or below L3	3	4	5	6	7	8
2011 TA	0	0 5	0	2	9	24	39	25
SCIENCE	Abs	Disapplied or below L3	3	4	5	6	7	
2011 TA	0	0	0 5	3	24	39	24+9	

*End of Key Stage 3 Results for 2010 – Level 5 and above – 5 year series*

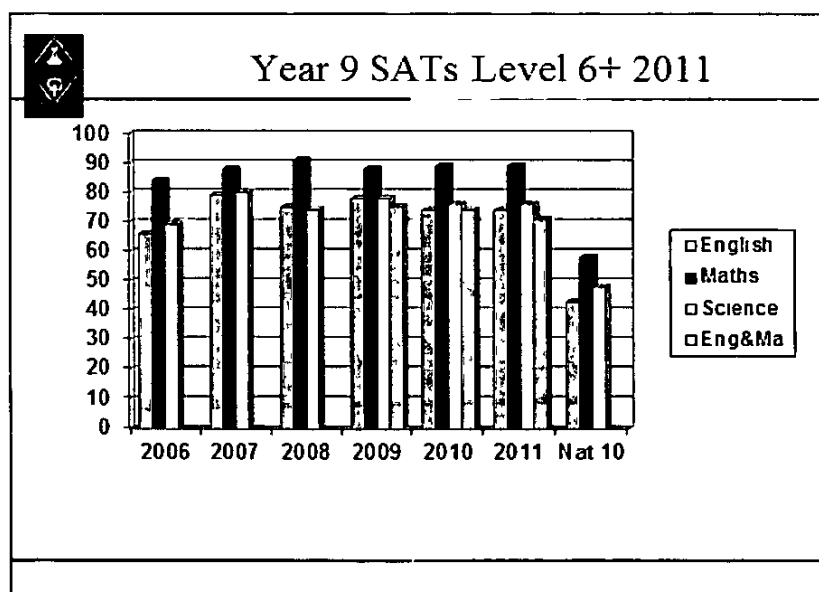
	2011	Derbyshire	National
%	Ecc	2010	2010
English	98	81	79
Maths	98	82	80
Science	96	82	80
Aggregate	292	245	239
English & Maths	97	74	na





End of Key Stage 3 Results for 2010 – Level 6 and above – 5 year series

% L6 and above	Ecc 2011	LA 2010	National 2010
English	75	42	43
Maths	88	61	58
Science	72	50	48
Aggregate	235	153	149
Eng & Ma	71	38	na



## The Ecclesbourne School

### Governors' Report (continued)

The Ecclesbourne School has delivered significantly better results at the end of Key Stage 3 than either the local authority average or the national average by all measures. The School has been particularly successful with higher levels of attainment [level 6 and above] with attainment at around 30 percentage points higher than county figures. The School has, therefore, been successful in building the strongest foundation for our students later success in public examinations through this solid grounding in our Lower School. Key to this achievement is the increased sophistication of our tracking and monitoring systems which mean we are able to intervene where students are not making satisfactory progress much earlier in their school careers.

### GCSE Examinations

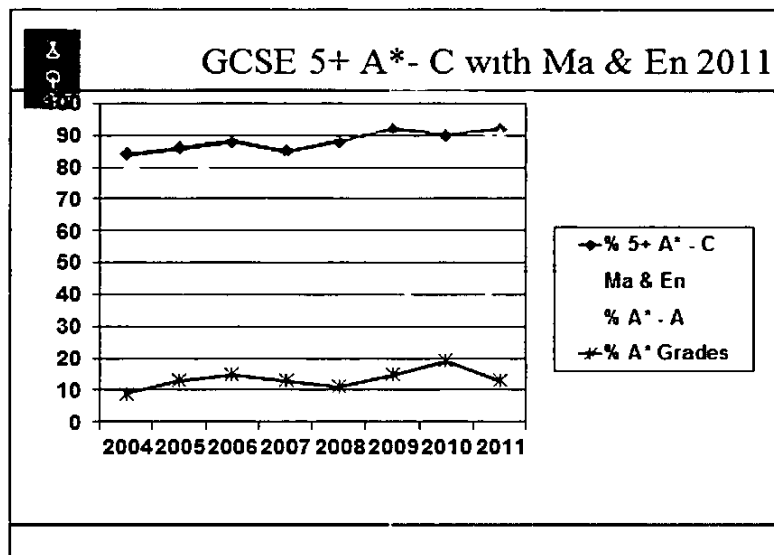
Firstly, GCSE performance targets and results for 2011 are in the table below

<i>Target Measure</i>	<b>School Targets</b>	<b>Fisher Family Trust [D] indicator</b>	<b>Actual Results 2011</b>
<b>% 5+ A* - G</b>	<b>na</b>	<b>99%</b>	<b>99%</b>
<b>% 5+ A* - C [incl. Maths &amp; English]</b>	<b>85% (+/- 5%)</b>	<b>88%</b>	<b>91%</b>
<b>3 Levels of Progress (English)</b>	<b>83%</b>	<b>90%</b>	<b>96%</b>
<b>3 Levels of Progress (Maths)</b>	<b>86%</b>	<b>90%</b>	<b>93%</b>

The following table provides a summary of the trends in Grade performance for the GCSE results over the year and the graph shows results over 10 years

<b>YEAR</b>	<b>2011</b>
<b>% Grades A* - C</b>	<b>89</b>
<b>% Grades A* - B</b>	<b>69</b>
<b>% Grades A* - A</b>	<b>39</b>
<b>% Grades A*</b>	<b>13</b>
<b>Average points score (capped)</b>	<b>37.8</b>

Governors' Report (continued)



- The results are especially pleasing in the light of a significant gender imbalance in this year group. There were 217 students in the cohort with 128 boys and 89 girls in total.
- We were delighted with these headline figures which demonstrate that 91% of students achieved the Government's benchmark figure of 5 or more A\* to C grades including English and Mathematics. The FFT [D] indicator was exceeded by 3% and the School's target by 6%.
- These results represent the first time the school has attained over 90% of students attaining this benchmark figure of 5+ A\* - C grades including English and Mathematics.
- Although several other secondary schools in Derbyshire are now exceeding 90% of students attaining 5 or A\*-C, no other school in Derbyshire attains over 90% 5 A\*-C including Mathematics and English (the 'Gold standard').
- The Ecclesbourne School's sustained achievement on this measure is remarkable.
- 97% of girls and 87% of boys achieved the 'gold standard' of 5+ A\* - C including English and Maths.
- Three of our students had a statement of Special Education Needs [1.4%]. In addition, there were two Enhanced Learning options with a total of 28 students (13% of cohort). 82% of these students achieved at least 1 higher grade at GCSE and 64% achieved 5 or more higher grades. The Certificate of Personal Effectiveness [COPE] course provided an alternative route for some students with 6 students gaining Level 1 accreditation (equivalent of a D Grade at GCSE). Our trial of 10 students following BTEC Construction (Double Award) in association with Derby College was highly successful, with 7 of the students passing this at Level 2 (equivalent to GCSE Grade C).
- The mentoring scheme was again very successful. 29 students (20 boys and 9 girls) benefited from the voluntary contribution of 25 staff who provided 1 to 1 support in the run up to the exams. 70% of the mentored group achieved 5 or more higher grades with 34% achieving 8 or more higher grades.
- The number of A\* - A grades reduced slightly 45% to 39%. This is still well above the national figure and in line with our performance over most of the last five years.
- 25 students achieved all A\* and A grades, and have been awarded prizes for outstanding academic performance at GCSE. A further 38 students will receive a Certificate of Commendation for high academic performance.
- Our 'middle learners' did well again, with over 69% of grades awarded at a B or higher level.
- 5 subjects achieved 100% A\*-C: German [25 students], Textiles [25], BTEC Music [9], Graphics [18], Systems and Control [7].
- A further 10 subjects achieved at least 90% 5 A\*-C: English [217], Maths [217], Additional Science [36], Biology [134], Chemistry [134], Physics [134], Spanish [41], Geography [83], Art [60], Business and Communication [123].

## The Ecclesbourne School

### Governors' Report (continued)

- The Contextual Value Added [CVA] indicator below demonstrates that *the School has made a considerable value added contribution to the education of our students* where the norm of 1,000 indicates what students should be expected to achieve

#### Contextual Value Added Performance

	2011
5+A*-C	92
% 5+ A*-C En/Ma [Derbyshire figs in brackets]	91 (-)
% Two Science GCSE at Grades A* - C	74 (-)
% Modern Foreign Languages Grades A* - C	61 (-)
KS 2 – KS4 CVA	-

#### Year 13 Advanced Level [A 2] Results

	2011
Students	167
APS per student	374
Pass rate	99.3%
APS per entry	97.6
A*-C	86.4%
A*-B	64.1%
A*-A	40%
A* grades	16%

## The Ecclesbourne School

### Governors' Report (continued)

- A particular focus on securing A\* Grades has paid dividends, with these results rising from 6% to 16%
- The pass rate was 99.3% at A2 which means there were 4 U grades overall. As in 2011, all qualifications had to be aggregated
- We had four students secure places at Oxbridge this year [One boy and three girls]
- There were some exceptional individual performances
  - 1 boy achieved 5A\*'s and an A
  - 1 boy and 3 girls achieved 4A\*'s and an A
  - 2 girls achieved 4A\*
  - 1 girl achieved 3A\* and 2 A's
  - 4 girls achieved 2\* and 1A
  - 1 girl achieved 6A's
- The School achieved significant value added for its students. The ALIS [Advanced Level value-added system] indicators suggest that these results overall exceeded the expected significance range
- ALIS showed the following subjects to have large positive value added: English Literature, History, RS, Drama, and PE
- AS Level results for Year 12 were an improvement on those achieved last year giving good cause to anticipate strong results at the end of Year 13 in 2012

### Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the School 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 note of the financial statements.

### Key Performance Indicators

The School has a number of Key Performance Indicators (KPI) linked to both internal and external factors which have an impact on the school and focuses the School's understanding how well it is performing in relation to the objectives of the School for the period in question.

- Key Stage 3 – it is the objective of the school to exceed the national average in percentage of pupils achieving level 5 and above. Indeed the School has been particularly successful with higher level at around 17 percentage points higher than county figures and national averages.
- Key Stage 3 – it is the objective of the school to exceed the national average in percentage of pupils achieving level 6. Indeed the School has been particularly successful with higher levels of attainment [level 6 and above] at around 30 percentage points higher than county figures and national averages.
- GCSE % 5+ A-C – the schools target is to achieve 85% (+/- 5%) which includes English and Maths. The actual result showed 91% of students achieving this.
- The schools targets in the 3 levels of progress of English and Maths is 83% and 86% respectively but again the actual of 96% and 93% respectively exceeded the targets.
- A Level – the schools average points per student target is 350 but the actual average points achieved was 374. The percentage of students targeted for A\*-B grades was 60% and actual achieved was 64%, The percentage of students targeted for A-A grades was 35% and actual achieved was 40%, The percentage of students targeted for all A grades was 10% and actual achieved was 16%.
- Attendance – this is also an indicator of the measure of objectives being achieved as it was the aim to have an attendance of 95% throughout the year and the School has successfully achieved 96%.
- Retention of Sixth Formers – this relates to the percentage of Sixth Formers completing their studies and it was factored that 85% would be retained to complete their studies and in fact the actual achieved was 89%.
- Admission number – the number of student intake for the period was expected to be 1,369 but this was exceeded to 1,453.

## The Ecclesbourne School

### Governors' Report (continued)

#### Financial Review

During the period the School received income of £3,573,000 in government and local authority grants most of it in the form of recurrent grants, the use of which has been restricted. The grants received in the form of the GAG from the YPLA and associated expenditure is shown in the restricted funds in the statement of financial activities.

A further £200,000 was received in other income. In addition, the School received the transfer title of the land and buildings which was valued at the open market value. This is treated as a restricted fixed asset fund in the statement of financial activities. Other than the land, the restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31 August 2011 the net book value of fixed assets was £12,428,000 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School.

The School held fund balances at 31 August 2011 of £13,789,000 comprising an amount of £12,455,000 in respect of restricted fixed assets funds, £2,176,000 in respect of unrestricted funds and a deficit of £842,000 in respect of restricted general funds. The deficit has arisen due to the deficit on the local government pension scheme most of which was on transfer to the academy.

#### Financial and Risk Management Objectives and Policies

The main 'financial instruments' that the Ecclesbourne School deals with are bank balances, cash and trade creditors, with limited trade (and other) debtors. These are not material to the assessment of the Trust's assets, liabilities, financial position and its results. The Local Government Pension Scheme exposes the School to a deficit calculated this period at £919,000 and payable over 19 years. Therefore, the School has managed this risk by budgeting to repay £48,000 per year to repay the deficit over the period set out above.

#### Principal Risks and Uncertainties

There are a number of factors which may affect the principal risks and uncertainties that the School faces and how the School intends to resolve them.

- Change in government policy – with a change in government or change in government policy, the funding of the school may change and may in the future reduce funding. This is mitigated by building healthy unrestricted reserves which may be used in times where funding has been tightened.
- The overall performance of the students – this is a continuing risk to the School since both funding, student numbers and positioning of the school is affected if performance of the students declines. To ensure that this is limited as much as possible, the School intends to retain the teaching staff, focus on training of all staff to improve in teaching and learning and to continuously monitor student performance at an early stage of their educational development and ensure that they are nurtured to achieve the best possible standard that each individual can achieve.
- Operate the School within the budget – there is always the risk of operating above budget constraints. However with a strong finance committee and effective internal reporting such as budgeting and forecasting, this risk will be minimised.

#### Reserves Policy

The policy of the trust is to maintain a sufficient surplus to uphold the following year's budget against financial uncertainty and then to transfer recognised surpluses to reserves for investment in tangible fixed assets in all ways possible to assist our tutorial staff to achieve increasing academic standards. The Trust has a number of restricted funds, details of which can be found in note 16 of the financial statements. The Trust has accumulated £1,250,000 of capital cash and has plans to spend these monies on future capital projects in line with the Building Development Master Plan and the Trust's objectives.

## The Ecclesbourne School

### Governors' Report (continued)

Due to the inherited deficit of the Local Government Pension Scheme (LGPS), the School aims to reduce the deficit by increasing contributions over the forthcoming years as described above and will revisit current business plans and budgets and ascertain how the pension costs might affect their budgets in the future

### Investment Policy

The Trust seeks to invest surplus funds in a manner to obtain the best possible return consistent with prudent minimisation of risk and with the strategic plans of the Trust for deployment of resources. The Trust is committed to investment with reputable and ethical investors

### Plans for Future Periods

The Ecclesbourne School remains highly popular with parents, carers and students. Admissions to the school remain high with oversubscription for places in Year 7 and post 16 entry with 451 applications for 210 places for Year 7 admissions in 2011. Waiting lists for places are maintained for Year 7, Year 8 and Year 9

The key strategic activities for 2011/12 are

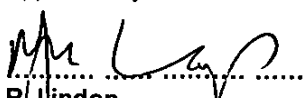
- Maintain the drive for continuous improvement by improving the quality of learning leading to high levels of student attainment and achievement at all levels and for all groups of students
- Continue to focus on improvements in teaching and learning so that all teaching is at least good and much of it outstanding
- Provide training for all staff so that they are able to implement Assessment for Learning strategies in their teaching and so that they are familiar with the new Ofsted lesson observation criteria
- To review and improve our Performance Management policy to support the drive to improve the quality of learning
- To further raise attainment at Key stage 4 by focusing on strategies to stretch the more able so that they can attain the highest grades (A\*/A)
- To develop the online curriculum and the virtual learning environment using a variety of media and platforms to the end of ensuring students have increased access to electronic learning resources remotely
- To further raise attainment at Key Stage 5 by focusing on the 'middle learner' so that a higher proportion of students achieves grades C and above
- Ensure that the School operates within its budget, and in the light of increasing financial constraints, plan judiciously to secure the most effective use of resources so that educational standards continue to improve while maintaining a strong financial position. This will entail aiming to maintain a surplus to insure the School against future financial pressure and so that improvement can be made to the establishment of the school
- Pursue all avenues open to the School in furtherance of the aim of building a Sports Hall
- Continuously improve the use of assessment data, tracking and monitoring to support improved attainment and progress
- To ensure that the roof improvement project for B Block is completed on time and within budget

### Auditor

In so far as the governors are aware

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

Approved by order of the members of the Governing Body on 5 December 2011 and signed on its behalf by

  
R. Lindop  
[Chair]





## **The Ecclesbourne School**

### **Statement on Internal Control**

#### **Scope of Responsibility**

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

The Governing Body has delegated the day-to-day responsibility to the Head Teacher, 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 The Ecclesbourne School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### **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 School's 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 The Ecclesbourne School for the period ended 31 August 2011 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 School Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the School Trust's significant risks that has been in place for the period ending 31 August 2011 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 School trust's system of internal financial control is based on a framework of regular management information and administrative procedures which includes segregation of duties (including the school fund accounts). These procedures invariably include:

- A budgeting and monitoring system with an annual budget as part of the GAG together with periodic financial reports which are reviewed and agreed by the governing body
- Regular reviews of internal financial reports and forecasts and review of all major plans, capital works or expenditure overseen by the governing body
- Clearly defining purchasing guidelines including asset purchase which are highlighted in the School's financial manual
- Ensuring that there is delegation of authority and sufficient segregation of duties
- The Governing Body identifies and manages any risks associated with the School

The governors have appointed an auditor to perform a range of internal financial checks in line with the recommended practices as issued by the YPLA. The auditor's duty is to report to the Responsible Officer who is a governor of the school on its quarterly internal financial checks.

These arrangements provide only a reasonable and not absolute assurance that assets are safeguarded, transactions are correctly authorised and processed (according to the School Financial Manual) and that any material errors or irregularities are either prevented or would be detected on a timely basis.

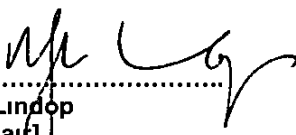
**Statement on Internal Control (continued)**

**Review of Effectiveness**

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by external audit in assisting the Responsible Officer in his duties, quarterly reports to the Governors by the Responsible Officer and by the Governors' Finance Committee which has received regular management accounts and reports from the Bursar including monthly income and expenditure reports highlighting and explaining any significant variances. In turn, the Finance Committee reports to the Full Board of Governors.

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

Approved by order of the members of the Governing Body on *5 December 2011* and signed on its behalf by

  
.....  
R. Lindop  
[Chair]

  
.....  
J. McNamara  
[Accounting Officer]

## **The Ecclesbourne School**

### **Statement of Governors' Responsibilities**

The governors (who are also directors of The Ecclesbourne School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2010/11 issued by the Young Peoples' Learning Agency

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the School and of the incoming resources and application of resources, including the income and expenditure, of the School for the year. 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 judgements 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School 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 School applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the YPLA/DfE have been applied for the purposes intended.

In so far as the governors are aware

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

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

## **The Ecclesbourne School**

### **Independent Auditor's Report to the Members of The Ecclesbourne School**

We have audited the financial statements of The Ecclesbourne School for the period ended 31 August 2011 which comprises the Statement of Financial Activities, the Balance Sheet and 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 2010/11 issued by the Young People's Learning Agency.

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

#### **Respective responsibilities of governors and auditor**

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

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

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the School'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 School's affairs as at 31 August 2011, 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 2010/11 issued by the Young People's Learning Agency.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

*(Continued)*

**The Ecclesbourne School**

**Opinion on other matter prescribed by the School's funding agreement with the Secretary of State for Education**

In our opinion grants made by the Young People's Learning Agency have been applied for the purposes intended

**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



Mr Terrence Grant FCA (Senior Statutory Auditor)  
For and on behalf of Sibbalds Limited  
Chartered Accountants and Statutory Auditor  
Oakhurst House  
57 Ashbourne Road  
Derby  
DE22 3FS

Date 12 16 December 2011

**The Ecclesbourne School**

**Statement of Financial Activities for the period ended 31 August 2011**  
**(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2011 £000
	Note				
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	2,109	(845)	12,442	13,706
Activities for generating funds	4	200			200
<i>Incoming resources from charitable activities</i>					
Funding for the School's educational operations	5	8	3,537	28	3,573
<b>Total incoming resources</b>		<u>2,317</u>	<u>2,692</u>	<u>12,470</u>	<u>17,479</u>
<b>Resources expended</b>					
<i>Cost of generating funds</i>					
Costs of generating voluntary income					
Fundraising trading					
<i>Charitable activities</i>					
School's educational operations	6	141	3,307	74	3,522
<i>Governance costs</i>	8		94		94
<b>Total resources expended</b>	7	<u>141</u>	<u>3,401</u>	<u>74</u>	<u>3,616</u>
<b>Net incoming/(outgoing) resources before transfers</b>		2,176	(709)	12,396	13,863
Gross transfers between funds	16		(59)	59	
		<u>2,176</u>	<u>(768)</u>	<u>12,455</u>	<u>13,863</u>
<b>Net income/(expenditure) for the period</b>					
<b>Other recognised gains and losses</b>					
Actuarial (losses)/gains on defined benefit pension schemes	16,22		(74)		(74)
<b>Net movement in funds</b>		2,176	(842)	12,455	13,789
<b>Reconciliation of funds</b>					
<b>Funds carried forward at 31 August 2011</b>		<u>2,176</u>	<u>(842)</u>	<u>12,455</u>	<u>13,789</u>

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

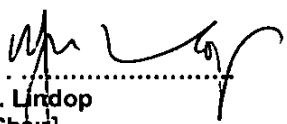
A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

# **The Ecclesbourne School**

## **Balance sheet as at 31 August 2011**

	<b>Notes</b>	<b>2011 £000</b>	<b>2011 £000</b>
<b>Fixed assets</b>			
Tangible assets	12		12,428
<b>Current assets</b>			
Stock	13	6	
Debtors	14	98	
Cash at bank and in hand		2,659	
		2,763	
<b>Creditors</b> Amounts falling due within one year	15	(483)	
<b>Net current assets</b>			2,280
Total assets less current liabilities			14,708
<b>Net assets excluding pension liability</b>			14,708
Pension scheme liability	22		(919)
<b>Net assets including pension liability</b>			13,789
<b>Funds of the School:</b>			
<b>Restricted funds</b>			
Fixed asset fund	16		12,455
General fund	16		77
Pension reserve	16		(919)
<b>Total restricted funds</b>			11,613
<b>Unrestricted funds</b>	16		2,176
<b>Total funds</b>			13,789

The financial statements were approved by the Governors, and authorised for issue on 5 December 2011 and are signed on their behalf by

  
 R. Lindop  
 [Chair]

Company Limited by Guarantee  
 Registration Number 07524069

**The Ecclesbourne School**

**Cash Flow Statement for the period ended 31 August 2011**

	<b>Notes</b>	<b>2011 £000</b>
<b>Net cash inflow from operating activities</b>	18	2,719
 Capital expenditure	19	(60)
<b>(Decrease)/Increase in cash in the period</b>	20	<u>2,659</u>
 <b>Reconciliation of net cash flow to movement in net funds</b>		
 <b>Net funds at 31 August 2011</b>		<u>2,659</u>



**Notes to the Financial Statements for the period ended 31 August 2011**

**1 Accounting Policies**

**Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Young People's Learning 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 School has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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

- **Sponsorship income**

Sponsorship income provided to the School which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

- **Donations**

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

- **Other income**

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

**Notes to the Financial Statements for the period ended 31 August 2011 (continued)**

**1 Accounting Policies (continued)**

- **Donated Services and Gifts in Kind**

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

Upon converting to an Academy, the School received all the land, buildings and vehicles for no consideration. The land and buildings were valued by a qualified Chartered Surveyor on 18<sup>th</sup> July 2011 at the current market value.

**Resources Expended**

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

- **Costs of generating funds**

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

- **Charitable activities**

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

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

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

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

Notes to the Financial Statements for the period ended 31 August 2011 (continued)

1 Accounting Policies (continued)

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

Freehold buildings	2%
Fixtures, fittings and equipment	15%
ICT equipment	20%
Motor Vehicles	20%

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

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

**Stock**

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

**Taxation**

The School 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 School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Pensions Benefits**

Retirement benefits to employees of the School 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 School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School 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 22, the TPS is a multi employer scheme and the School 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 School in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Notes to the Financial Statements for the period ended 31 August 2011 (continued)

1 Accounting Policies (continued)

**Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Young People's Learning Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose

Restricted general funds comprise all other restricted funds received and include grants from the Young People's Learning Agency/Department for Education

2 General Annual Grant (GAG)

**a Results and carry forward for the period**

**2011  
£000**

GAG brought forward from previous year	-
GAG allocation for current period	3,537
<b>Total GAG available to spend</b>	<b>3,537</b>
Recurrent expenditure from GAG	(3,401)
Fixed assets purchased from GAG	(59)
<b>GAG carried forward to next year</b>	<b>77</b>
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	(424)
<b>GAG to surrender to DfE</b>	<b>(347)</b>
(12% rule breached if result is positive)	No 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 period	3,401
GAG allocation for current period	(3,537)
GAG allocation from previous year x 2%	-
<b>GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current period</b>	<b>(136)</b>
(2% rule breached if result is positive)	No Breach

**The Ecclesbourne School**

**Notes to the Financial Statements for the period ended 31 August 2011 (continued)**

**3 Voluntary Income**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2011 £000</b>
Gifts in kind – capital		12,442	12,442
Gifts in kind – non capital	2,109		2,109
Pension deficit		(845)	(845)
	<u>2,109</u>	<u>11,597</u>	<u>13,706</u>

**4 Activities for Generating Funds**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2011 £000</b>
Hire of facilities	8		8
Catering income	90		90
VAT	64		64
School Fund (trips, concerts)	12		12
Exam fees and teacher release	26		26
	<u>200</u>	<u></u>	<u>200</u>

**5 Funding for School's Educational Operations**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2011 £000</b>
<b>DfE/YPLA revenue grants</b>			
General Annual Grant (GAG) (note 2)		3,537	3,537
	<u></u>	<u>3,537</u>	<u>3,537</u>
<b>Other Government grants</b>			
Formula capital		28	28
Other government grants	8		8
	<u>8</u>	<u>28</u>	<u>36</u>
	<u>8</u>	<u>3,565</u>	<u>3,573</u>

# The Ecclesbourne School

## Notes to the Financial Statements for the period ended 31 August 2011 (continued)

### 6 Resources Expended

	Non Pay Expenditure			Total
	Staff Costs £000	Premises £000	Other Costs £000	2011 £000
Costs of generating voluntary income				
Costs of activities for generating funds				
School's educational operations				
Direct costs	2,333	74	297	2,704
Allocated support costs	319	319	180	818
	<u>2,652</u>	<u>393</u>	<u>477</u>	<u>3,522</u>
Governance costs including allocated support costs		75	19	94
	<u>2,652</u>	<u>468</u>	<u>496</u>	<u>3,616</u>

The method used for the apportionment of support costs is disclosed in the accounting policies

2011  
£000

### Incoming/outgoing resources for the period include

Operating leases

Fees payable to auditor

Audit

Other services

7

1

### 7 Charitable Activities - School's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2011 £000
<b>Direct costs</b>			
Teaching and educational support staff			
Costs		2,333	2,333
Depreciation		74	74
Educational supplies	74	92	166
Examination fees		91	91
Staff development	25	12	37
Other direct costs		2	2
	<u>99</u>	<u>2,604</u>	<u>2,703</u>
<b>Allocation supported costs</b>			
Support staff costs		320	320
Maintenance of premises and equipment	41	170	211
Cleaning and trade waste		102	102
Rent, rates and utilities		59	59
Telephones		8	8
Printing, postage and stationery		5	5
Advertising		28	28
Insurance		30	30
Security and transport	1	4	5
Catering		39	39
Other support costs		12	12
	<u>42</u>	<u>777</u>	<u>819</u>
	<u>141</u>	<u>3,381</u>	<u>3,522</u>

# **The Ecclesbourne School**

## **Notes to the Financial Statements for the period ended 31 August 2011 (continued)**

### **8 Governance Costs**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2011 £000</b>
Legal and professional fees		86	86
Auditor's remuneration			
• Audit of financial statements		7	7
• Responsible officer audit		1	1
		<u>94</u>	<u>94</u>

### **9 Staff Costs**

	<b>2011 £000</b>
Staff costs during the period were	
Wages and salaries	2,185
Social security costs	164
Pension costs	<u>275</u>
	<u>2,624</u>
Supply teacher costs	29
	<u>2,653</u>

The average number of persons (including senior management team) employed by the School during the period, and the full time equivalents, was as follows

	<b>2011 Number</b>
<b>Charitable Activities</b>	
Teachers	100
Administration and support	64
Management	<u>6</u>
	<u>170</u>

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

	<b>2011 £000</b>
£60,001 - £70,000	-
£70,001 - £80,000	<u>-</u>
	<u>-</u>

92 of the above employees participated in the Teacher's Pension Scheme During the period ended 31 August 2011, pension contributions for these staff amounted to £332,501 53 other employees participated in the Local Government Pension Scheme Pension contributions amounted to £87,309

Notes to the Financial Statements for the period ended 31 August 2011 (continued)

**10 Governors' Remuneration and Expenses**

Head Teacher and staff governors only received remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect of their services as governors. The value of the Head Teacher and staff governors' remuneration was £61,663. Other governors did not receive any payments, other than expenses, from the School in respect of their role as governors.

During the period ended 31 August 2011, travel and subsistence expenses totalling £NIL were reimbursed to governors.

Related party transactions involving the governors are set out in note 23.

**11 Governors' and Officers' Insurance**

In accordance with normal commercial practice the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2011 was £1,800.

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

**12 Tangible Fixed Assets**

	Freehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>					
Additions	12,438	15	45	4	12,502
Disposals	-	-	-	-	-
At 31 August 2011	12,438	15	45	4	12,502
<b>Depreciation</b>					
Charged in period	69	1	3	1	74
Disposals	-	-	-	-	-
At 31 August 2011	69	1	3	1	74
<b>Net book values</b>					
At 31 August 2011	12,369	14	42	3	12,428



**The Ecclesbourne School**

**Notes to the Financial Statements for the period ended 31 August 2011 (continued)**

**13 Stock**

	<b>2011 £000</b>
Stationery	2
Catering	4
	<u>6</u>

**14 Debtors**

	<b>2011 £000</b>
Trade debtors	3
Prepayments	31
Other debtors	64
	<u>98</u>

**15 Creditors: amounts falling due within one year**

	<b>2011 £000</b>
Trade creditors	284
Other creditors	120
Accruals and deferred income	79
	<u>483</u>

**Deferred income**

	<b>2011 £000</b>
Resources deferred in the period	67
Amounts released from previous years	-
Deferred Income at 31 August 2011	<u>67</u>

Deferred income relates to school trips which have been paid in advance but not occurred as at 31<sup>st</sup> August 2011 and bursary fund relating to disadvantaged sixth formers which were received in advance

Notes to the Financial Statements for the period ended 31 August 2011 (continued)

16 Funds

	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2011 £000
<b>Restricted general funds</b>				
General Annual Grant (GAG)	3,537	(3,401)	(59)	77
	3,537	(3,401)	(59)	77
Pension reserve	(845)		(74)	(919)
	2,692	(3,401)	(133)	(842)
<b>Restricted fixed asset funds</b>				
DfE/YPLA capital gains	28			28
Capital expenditure from GAG			59	59
Voluntary income	12,442	(74)		12,368
	12,470	(74)	59	12,455
	15,162	(3,475)	(74)	11,613
<b>Total restricted funds</b>				
<b>Unrestricted funds</b>	2,317	(141)		2,176
<b>Total funds</b>	17,479	(3,616)	(74)	13,789

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

The restricted general fund includes grants receivable from the YPLA towards the operating activities of the School administered by the company and also the pension deficit

The fixed asset fund includes amounts receivable from the YPLA and also the land and buildings which were transferred from foundation school status to the School. These were transferred at the open market value. The transfer into the restricted fixed assets funds represents capital expenditure met from restricted general funds

17 Analysis of net assets between funds

Fund balances at 31 August 2011 are represented by

	Unrestricted Funds	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets			12,455	12,455
Current assets	2,243	493	-	2,736
Current liabilities	(67)	(416)	-	(483)
Pension scheme liability	-	(919)	-	(919)
<b>Total net assets</b>	2,176	(842)	12,455	13,789

Notes to the Financial Statements for the period ended 31 August 2011 (continued)

18 Reconciliation of net income to net cash inflow from operating activities

	2011 £000
Net income	14,708
Depreciation (note 12)	74
Assets transferred from Foundation	(12,442)
(Increase)/decrease in stocks	(6)
(Increase)/decrease in debtors	(98)
(Increase)/decrease in creditors	483
<b>Net cash inflow from operating activities</b>	<b>2,719</b>

19 Capital expenditure and financial investment

Purchase of tangible fixed assets	(12,502)
Assets transferred from foundation	12,442
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(60)</b>

20 Analysis of changes in net funds

	Cash flows £000	At 31 August 2011 £000
Cash in hand and at bank	2,659	2,659
	<u>2,659</u>	<u>2,659</u>

21 Members' Liability

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

**Notes to the Financial Statements for the period ended 31 August 2011 (continued)**

**22 Pension and similar obligations**

The School'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 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

**Teachers' Pension Scheme**

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

The pensions cost is normally assessed no less than every four 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%

Following the implementation of Teacher's pension (employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the period from 1 March 2011 to 31 August 2011 the employer contribution was 14.1% The employee rate was 6.4% for the same period

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

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

**Local Government Pension Scheme**

The School is one of several employing bodies included within the Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method The total contribution made for the period ended 31 August 2011 was £87,309, of which employer's contributions totalled £66,407 and employees' contributions totalled £20,902

# The Ecclesbourne School

## Notes to the Financial Statements for the period ended 31 August 2011 (continued)

### 22 Pension and similar obligations (continued)

#### Principal Actuarial Assumptions

At 31  
August  
2011

Rate of increase in salaries	4.65%
Rate of increase for pensions in payment / inflation	2.90%
Discount rate for scheme liabilities	5.50%
Inflation assumption (CPI)	2.90%
Commutation of pensions to lump sums	50.00%

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  
2011

#### *Retiring today*

Males	21.7
Females	24.3

#### *Retiring in 20 years*

Males	23.1
Females	25.9

#### Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2011	Fair value at 31 August 2011 £000
Equities	7.00%	764
Government bonds	3.70%	153
Other bonds	4.80%	54
Property	6.00%	58
Cash	0.50%	91
<b>Total market value of assets</b>		<b>1,120</b>
Present value of scheme liabilities		
- Funded		(2,039)
<b>(Deficit) in the scheme</b>		<b>(919)</b>

The actual return on scheme assets was a deficit of £40,000

Notes to the Financial Statements for the period ended 31 August 2011 (continued)

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2011 £000
Current service cost (net of employee contributions)	62
Past service cost	-
Total operating charge	<u>62</u>
<b>Analysis of pension finance income / (costs)</b>	
Expected return on pension scheme assets	34
Interest on pension liabilities	(53)
<b>Pension finance income / (costs)</b>	<u>(19)</u>

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £74,000 loss.

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

	2011 £000
Current service cost	62
Interest cost	53
Employee contributions	21
Benefits paid	10
Business combinations	1,893
<b>At 31 August</b>	<u>2,039</u>

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

	2011 £000
Expected return on assets	34
Actuarial (loss)	(74)
Employer contributions	66
Employee contributions	21
Benefits paid	10
Business combinations	1,063
<b>At 31 August</b>	<u>1,120</u>

The estimated value of employer contributions for the year ended 31 August 2012 is £124,000

**Notes to the Financial Statements for the period ended 31 August 2011 (continued)**

**22 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

The history of experience adjustments is as follows:

	2011 £000
Present value of defined benefit obligations	(2,039)
Fair value of share of scheme assets	1,120
(Deficit) in the scheme	<u>(919)</u>
Experience adjustments on share of scheme assets	<u>(74)</u>
Experience adjustments on scheme liabilities:	<u>-</u>

**23 Related Party Transactions**

Owing to the nature of the School's operations and the composition of the board of governors being drawn from the local public and private sector organisations, it is inevitable that transactions 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 School's financial regulations and normal procurement policies.

There were no transactions to note during the period.