

**Great Schools for All Children Limited  
(Incorporating Kings Leadership Academy Trust)  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2012**

**Company Registration Number:  
07641004  
(England and Wales)**



**Great Schools for All Children Limited  
(Incorporating Kings Leadership Academy Trust)**

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**Great Schools for All Children Limited**  
**(Incorporating Kings Leadership Academy Trust)**  
**Reference and Administrative Details**

**Governors**

Sir I R Hall (Chairman)  
 C G Scotland (Vice-chairman)  
 D M Hayes (appointed 29 February 2012)  
 (resigned 3 December 2012)  
 P Giles  
 S Ierston (Principal)  
 A Reay (Staff governor and Accounting officer)  
 T Coase (Staff governor)  
 M Greeve (appointed 19 May 2011)  
 (resigned 24 August 2012)  
 R Hall  
 P Andrews  
 S Bellerby  
 D Vaughan-Massey  
 D Mercer  
 D Garfield

**Company Secretary**

Mark Greeve

**Senior Management Team**  
 Principal  
 Deputy Principal

Shane Ierston  
 Andrew Reay

**Principal and registered office**

Seymour Drive  
 Paddington  
 Warrington  
 Cheshire  
 WA1 3TT

**Company Registration Number**

07641004

**Independent Auditor**

Kay Johnson Gee  
 Griffin Court  
 Manchester  
 M3 5EQ

**Bankers**

Natwest Plc  
 22 Castle Street  
 Liverpool  
 L2 0UP

**Solicitors**

Evesheds  
 Bridgewater Place  
 Water Lane  
 Leeds  
 LS115DR

# **Great Schools for All Children Limited**

## **(Incorporating Kings Leadership Academy Trust)**

### **Governors' Report**

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

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

##### Incorporation

The company was incorporated on 19 May 2011. The academy did not open until 5<sup>th</sup> September 2012 and these financial statements represent the initial set up costs of the academy

##### Constitution

The academy trust is a company limited by guarantee. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as the trustees for the charitable activities of Kings Leadership Academy Trust and are also the directors of the Charitable Company for the purposes of company law.

The Charitable Company is known as Great Schools for All Children Limited. Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details above.

##### 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 £1, for the debts and liabilities contracted before they ceased to be a member.

##### Principal Activities

The academy trust's principal activity is the smooth and effective running of Kings Leadership Academy Trust in line with the agreed funding agreement which is available on the Academy's website. Governors are elected to the trust as follows:

- By direct nomination by the members of Great Schools for All Children Limited
- By election as a parent governor from amongst the parental body
- By election as a staff governor from amongst the academy staff

##### Policies and Procedures Adopted for the Induction and Training of governors

Governors will be trained by Eversheds, the academy trust's legal representatives.

##### Organisational Structure

The Academy Trust is accountable to the DfE for the overall performance of the academy in terms of strategic direction, efficiency and effectiveness, achievements and standards financial viability.

It is also responsible for the maintenance of buildings, appointment and dismissal of staff, appeals and grievances, gaining best value multi-academy contracts, issuing and monitoring of all service agreements across all academies but will delegate as much as this as possible, within agreed spending limits to the local governing body.

## **Great Schools for All Children Limited (Incorporating Kings Leadership Academy Trust) Governors' Report (continued)**

The Directors of the academy trust also have additional company law duties arising from legislation and common law to uphold. In particular they will comply with the Companies Act 2006. These statutory duties include

- A duty to act within the powers granted as set out in the articles of association
- A duty to promote the success of the company
- A duty to exercise independent judgement
- A duty to exercise reasonable care, skill and diligence
- A duty to avoid conflicts of interest
- A duty not to accept benefits from third parties

A duty to declare their interests in any proposed transaction or arrangement with the company

The academy trust will have charitable status and, as such, it will comply with the regulations set by the Charities Commission by

- ensuring that it is solvent and well managed and delivering the charitable outcomes for which it was set up,
- ensuring compliance with Charity Law and delivering necessary reports and returns as required,
- only using assets and funds in furtherance of the Academy Trust's objects

### **Principal and Local Governing Body**

The Principal and Local Governing Body are responsible for day-to-day matters within the academy including the smooth running of the academy, the safety and safeguarding of students, the implementation of academy policies and practices, delegated maintenance of the buildings within agreed financial limits, hiring and dismissal of staff, appeal for grievances and appeals and the establishment of equal opportunities

### **The Principal**

The Principal has accountability to the Local Governing Body his employer. He is accountable for the overall performance of the academy in terms of strategic direction, efficiency and effectiveness, achievements and standards, adherence to multi-academy policies and practices and financial viability

He has delegated responsibility for day-to-day matters within the academy including the smooth running of the academy, the safety and safeguarding of students, the implementation of academy policies and practices, delegated maintenance of the buildings within agreed financial limits, hiring and dismissal of staff, first level of appeal for grievances and appeals and the establishment of equal opportunities

### **Financial delegation**

The principal has delegated responsibility to place orders for single items or award contracts to the value of £10,000. When awarding contracts the rules of fair value and competitive tendering must apply.

Permission to place orders for single items or the awarding of contracts that exceed £10,000 but are the Principal gaining the agreement of the full Local Governing Body

### **Hiring Staff**

The Principal should always seek to have a member of the Local Governing Body present at all appointments. All appointments must be ratified by the Local Governing Body at its next meeting.

Appointment panels for the posts of Principal or Vice Principal must always include representatives of the Multi-Academy Trust.

# **Great Schools for All Children Limited**

## **(Incorporating Kings Leadership Academy Trust)**

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

#### Dismissing Staff

The Local Governing Body must be kept informed of any capability procedure being commenced that may lead to the dismissal of staff. The name of the member of staff may be kept confidential if the Principal and Chair agree that it is in the best interest of both the member of staff and the academy as a whole.

The Governing Body is responsible for first level appeals against dismissal but the final appeals process lies with the Multi-Academy Trust.

#### Conflict of interest

Conflicts of interest may come in a number of different forms

- 1 direct financial gain or benefit to the trustee, such as
  - a payment to a trustee for services provided to the charity
  - b the award of a contract to another organisation in which a trustee has an interest and from which a trustee will receive a financial benefit
  - c the employment of a trustee in a separate post within the charity, even when the trustee has resigned in order to take up the employment
- 2 indirect financial gain, such as employment by the charity of a spouse or partner of a trustee, where their finances are interdependent
- 3 non-financial gain, such as when a user of the charity's services is also a trustee
- 4 conflict of loyalties, such as where a trustee is appointed by the local authority or by one of the charity's funders, or where a friend of a trustee is employed by the charity

#### Protocols to avoid conflict of interest

It is GSAC (Great Schools for All Children Limited) policy that employees and others acting on GSAC's behalf must be free from conflicts of interest that could adversely influence their judgment, objectivity or loyalty to the company in conducting GSAC business activities and assignments. The company recognises that employees may take part in legitimate financial, business, charitable and other activities outside their GSAC jobs, but any potential conflict of interest raised by those activities must be disclosed promptly to the Principal. All members, directors, governors and employees will be expected to both sign and regularly update their 'declaration of interest submission'. If a person thinks that there may be a conflict of interest then that possible conflict must be declared and the person involved should remove themselves from any discussions or actions pending further advice from the Company Board.

#### Risk Management

The major risk to which the academy trust is exposed are as follows

- Failure to gain a permanent site for the academy
- The academy failing to recruit sufficient pupils to become viable
- Failure to effectively control and manage the finances of the academy

In managing these risks the governing body will

- Receive monthly updates on the progress of the planning application and new build
- Receive termly updates on pupil numbers
- Receive termly financial reports
- Be made aware of the need to award any financial contracts above £10,000

#### Connected Organisations, including Related Party Relationships

Great Schools for All Children Limited presently only has one academy and there are no related party relationships.

**Great Schools for All Children Limited  
(Incorporating Kings Leadership Academy Trust)  
Governors' Report (continued)**

**Objectives and Activities**

Objects and Aims

In furtherance of the Object but not further or otherwise the Academy Trust may exercise the following powers -

- to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts in the name of the Academy Trust,
- to raise funds and to invite and receive contributions provided that in raising funds the Academy Trust shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations,
- to acquire, alter, improve and (subject to such consents as may be required by law) to charge or otherwise dispose of property,
- employ such staff, as are necessary for the proper pursuit of the Object and to make all reasonable and necessary provision for the payments of pensions and superannuation to staff and their dependants,
- to establish or support, whether financially or otherwise, any charitable companies, trusts, associations or institutions formed for all or any of the Object,
- to co-operate with other charities, other independent and maintained schools, voluntary bodies and statutory authorities operating in furtherance of the Object and to exchange information and advice with them,
- to pay out of funds of the Academy Trust the costs, charges and expenses of and incidental to the formation and registration of the Academy Trust,
- to establish, maintain, carry on, manage and develop the Academy at Seymour Drive, Warrington
- to offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils,
- to provide educational facilities and services to students of all ages and the wider community for the public benefit,
- to carry out research into the development and application of new techniques in education in particular in relation to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experience of industry, commerce, other schools and the voluntary sector to the education of pupils in academies,
- subject to such consents as may be required by law and/or by any contract entered into by or on behalf of the Academy Trust to borrow and raise money for the furtherance of the Object in such manner and on such security as the Academy Trust may think fit,
- to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Object (but to invest only after obtaining such advice from a financial expert as the Governors consider necessary and having regard to the suitability of investments and the need for diversification),

**Great Schools for All Children Limited**  
**(Incorporating Kings Leadership Academy Trust)**  
**Governors' Report (continued)**

- to delegate the management of investments to a financial expert, but only on terms that
  - (i) the investment policy is set down in writing for the financial expert by the Governors,
  - (ii) every transaction is reported promptly to the Governors,
  - (iii) the performance of the investments is reviewed regularly with the Governors,
  - (iv) the Governors are entitled to cancel the delegation arrangement at any time,
  - (v) the investment policy and the delegation arrangement are reviewed at least once a year,
  - (vi) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Governors on receipt, and
  - (vii) the financial expert must not do anything outside the powers of the Governors
- to arrange for investments or other property of the Academy Trust to be held in the name of a nominee company acting under the control of the Governors or of a financial expert acting under their instructions, and to pay any reasonable fee required,
- to provide indemnity insurance to cover the liability of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Governors,
- to establish subsidiary companies to carry on any trade or business for the purpose of raising funds for the Academy Trust,
- to do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the Object

The income and property of the Academy Trust shall be applied solely towards the promotion of the Object

**Public Benefit**

The academy trust governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission

**Achievements and Performance**

- The academy trust's funding agreement is published on the academy website and yearly financial statements will also be published on that site,
- Full details of attendance and permanent absence and the targets that drive them will be published annually on the website,
- Full details of pupil progress and the targets that drive them will be published annually on the website

**Going Concern**

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

**Key Financial Performance Indicators**

Key financial performance indicators will be set by the governing body and monitored by the governing body financial committee and the academy's auditors



**Great Schools for All Children Limited  
(Incorporating Kings Leadership Academy Trust)  
Governors' Report (continued)**

**Financial Review**

The academy is directly funded by the Educational Funding Agency in accord with the funding agreement. At this stage of the academy's life there are no reserves or investments.

Financial and Risk Management Objectives and Policies

At present the academy is operating within a limited budget in its first year. There are no perceived financial risks.

Principal Risks and Uncertainties

The principal uncertainties are

- Failure to gain a permanent site
- Failure to recruit sufficient pupil numbers to become viable

Reserves Policy

The academy trust does not presently hold any reserves.

Investment Policy

The academy trust does not presently have sufficient cash balances to consider investments.

**Plans for Future Periods**

There are plans in place to accommodate a further 120 pupils in 2013/4 and to build a new school on the Hillock Lane playing field.

**Funds held as Custodian Trustee on behalf of others**

The academy trust does not presently hold any funds on behalf of others.

**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 21 December 2012 and signed on its behalf by

Signed



Sir I R Hall  
Chairman

# Great Schools for All Children Limited (Incorporating Kings Leadership Academy Trust) Governance Statement

## Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Kings Leadership Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

## Governance

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

Governor	Meetings attended	Out of a possible
I R Hall (Chairman)	1	1
C G Scotland (Vice-chairman)	1	1
D M Hayes (appointed 29 February 2012) (resigned 3 December 2012)	1	1
P Giles	1	1
S Ierston (Principal)	1	1
A Reay (Staff governor and Accounting officer)	1	1
T Coase (Staff governor)	1	1
M Greeve (appointed 19 May 2011) (resigned 24 August 2012)	1	1
R Hall	0	1
P Andrews	0	0
S Bellerby	0	0
D Vaughan-Massey	0	0
D Mercer	0	0
D Garfield	0	0

The Finance and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to monitor the finances and operations of the academy. During the period to 31 August 2012, the academy's activities have consisted of preparing to open in September 2012. For this reason during the period under review the governing body fulfilled this role.

## 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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Great Schools for All Children Limited (Incorporating Kings Leadership Academy Trust) for the period ended 31 August 2012 and up to the date of the annual report and financial statements.

## Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy 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

**Great Schools for All Children Limited**  
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**Governance Statement (continued)**

view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

**The Risk and Control Framework**

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

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

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr M Greeve to act as Responsible Officer ('RO') on an interim basis. The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The RO reported to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

**Review of Effectiveness**


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

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy trust 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 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 21 December 2012 and signed on its behalf by

Signed



**Sir I R Hall**  
**Chairman**

Signed



**Mr A Reay**  
**Accounting officer**



**Great Schools for All Children Limited  
(Incorporating Kings Leadership Academy Trust)**

**Statement on Regularity, Propriety and Compliance**

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

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

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

**Signed**

A handwritten signature in black ink, appearing to be 'A Reay', with a stylized, cursive script.

**Mr A Reay**  
Accounting officer

# **Great Schools for All Children Limited (Incorporating Kings Leadership Academy Trust)**

## **Statement of Governors' Responsibilities**

The governors (who act as trustees for charitable activities of Great Schools for All Children Limited and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

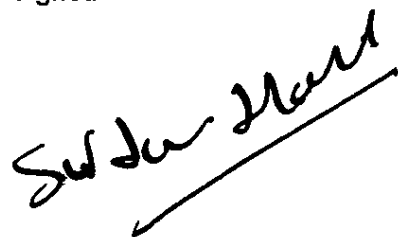
The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the governing body on 21 December 2012 and signed on its behalf by

Signed



**Sir I R Hall**  
Chairman

# **Independent Auditor's Report on Financial Statements to the Governing Body of Great Schools for All Children Limited (Incorporating Kings Leadership Academy Trust)**

We have audited the financial statements of Great Schools for All Children (Incorporating Kings Leadership Academy Trust) for the period from 19 May 2011 to 31 August 2012 on pages 16 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the DfE.

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of trustees and auditors**

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

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

## **Scope 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 charitable company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the trustees, and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenses, 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.

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

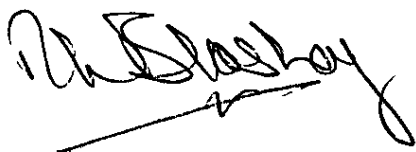
In our opinion the information given in the Trustees Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

# **Independent Auditor's Report on Financial Statements to the Governing Body of Great Schools for All Children Limited (Incorporating Kings Leadership Academy Trust)**

## **Matters on which we are required to report by exception**

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

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



R W Blaskey (Senior Statutory Auditor)  
For and on behalf of Kay Johnson Gee Chartered Accountants  
& Statutory Auditor  
Griffin Court  
201 Chapel Street  
Manchester  
M3 5EQ  
21 December 2012

# **Independent Auditor's Report on Regularity to the Governing Body of Great Schools for All Children Limited (Incorporating Kings Leadership Academy Trust) and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 30 November 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 19 May 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed

## **Respective responsibilities of the governing body and Auditors**

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 19 May 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

## **Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA

## **Opinion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 19 May 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



R W Blaskey (Senior Statutory Auditor)  
For and on behalf of Kay Johnson Gee Chartered Accountants  
& Statutory Auditor  
Griffin Court  
201 Chapel Street  
Manchester  
M3 5EQ  
21 December 2012



**Great Schools for All Children Limited**  
**(Incorporating Kings Leadership Academy Trust)**

**Statement of Financial Activities for the period ended 31st August 2012**

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted	Restricted	Fixed	
	Notes	Funds	General	Asset	Total
		£000	Funds	Funds	2012
		£000	£000	£000	£000
<b>Incoming Resources</b>					
<i>Incoming resources from generated funds</i>					
- Voluntary income	2	1	-	-	1
- Activities for generating funds		-	-	-	-
- Investment income		-	-	-	-
<i>Incoming resources from charitable activities</i>					
- Funding for the academy's educational operations	3	-	93	-	93
- Provision of boarding activities		-	-	-	-
<b>Total incoming resources</b>		1	93	-	94
<b>Resources expended</b>					
<i>Cost of generating funds</i>					
- Costs of generating voluntary income		-	-	-	-
- Fundraising trading		-	-	-	-
<i>Charitable activities</i>					
- Academy's educational operations	4	-	78	-	78
- Provision of boarding activities		-	-	-	-
<i>Governance costs</i>	4	-	15	-	15
<b>Total resources expended</b>		-	93	-	93
<b>Net incoming / (outgoing) resources before transfers</b>		1	-	-	1
Gross transfers between funds		-	-	-	-
<b>Net income / (expenditure) for the year</b>		1	-	-	1
<b>Other recognised gains and losses</b>					
Actuarial (losses) gains on defined benefit pension schemes		-	-	-	-
<b>Net movement in funds</b>		1	-	-	1
<b>Reconciliation of funds</b>					
Total funds brought forward at 19th May 2011		-	-	-	-
<b>Total funds carried forward at 31st August 2012</b>		1	-	-	1

All of the academy's activities derive from continuing operations during the financial period ended 31 August 2012. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

**Great Schools for All Children Limited**  
**(Incorporating Kings Leadership Academy Trust)**

Balance sheet as at 31 August 2012

Company number 07641004

	Notes	2012 £000	2012 £000
<b>Fixed assets</b>			
Tangible assets			-
<b>Current assets</b>			
Stock		-	
Debtors	7	43	
Cash at bank and in hand		21	
		<u>64</u>	
<b>Liabilities</b>			
Creditors amounts falling due within one year	8	(63)	
<b>Net current assets</b>			<u>1</u>
Total assets less current liabilities			1
<b>Net assets excluding pension liability</b>			1
Pension scheme liability			<u>-</u>
<b>Net assets including pension liability</b>			<u>1</u>
<b>Funds of the academy</b>			
<b>Restricted income funds</b>			
- Fixed asset fund(s)			-
- General fund(s)			-
- Pension reserve			<u>-</u>
<b>Total restricted funds</b>			<u>-</u>
<b>Unrestricted income funds</b>			
- General fund(s)			1
<b>Total unrestricted funds</b>			<u>1</u>
<b>Total funds</b>			<u>1</u>

The financial statements on pages 16 to 23 were approved by the governors, and authorised for issue on 21 December 2012

and are signed on their behalf by

Signed



Sir I R Hall  
Chairman

**Great Schools for All Children Limited**  
**(Incorporating Kings Leadership Academy Trust)**

**Cash Flow Statement for the period ended 31st August 2012**

	<b>Note</b>	<b>2012 £000</b>
Net cash inflow from operating activities	11	21
		<hr/>
(Decrease)/Increase in cash in the year		21
		<hr/>
Reconciliation of net cash flow to the movement in net funds		
Net funds at 19th May 2011		<hr/> -
Net funds at 31st August 2012		<hr/> 21

# **Great Schools for All Children Limited (Incorporating Kings Leadership Academy Trust)**

## **Notes to the Financial Statements for the Period Ended 31 August 2012**

### **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 EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **Incoming Resources**

All incoming resources are recognised when the academy trust 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 academy trust 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.
- **Donated Services and gifts in kind**  
The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust 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 academy trust's policies.

#### **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.

# **Great Schools for All Children Limited (Incorporating Kings Leadership Academy Trust)**

## **Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)**

- **Charitable activities**

These are costs incurred on the academy trust's educational operations

- **Governance Costs**

These include the costs attributable to the academy trust'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

### **Taxation**

The academy trust 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 trust 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 academy trust 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 trust

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 trust 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. The TPS is a multi-employer scheme and the academy trust 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 trust 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.

### **Fund Accounting**

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

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

**Great Schools for All Children Limited**  
**(Incorporating Kings Leadership Academy Trust)**

**Notes to the Financial Statements for the Period Ended 31 August 2012**  
**(continued)**

**2 Voluntary Income**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2012 £000</b>
Other Donations	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

**3. Funding for academy's educational operations**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2012 £000</b>
<b>DfE/EFA revenue grants</b>			
- Start Up Grants	-	93	93
	<u>-</u>	<u>93</u>	<u>93</u>

**4 Resources Expended**

	<b>Staff Costs  £000</b>	<b>Non-Pay Expenditure Premises £000</b>	<b>Other Costs £000</b>	<b>Total 2012 £000</b>
Academy's educational operations				
- Allocated support costs	-	-	78	78
	<u>-</u>	<u>-</u>	<u>78</u>	<u>78</u>
Governance costs including allocated Support costs	-	-	15	15
	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>

**5 Charitable Activities – Academy's educational operations**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2012 £000</b>
<b>Allocated support costs</b>			
Marketing	-	44	44
Other	-	34	34
	<u>-</u>	<u>78</u>	<u>78</u>

**Great Schools for All Children Limited**  
**(Incorporating Kings Leadership Academy Trust)**

**Notes to the Financial Statements for the Period Ended 31 August 2012**  
**(continued)**

**6 Governance costs**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2012 £000</b>
Legal and professional fees	-	15	15
	-	15	15

**7 Debtors**

	<b>2012 £000</b>
Other debtors	43
	43

**8 Creditors – amounts falling due within one year**

	<b>2012 £000</b>
Trade creditors	63
	63

**9 Funds**

	<b>Balance at 19th May 2011 £000</b>	<b>Incoming Resources £000</b>	<b>Resources Expended £000</b>	<b>Balance at 31th August 2012 £000</b>
<b>Restricted general funds</b>				
Start up grant	-	93	(93)	-
<b>Total restricted funds</b>		93	(93)	-
<b>Total unrestricted funds</b>	-	1	-	1
<b>Total funds</b>	-	94	(93)	1

**Great Schools for All Children Limited**  
**(Incorporating Kings Leadership Academy Trust)**

**Notes to the Financial Statements for the Period Ended 31 August 2012**  
**(continued)**

**10 Analysis of net assets between funds**

Fund balances at 31st August 2012 are represented by

	Unrestricted Funds	Restricted General Funds	Total Funds
	£000	£000	£000
Current assets	1	63	64
Current liabilities		(63)	(63)
	1	1	1

**11 Reconciliation of net income to net cash inflow  
from operating activities**

	2012 £000
Net income	1
(Increase)/decrease in debtors	(43)
Increase/(decrease) in creditors	63
Net cash inflow from operating activities	21

**12 Financial commitments**

The company has entered into an operating lease with Warrington Borough Council to lease premises at the Former Bruche Infant School, Seymour Drive, Padgate, Warrington. The lease is for a period of two years commencing on 1 September 2012 at a rent of £1