

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

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**ELMLEA JUNIOR SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Trustees

J Appleby (resigned 11 December 2012)
A Boyle
J Britton (appointed 1 December 2012)
S Dyer
S Fenna
C Galliers, Headteacher¹
D Hale
E Hall (resigned 10 July 2013)¹
B Lucas (appointed 21 March 2013)
A Miller (resigned 23 May 2013)¹
S Rupprecht (appointed 11 October 2012)¹
M Sinclair (appointed 10 July 2013)
L Sheffield
C A Smith, Chair¹
K Soumilas
K Thanvi (appointed 11 October 2012)
G Tomlinson¹
I Venn (appointed 10 July 2013)¹
M Wilson, Responsible Officer
G Wrathall (resigned 10 July 2013)

¹ Finance Committee

**Company registered
number** 07626956

**Principal and Registered
office** The Dell
Westbury-on-Trym
Bristol
BS9 3UF

Company secretary H Moller-Blackwell

Accounting officer C Galliers

**Senior management
team** C Galliers, Headteacher
L Sheffield, Deputy Head
S Dyer, Assistant Head
J Hoskins, Special Educational Needs Coordinator
S Rupprecht, School Business Manager

Independent auditors Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Bankers Lloyds Bank PLC
15 High Street
Westbury on Trym
Bristol
BS9 3DA

**ELMLEA JUNIOR SCHOOL
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust 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 Academy Trust.

The Trustees act as the Trustees for the charitable activities of Elmlea Junior School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Elmlea Junior School.

Details of the Trustees who served throughout the year, except as noted, 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 Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

Principal Activity

The principal undertaking of the Academy Trust is to provide free education for children from the local community of all abilities, between the ages of 7 and 11.

TRUSTEES

Method of recruitment and appointment or election of Trustees

On conversion, the Trustees appointed all those Governors that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, to enable a staggered succession plan.

The Academy's Governing Body usually has 17 members comprising the Headteacher and Staff Trustees (not exceeding a third of the total), Parent Trustees (minimum of two) and Appointed Trustees (maximum of eight).

When appointing new Trustees, consideration is given to the diversity, skills and experience mix of existing Trustees to ensure that the Board is a fair representation of the school community and collectively there is the necessary knowledge and skills to support the Academy's development.

Policies and Procedures adopted for the Induction and Training of Trustees

The Trustees' induction policy is within the Trustees' Handbook, which is updated annually.

A succession plan has been developed to facilitate a steady turnover and effective handover, whereby new trustees are recruited early and have an opportunity to observe meetings before their term of office begins.

The induction and training provided for new Trustees will depend upon their existing experience. New trustees are introduced to the school through an informal meeting and tour with the Head teacher and there is a chance to meet with staff and pupils. A mentoring system is in place and comprehensive training is available through the Governor Development Service. The Academy arranges bespoke training days to keep Trustees updated on relevant developments impacting on their roles and responsibilities and/or to consider school strategy.

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

Organisational Structure

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

There are four committees as follows,

- Finance Committee - meets five times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels
- Curriculum Committee - meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and all pastoral issues
- Premises, Health and Safety Committee – meet four times a year and acts as the safety committee for the rest of the school. The welfare of children and staff is uppermost in its priorities and so all matters relating to the school building, premises and health and safety are monitored, evaluated and reviewed by this committee
- Staffing Committee – meets four times a year to ensure that the responsibilities of the governing body in relation to all staff matters are fulfilled

The following decisions are reserved to the Board of Trustees, to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Head teacher and Clerk to the Trustees

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

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

The Board of Trustees has devolved responsibility for day to day management of the Academy to the Head teacher and Senior Leadership Team (SLT). The SLT comprises the Head teacher, Deputy Head teacher, Assistant Head teacher, Special Educational Needs Coordinator (SENCo) and the School Business Manager (SBM). The SLT implement the policies laid down by the Trustees and report back to them on performance

The Headteacher is the Accounting Officer

Risk management

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

Connected Organisations, including Related Party Relationships

There are no Connected Organisations controlling the decisions of the Elmlea Junior School Board

Significant related parties are

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

- Elmlea Infant School formally paired with the Academy for school admissions
- The Junior School Association, the Academy's related Parent Teacher Association

Public Benefit

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

The vision for the school is focussed upon the personal development and well-being of the school community as the solid foundation on which learning becomes more effective. The school's motto is 'Caring to learn, learning to care'.

The aims of the school are summarised below.

- Continue to raise the standard of educational attainment and achievement of all pupils
- Ensure that every child makes at least two levels of progress in English and Maths from the end of KS1 assessments to KS2 'Statutory Assessment Tests' (SATs)
- As a school with high attaining children on entry at KS1, focus upon maximising the number of pupils who achieve Level 5 (ie above expected level for end of KS2)
- Prepare more capable students for the level 6 assessments, introduced in 2012
- Continue to provide, review and develop a broad and balanced modern curriculum which anticipates and matches the needs for future society,
- Provide a wide range of extra curricular activities which complements the core curriculum
- Develop pupils as effective independent and self-motivated learners
- Develop the Academy's site and resources so that it enables students to achieve their full potential
- Ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- Continue to monitor, review and evaluate effectiveness of organisational structure and systems
- Develop the school's capacity to manage change
- Maintain close links with the community and other local schools
- Provide value for money for the funds expended
- Comply with all appropriate statutory and curriculum requirements
- Conduct the school's business in accordance with the highest standards of integrity, probity and openness

Objectives, Strategies and Activities

Key priorities for the academic year ending August 2013 were outlined in the School Development Plan. Improvement focus areas included:

- Achieve/exceed the ambitious targets for the 2013 cohort in English and Mathematics for their KS2 SAT assessments (See Achievement and Performance Measures)

Deliver sustained high quality teaching through:

- Continued effective use of Performance Management to ensure teaching is consistently at least good and often outstanding. This is supported through the use of lesson observation as well as analysis of pupils' work and both parent and pupil feedback.

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

- Support professional development of the school's own teachers and those in local schools through sharing of good practice
- Review and develop support functions, focussing on administration and finance to ensure structure, systems and procedures are aligned to deliver the business needs of an independent academy

Curriculum Focus Areas

- Literacy Each child to make two fine grades progress in reading every year
Raise the profile of Speaking and Listening to support continued improvement in writing
- Maths Monitor and improve mental maths through use of ICT so that each child makes at least two fine grades progress every year
- ICT Use ICT to improve pupil progress across the core subject areas of reading, spelling and maths and more widely across the curriculum subjects to enhance learning

ACHIEVEMENTS AND PERFORMANCE

Performance Measures

Pupil Numbers

The school's funding is based on pupil numbers and so this is an important measure and central to the school's capacity to deliver its development plans. Pupil numbers for 2013 were 332. This has risen to 339 in September 2013.

Attendance

Attendance continues to be very good running at 96.6%

Attainment

There were significant changes to 2013 Literacy SATS tests which mean that results are not directly comparable with previous years. Writing assessment was teacher assessed for the first time and a spelling, punctuation and grammar test was introduced.

Elmlea Junior School KS2 SAT Results 2013

Level of Attainment in Reading, Writing and Maths	% of Pupils
Level 4 or above	95%
Level 4B (i.e. a good Level 4) or above	88%
Level 5 or above	39%

These results are outstanding and surpass all the National Floor Standards [Using 2012 data and floor standards for comparison until the full 2013 comparative data is available in national performance tables, due in December 2013.]

This cohort of pupils left with an Average Point Score (APS) of 31.1. This is equivalent to a level 5c and is the highest it has ever been. The average attainment of a pupil leaving Elmlea is above the national expectation which is 27-29 APS = level 4b/a.

There was a good proportion of children who attained well above the national expectation (level 6) and the highest APS score for a pupil in this cohort was 37.5 = level 6c (Level 6 is the nationally expected level of attainment at age 14 years – after two years in Secondary School.)

Just four pupils did not reach the national expectation in certain subjects. Two of these pupils entered the school at KS1 with very low attainment, and it should be noted that one of these made four levels of rapid progress in reading from Level 1 to level 5. This is due to the expertise of the SENCo's intervention strategies and excellent teaching of reading comprehension.

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Rates of progress

In terms of average progress made over the four years of Junior School-this cohort made 13.5 points of progress over four years when measured against the KS1 data. This is good progress, but against the Y3 baseline data progress is outstanding.

Maths- Excellent high attainment

69% of pupils at Level 5+ and 16 % at Level 6

100% of the pupils made expected progress and almost half the pupils made rapid progress. This demonstrates that the excellent subject leadership, teaching methods and setting in the upper school (implemented in Y6 in 2010 and in Y5 in 2012) have combined to deliver a hugely positive impact.

Reading- Excellent high attainment

76% at Level 5+. The low attaining pupils make good to outstanding progress.

Intervention programmes such as "Nessy" and "Rapid Read" have been introduced to pick up children even at level 2b on entry to the Y3 cohort. Many of the older children "off-track" attend extra tuition in the ICT suite before school. Pupil progress data provides clear evidence to demonstrate children taking part in these interventions make rapid progress.

Writing- Improved high attainment

43% of pupils at Level 5+.

Excellent subject leadership has driven up standards over the last three years. Outstanding progress was made 2012-2013 across all year groups from Y3 to Y6. Internal measures show that the progress in writing, particularly in the lower school is now very good to outstanding. This is as a result of the improved quality of teaching of writing and using "talk for writing" in the lower school.

Closing the Gap between Advantaged and Disadvantaged pupils

Use of Pupil Premium

Seven pupils in Year 6 were entitled to Pupil Premium (additional Government funding to support children from disadvantaged backgrounds). All seven pupils arrived with level 2b or below from KS1.

As the number of pupils is so low at Elmlea, it is not statistically valid to use percentages to compare the attainment and progress gaps with the whole cohort or to use these to make comparisons with previous years.

Pupil Premium was used to support after school tuition in literacy, particularly for the small group with English as an Additional Language (EAL). As well as after school tuition in literacy, some of the EAL pupils took part in the lunchtime speech and drama classes and were entered for the LAMDA examinations.

Pupil premium also partly funded music tuition fees for one pupil who also performed in A Midsummer Night's Dream at the Tobacco Factory.

In reading one pupil made 10 APS, the six other pupils made at least expected progress of 12 points, with five of the children making 16 to 18 points of progress.

In writing four pupils made 18 points of progress, one made 14 points. This means 5 out of 7 made outstanding progress.

In maths three pupils made 18 points of progress, two made 14 points of progress, one made expected progress of 12 points and one made 11 points of progress having attained level 4c.

The high standards against all performance measures demonstrate the excellent teaching and learning at Elmlea Junior School.

OFSTED

The Academy was inspected by OFSTED in 2008 and was judged to be Outstanding. The 2011 Education Bill proposed that, from January 2012, schools that were previously judged to be outstanding will not be subject to

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routine inspection unless concerns are raised about their performance. To help decide whether there is a need to inspect an outstanding school, Her Majesty's Inspectors look at various sources of information, as listed below. This is called an 'interim assessment'. In carrying out the interim assessment, HMI considered the following:

- pupils' academic performance
- pupils' attendance
- any inspection visits carried out by Ofsted since the last routine inspection
- qualifying complaints about the school by parents and carers
- any other significant concerns brought to Ofsted's attention

The results of the interim assessment of May 2011 for Elmlea Junior School concluded that performance had been sustained and that therefore they would not be inspecting the school unless they received further information that raised concerns. HMI will continue to undertake annual assessments of the school's performance.

Going Concern

After making appropriate enquiries, the board of trustees 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 going concern policy.

FINANCIAL REVIEW

Financial Review

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

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

During the year ended 31 August 2013, total expenditure of £1,322,977 was covered by recurrent grant funding from the DfE, together with other incoming resources of £1,416,415. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £93,438.

At 31 August 2013 the net book value of fixed assets was £2,969,628 and movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The defined benefit pension deficit of £232,000 relating to the LGPS has been underwritten by the government from 18 July 2013; there is no change to the on-going contribution levels.

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

Trustees have adopted a Responsible Officer Policy and appointed a named trustee to receive reports from a programme of internal checks on the financial controls. During the year, the Trustees received four reports from the Responsible Officer which contained no matters of significance.

Key Financial Performance Indicators

The main financial performance indicator is in year performance against budget and, the level of reserves carried

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forward at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) in period under review, £158,007 was carried forward.

Another key financial performance indicator is staffing costs as a percentage of grant funding. For 2013 this was 76%, compared to 72% in 2012. The primary factors behind the increase in this proportion are the increase in directly grant funded student teacher placements and an increase in SEN teaching funding and capacity in the current pupil cohort.

Financial and Risk Management Objectives and Policies

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

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

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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

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

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Principal Risks and Uncertainties

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

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 94% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

Reputational - the continuing success of the Academy is dependant on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupils' progress and attainment are closely monitored and reviewed.

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

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**TRUSTEES' REPORT (continued)
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Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning

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

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

Reserves Policy

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

Investment Policy

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

PLANS FOR FUTURE PERIODS

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

Objectives, Strategies and Activities for 2013-2014

Key priorities for the year ending August 2014 are outlined in the School Development Plan. Improvement focus areas for the year build upon the strategies of 2012-2013 and include:

- Achieve/exceed the ambitious targets for the 2014 cohort in English and Mathematics for their KS2 SAT assessments
- Deliver accelerated progress and sustained improved outcomes for those pupils eligible for pupil premium
- Review and develop performance management policy and procedures to ensure continued robust monitoring and effective management to deliver the highest quality teaching throughout the school that has the greatest impact on pupils' learning
- Continue to support professional development through engaging with local schools to share good practice

Curriculum Focus Areas

ICT

- Use ICT to improve pupil progress across the core subject areas of reading, communication, maths as well as basic skills
- Use ICT across the curriculum subjects to enhance learning for pupils
- Develop the school website/blog and other electronic communications to continually improve interaction parents and to promote the school within the community

Literacy

- Reading - Each child to make at least four points of progress every year
- Reading - Focus upon high ability readers

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- Writing - Sustain rates of progress, to be outstanding in each cohort

Maths

- Improve parental involvement and understanding of what their child is learning in maths
- Through ability setting, improve rates of progress in the lower school for all abilities, particularly focussing on high attaining pupils

PE

- Use the Sports Premium funding effectively to further enhance the school's high quality and wide ranging sporting opportunities

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

In so far as the Trustees are aware

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

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

Approved by order of the Board of Trustees on ^{28th November 2013} and signed on its behalf by

C.A. Smith

C A Smith
Chair of Trustees

ELMLEA JUNIOR SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Elmlea Junior 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 board of trustees 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 Elmlea Junior School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
J Appleby	1	2
A Boyle	5	6
J Britton	4	4
S Dyer	6	6
S Fenna	4	6
C Galliers, Headteacher	5	6
D Hale	5	6
E Hall	4	6
B Lucas	1	3
A Miller	4	5
S Rupprecht	6	6
M Sinclair	1	1
L Sheffield	6	6
C A Smith, Chair	6	6
K Soumilas	1	6
K Thanvi	3	6
G Tomlinson (on maternity leave in the year)	2	6
I Venn	1	1
M Wilson, Responsible Officer	6	6
G Wrathall	4	6

There have been changes in the membership of the Governing body as individual's tenures (usually four years) have come up, but there have been no changes to the composition of the Governing Body.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.

Finance Committee Terms of Reference

Purpose (from the Academies Financial Handbook)

To assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters, to the governing body on a regular basis. Major issues will be referred to the full governing body for ratification.

Membership

The committee will be at least three trustees, one of whom ideally will be the Chair of Trustees. The Headteacher is the Accounting Officer and will be an automatic member. The School Business Manager is the Principal.

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GOVERNANCE STATEMENT (continued)

Finance Officer and will attend meetings as an advisor. Additional non-voting members may be co-opted as considered necessary. Associate members have the right to attend any meeting in a non-voting capacity. Each committee has the power to co-opt associate members as it sees fit.

Quorum

The quorum for each meeting shall be three, of which the Headteacher must be one.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Galliers (Head & Accounting Officer)	5	5
S Rupprecht	4	4
E Hall	5	5
A Miller	3	5
C Smith	5	5
G Tomlinson	1	1

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 Elmlea Junior School for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees,
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed:

- M Wilson, a Trustee, as Responsible Officer (RO),
- Bishop Fleming, the external auditors, to perform additional checks

The 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 board of trustees on the operation of the systems.

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

of control and on the discharge of the board of trustees' financial responsibilities

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head teacher 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 auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 28/11/13 and signed on their behalf, by

C.A. Smith

C A Smith
Chair of Trustees

C Galliers
Accounting Officer

Clare Galliers 28-11-13

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Clare Galliers 28.11.13

C Galliers
Accounting Officer

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

The Trustees (who act as governors of Elmlea Junior School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

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

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

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



**C A Smith
Chair of Trustees**

Date. 28/11/13

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELMLEA JUNIOR SCHOOL

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELMLEA JUNIOR SCHOOL

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 Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Joseph Scarfe FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date 11/12/13

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ELMLEA JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Elmlea Junior School during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

RESPECTIVE RESPONSIBILITIES OF ELMLEA JUNIOR SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of Elmlea Junior School's funding agreement with the Secretary of State for Education dated 23 June 2011, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ELMLEA JUNIOR
SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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



Joseph Scarfe FCA DChA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date

11/12/13

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure account and a Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted general funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	14 months ended 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Transfer on conversion	2	-	-	-	-	2,900,055
Other voluntary income	2	19,199	12,338	-	31,537	61,738
Activities for generating funds	3	10,615	-	-	10,615	13,306
Investment income	4	2,728	-	-	2,728	949
Incoming resources from charitable activities	5	64,419	1,307,116	-	1,371,535	1,502,073
TOTAL INCOMING RESOURCES		96,961	1,319,454	-	1,416,415	4,478,121
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income	6	2,708	-	-	2,708	1,471
Charitable activities		62,032	1,243,648	71,121	1,376,801	1,413,028
Governance costs	10	-	14,589	-	14,589	22,413
TOTAL RESOURCES EXPENDED	11	64,740	1,258,237	71,121	1,394,098	1,436,912
NET INCOMING RESOURCES BEFORE TRANSFERS		32,221	61,217	(71,121)	22,317	3,041,209
Transfers between Funds	19	-	(58,625)	58,625	-	-
NET INCOME FOR THE YEAR		32,221	2,592	(12,496)	22,317	3,041,209
Actuarial gains and losses on defined benefit pension schemes	24	-	11,000	-	11,000	(25,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		32,221	13,592	(12,496)	33,317	3,016,209
Total funds at 1 September 2012		121,670	(87,585)	2,982,124	3,016,209	-
TOTAL FUNDS AT 31 AUGUST 2013		153,891	(73,993)	2,969,628	3,049,526	3,016,209

All of the Academy Trust's activities derive from continuing operations
The Statement of Financial Activities includes all gains and losses recognised in the year
The notes on pages 23 to 42 form part of these financial statements

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER 07626956

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	16		2,969,628		2,982,124
CURRENT ASSETS					
Debtors	17	32,335		31,574	
Cash at bank and in hand		404,106		351,277	
		<u>436,441</u>		<u>382,851</u>	
CREDITORS amounts falling due within one year	18	(124,543)		(117,766)	
NET CURRENT ASSETS			<u>311,898</u>		<u>265,085</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,281,526</u>		<u>3,247,209</u>
Defined benefit pension scheme liability	23		(232,000)		(231,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>3,049,526</u></u>		<u><u>3,016,209</u></u>
FUNDS OF THE ACADEMY					
Restricted general funds					
General funds	19	158,007		143,415	
Fixed asset funds	19	2,969,628		2,982,124	
		<u>3,127,635</u>		<u>3,125,539</u>	
Restricted funds excluding pension liability					
Pension reserve		(232,000)		(231,000)	
		<u></u>		<u></u>	
Total restricted general funds			2,895,635		2,894,539
Unrestricted funds	19		153,891		121,670
TOTAL FUNDS			<u><u>3,049,526</u></u>		<u><u>3,016,209</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by

Clare Galliers 28.11.13

C Galliers
Headteacher

The notes on pages 23 to 42 form part of these financial statements

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

		31 August 2013	14 months ended 31 August 2012
	Note	£	£
Net cash flow from operating activities	21	109,702	306,827
Returns on investments and servicing of finance	22	1,752	404
Capital expenditure and financial investment	22	(58,625)	(66,603)
Cash transferred on conversion to an Academy Trust		-	110,649
INCREASE IN CASH IN THE YEAR		52,829	351,277

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

	31 August 2013	14 months ended 31 August 2012
	£	£
Increase in cash in the year	52,829	351,277
MOVEMENT IN NET FUNDS IN THE PERIOD	52,829	351,277
Net funds at 1 September 2012	351,277	-
NET FUNDS AT 31 AUGUST 2013	404,106	351,277

The notes on pages 23 to 42 form part of these financial statements

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 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 Trustees.

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

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

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

1.3 INCOMING RESOURCES

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

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

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

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

1. ACCOUNTING POLICIES (continued)

1.4 RESOURCES EXPENDED

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees conclude that it is appropriate to prepare the accounts on the going concern basis for the period ended 31 August 2013.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

Leasehold land	-	Not depreciated
Long Term Leasehold Property	-	2% Straight Line
Office equipment	-	10-15% Straight Line
Computer equipment	-	20% Straight Line

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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

1. ACCOUNTING POLICIES (continued)

1.8 TAXATION

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

1.9 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2 VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted general funds 2013 £	Total funds 2013 £	14 months ended 2012 £
Transfer from Local Authority on conversion	-	-	-	2,900,055
Donations	19,199	12,338	31,537	61,738
Voluntary income	19,199	12,338	31,537	2,961,793

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted general funds 2013 £	Total funds 2013 £	14 months ended 2012 £
Lettings	10,322	-	10,322	10,914
Fees received	293	-	293	1,965
Other	-	-	-	427
	<u>10,615</u>	<u>-</u>	<u>10,615</u>	<u>13,306</u>

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted general funds 2013 £	Total funds 2013 £	14 months ended 2012 £
Bank interest	<u>2,728</u>	<u>-</u>	<u>2,728</u>	<u>949</u>

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted general funds 2013 £	Total funds 2013 £	14 months ended 2012 £
DfE/EFA grants				
Capital Grants	-	7,713	7,713	15,324
General Annual Grant	-	1,176,278	1,176,278	1,334,066
Start up Grants	-	-	-	25,000
Pupil Premium	-	19,669	19,669	12,703
Other Dfe/ EFA grants	4,300	-	4,300	-
	<u>4,300</u>	<u>1,203,660</u>	<u>1,207,960</u>	<u>1,387,093</u>
Other grant funding				
Special Educational Needs	-	38,717	38,717	31,000
GTP funding	-	30,600	30,600	13,348
Uganda funding	-	420	420	5,680
Other funding	-	-	-	7,543
Cluster funding	-	-	-	4,232
	<u>-</u>	<u>69,737</u>	<u>69,737</u>	<u>61,803</u>
Other educational income				
Internal catering income	49,153	-	49,153	53,177
Educational trips income	-	33,719	33,719	-
Music income	10,966	-	10,966	-
	<u>60,119</u>	<u>33,719</u>	<u>93,838</u>	<u>53,177</u>
	<u><u>64,419</u></u>	<u><u>1,307,116</u></u>	<u><u>1,371,535</u></u>	<u><u>1,502,073</u></u>

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted general funds 2013 £	Total funds 2013 £	14 months ended 2012 £
School fundraising costs	<u>2,708</u>	<u>-</u>	<u>2,708</u>	<u>1,471</u>

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Education	998,692	378,109	1,376,801	1,413,028

8. DIRECT COSTS

	Education £	Total 2013 £	14 months to 31 August 2012 £
Pension finance costs	9,000	9,000	12,000
Educational supplies (including educational trips)	70,927	70,927	20,817
Examination fees	1,404	1,404	1,771
Staff development	7,129	7,129	5,053
Other costs	9,464	9,464	8,108
Supply teachers	11,061	11,061	10,647
Technology costs	16,128	16,128	10,728
Legal and professional	14,639	14,639	6,206
Wages and salaries	711,754	711,754	760,555
National insurance	47,974	47,974	58,722
Pension cost	99,212	99,212	96,872
	998,692	998,692	991,479

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

9. SUPPORT COSTS

	Education	Total	14 months to
	2013	2013	31 August
	£	£	2012
			£
Other costs	3,037	3,037	19,662
Recruitment and other staff costs	1,669	1,669	1,301
Maintenance of premises and equipment	26,022	26,022	21,712
Cleaning	17,105	17,105	19,061
Rates	6,112	6,112	8,770
Heat and light	19,356	19,356	21,569
Insurance	25,986	25,986	29,568
Security and transport	5,789	5,789	7,888
Catering	53,981	53,981	63,678
Technology costs	1,850	1,850	1,542
Office overheads	20,764	20,764	17,570
Legal and professional	12,659	12,659	20,748
Bank interest and charges	976	976	545
Wages and salaries	88,410	88,410	93,287
National insurance	4,173	4,173	3,967
Pension cost	19,099	19,099	20,796
Depreciation	71,121	71,121	69,885
	<u>378,109</u>	<u>378,109</u>	<u>421,549</u>

10. GOVERNANCE COSTS

	Unrestricted	Restricted	Total	14 months
	funds	general	funds	ended
	2013	funds	2013	2012
	£	£	£	£
Auditors' remuneration	-	4,500	4,500	3,950
Auditors' non audit costs	-	4,600	4,600	3,406
Responsible Officer Costs	-	1,600	1,600	1,980
Legal and Professional	-	2,070	2,070	9,187
Governor training costs	-	525	525	2,250
Clerk to trustees - wages and salaries	-	1,151	1,151	1,477
Clerk to trustees - pension costs	-	143	143	163
	<u>-</u>	<u>14,589</u>	<u>14,589</u>	<u>22,413</u>

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FOR THE YEAR ENDED 31 AUGUST 2013

11. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Costs of generating voluntary income	-	-	2,708	2,708	1,471
COSTS OF GENERATING FUNDS	-	-	2,708	2,708	1,471
Education	858,940	-	139,752	998,692	991,479
Support	111,682	49,766	216,661	378,109	421,549
CHARITABLE ACTIVITIES	970,622	49,766	356,413	1,376,801	1,413,028
GOVERNANCE	1,294	-	13,295	14,589	22,413
	971,916	49,766	372,416	1,394,098	1,436,912

12. NET INCOMING RESOURCES

This is stated after charging

	31 August 2013 £	14 months ended 31 August 2012 £
Depreciation of tangible fixed assets		
- owned by the charity	71,121	69,885
Auditors' remuneration	4,500	3,950
Auditors' remuneration - non-audit	4,600	3,406
Operating leases	3,301	3,851

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13 STAFF COSTS

Staff costs were as follows

	31 August 2013 £	14 months ended 31 August 2012 £
Wages and salaries	801,315	855,319
Social security costs	52,147	62,689
Other pension costs	118,454	117,831
	971,916	1,035,839
Supply teacher costs	11,061	10,647
	982,977	1,046,486

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

	31 August 2013 No.	14 months ended 31 August 2012 No
Teachers	15	14
Learning support	4	3
Administration and other support	5	5
Management	4	4
	28	26

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

	31 August 2013 No.	14 months ended 31 August 2012 No
In the band £60,001 - £70,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for this member of staff amounted to £8,642 (2012- £8,642)

14. TRUSTEES' REMUNERATION AND EXPENSES

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

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The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands, C Galliers, Headteacher £60,000- £65,000 (2012 £70,000- £75,000), L Sheffield, Staff Trustee £45,000- £50,000 (2012 £50,000- £55,000), S Dyer, Staff Trustee £35,000- £40,000 (2012 (part year) £5,000- £10,000), S Rupprecht, Staff Trustee £25,000- £30,000. During the year, one Trustees received £14 for reimbursement of expenses (2012 £507). The comparative figures are for a 14 month period.

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,219 (2012 £2,000).

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

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.

16. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Office equipment £	Computer equipment £	Total £
COST				
At 1 September 2012	2,965,968	21,102	64,939	3,052,009
Additions	4,202	7,990	46,433	58,625
At 31 August 2013	2,970,170	29,092	111,372	3,110,634
DEPRECIATION				
At 1 September 2012	53,732	3,165	12,988	69,885
Charge for the year	44,581	5,000	21,540	71,121
At 31 August 2013	98,313	8,165	34,528	141,006
NET BOOK VALUE				
At 31 August 2013	2,871,857	20,927	76,844	2,969,628
At 31 August 2012	2,912,236	17,937	51,951	2,982,124

Included in Long-Term Leasehold Property is £744,685 relating to land, which is not depreciated.

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17. DEBTORS

	2013	2012
	£	£
Trade debtors	235	140
Other debtors	8,462	15,430
Prepayments and accrued income	23,638	16,004
	<u>32,335</u>	<u>31,574</u>

18. CREDITORS.
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade creditors	52,906	76,913
Other taxation and social security	16,305	14,753
Other creditors	33,223	13,788
Accruals and deferred income	22,109	12,312
	<u>124,543</u>	<u>117,766</u>

DEFERRED INCOME

Deferred income at 1 September 2012	948
Amounts released from previous years	(948)
Deferred income at 31 August 2013	-

19 STATEMENT OF FUNDS

	Brought Forward	Incoming resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
UNRESTRICTED FUNDS						
General funds	<u>121,670</u>	<u>96,961</u>	<u>(64,740)</u>	<u>-</u>	<u>-</u>	<u>153,891</u>

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

RESTRICTED GENERAL FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	114,746	1,176,277	(1,107,400)	(25,616)	-	158,007
Special needs funding	-	38,717	(38,717)	-	-	-
Donations	2,665	12,339	(15,004)	-	-	-
Pupil premium	-	19,669	(19,669)	-	-	-
Devolved formula capital	25,296	7,713	-	(33,009)	-	-
Other Restricted Funds	708	31,020	(31,728)	-	-	-
Educational trips income	-	33,719	(33,719)	-	-	-
Pension reserve	(231,000)	-	(12,000)	-	11,000	(232,000)
	<u>(87,585)</u>	<u>1,319,454</u>	<u>(1,258,237)</u>	<u>(58,625)</u>	<u>11,000</u>	<u>(73,993)</u>

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	2,925,421	-	(56,138)	-	-	2,869,283
Fixed assets purchased from GAG and DFC	47,833	-	(14,806)	58,625	-	91,652
Fixed Assets purchased from donations	8,870	-	(177)	-	-	8,693
	<u>2,982,124</u>	<u>-</u>	<u>(71,121)</u>	<u>58,625</u>	<u>-</u>	<u>2,969,628</u>
Total restricted funds	<u>2,894,539</u>	<u>1,319,454</u>	<u>(1,329,358)</u>	<u>-</u>	<u>11,000</u>	<u>2,895,635</u>
Total of funds	<u>3,016,209</u>	<u>1,416,415</u>	<u>(1,394,098)</u>	<u>-</u>	<u>11,000</u>	<u>3,049,526</u>

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the school

Direct Special Educational Needs (SEN) funding is received from the Local Authority to cater for children with statements of special educational needs

Donations largely represent income received from the Junior School Association to spend on specific educational resources

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19 STATEMENT OF FUNDS (continued)

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

Devolved formula capital grants represent funding from the EFA to cover the maintenance and purchase of the schools assets

Other Restricted Funds includes the following

- GTP income of £30,600
- Uganda funding of £420

Trips income represents income received from pupils for educational trips

The pension fund represents the Local Government Pension Scheme deficit

FIXED ASSETS FUNDS

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

General Annual Grant represents amounts spent on fixed assets from the GAG funding received from the EFA

DfE/EFA Capital grants represents the amount of Devolved formula capital spend on fixed assets in the period

Donations represent amounts donated to be spent on specific fixed asset additions

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

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	121,670	96,961	(64,740)	-	-	153,891
Restricted general funds	(87,585)	1,319,454	(1,258,237)	(58,625)	11,000	(73,993)
Restricted fixed asset funds	2,982,124	-	(71,121)	58,625	-	2,969,628
	<u>3,016,209</u>	<u>1,416,415</u>	<u>(1,394,098)</u>	<u>-</u>	<u>11,000</u>	<u>3,049,526</u>

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted general funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	14 months ended 2012 £
Tangible fixed assets	-	-	2,969,628	2,969,628	2,982,124
Current assets	153,891	282,550	-	436,441	382,851
Creditors due within one year	-	(124,543)	-	(124,543)	(117,766)
Provisions for liabilities and charges	-	(232,000)	-	(232,000)	(231,000)
	<u>153,891</u>	<u>(73,993)</u>	<u>2,969,628</u>	<u>3,049,526</u>	<u>3,016,209</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August 2013 £	14 months ended 31 August 2012 £
Net incoming resources	22,317	3,041,209
Returns on investments and servicing of finance	(1,752)	(404)
Net assets transferred on conversion	-	(2,900,055)
Depreciation of tangible fixed assets	71,121	69,885
Increase in debtors	(761)	(31,574)
Increase in creditors	6,777	117,766
Defined benefit pension scheme adjustments	12,000	10,000
NET CASH INFLOW FROM OPERATIONS	<u>109,702</u>	<u>306,827</u>

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

	31 August 2013 £	14 months ended 31 August 2012 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	2,728	949
Interest and charges paid	(976)	(545)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>1,752</u>	<u>404</u>

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22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	31 August 2013 £	14 months ended 31 August 2012 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	<u>(58,625)</u>	<u>(66,603)</u>

23. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bristol City Council Both are defined benefit schemes

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

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

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a

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23. PENSION COMMITMENTS (continued)

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

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

Teachers' Pension Scheme Changes

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

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

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

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

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

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23. PENSION COMMITMENTS (continued)

has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £38,000, of which employer's contributions totalled £28,000 and employees' contributions totalled £10,000. The agreed contribution rates for future years are 12.4% for employers and 5.5-6.8% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The amounts recognised in the Balance sheet are as follows:

	31 August 2013 £	14 months ended 31 August 2012 £
Present value of funded obligations	(391,000)	(335,000)
Fair value of scheme assets	159,000	104,000
Net liability	<u>(232,000)</u>	<u>(231,000)</u>

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

	31 August 2013 £	14 months ended 31 August 2012 £
Current service cost	(31,000)	(27,000)
Interest on obligation	(16,000)	(18,000)
Expected return on scheme assets	7,000	6,000
Total	<u>(40,000)</u>	<u>(39,000)</u>

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23. PENSION COMMITMENTS (continued)

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

	31 August 2013 £	14 months ended 31 August 2012 £
Opening defined benefit obligation	335,000	-
Current service cost	31,000	27,000
Interest cost	16,000	18,000
Contributions by scheme participants	10,000	9,000
Actuarial Losses	-	21,000
Benefits paid	(1,000)	(6,000)
Liability transferred on conversion	-	266,000
Closing defined benefit obligation	391,000	335,000

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

	31 August 2013 £	14 months ended 31 August 2012 £
Opening fair value of scheme assets	104,000	-
Expected return on assets	7,000	6,000
Actuarial gains and (losses)	11,000	(4,000)
Contributions by employer	28,000	29,000
Contributions by employees	10,000	9,000
Benefits paid	(1,000)	(6,000)
Asset transferred on conversion	-	70,000
	159,000	104,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £11,000 (2012 £(25,000))

The Academy expects to contribute £28,000 to its Defined benefit pension scheme in 2014

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

	2013	2012
Equities	64.50 %	58.50 %
Government Bonds	10.70 %	12.40 %
Other Bonds	8.80 %	12.10 %
Other	7.10 %	7.80 %
Property	7.10 %	7.40 %
Cash	1.80 %	1.80 %

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23. PENSION COMMITMENTS (continued)

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.50 %
Expected return on scheme assets at 31 August	5.89 %	5.53 %
Rate of increase in salaries	3.90 %	3.80 %
Rate of increase for pensions in payment / inflation	2.40 %	2.30 %

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

	2013	2012
Retiring today		
Males	22.9 years	22.8 years
Females	25.9 years	25.7 years
Retiring in 20 years		
Males	25.2 years	25.1 years
Females	28.2 years	28.1 years

The current mortality assumptions include sufficient allowance for future improvements in mortality rates

Amounts for the current and previous period are as follows

Defined benefit pension schemes

	2013	2012
	£	£
Defined benefit obligation	(391,000)	(335,000)
Scheme assets	159,000	104,000
Deficit	(232,000)	(231,000)
Experience adjustments on scheme liabilities	-	(21,000)
Experience adjustments on scheme assets	11,000	(4,000)

24. OPERATING LEASE COMMITMENTS

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

	2013	2012
	£	£
EXPIRY DATE:		
Between 2 and 5 years	3,301	3,301

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25. RELATED PARTY TRANSACTIONS

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

No such transactions have occurred during the period.

26. CONTROLLING PARTY

The Academy is under joint control of the Trustees, and there is no ultimate controlling party.