



**King Alfred's School, Wantage
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Period ended 31st August 2012

**Company Registration Number:
7674473 (England and Wales)**



King Alfred's School, Wantage
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Reference and Administrative Details

Governors and Trustees

Appointed Governors

Mark Craig	Chair
Jean Creagh	
Clement Davies	
Anthony Green	
Francis Kelly	
John Price	Vice Chair
Stephen Quinton	
Andrew Robson	
Andrew St George	

Staff Governors

Simon Spiers	Headteacher and Accounting Officer
David Johnson	
Natalie Kerner	
Anthony Norris	

Parent Governors

Christine Butler
Charles Clayton
Philip Harrison
Maria Wysocki-Jones

Local Authority Governor

Gina Hocking	Vice Chair
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Co-opted Governor

Angela Glover

Company Secretary and Clerk to Governors

Victoria Roberts

Since the Balance Sheet date Clement Davies, Anthony Green, Natalie Kerner, and Andrew Robson have stepped down Jennifer Baxter has been elected as a Staff Governor, Richard Fisher and Iona Tonnet as Parent Governors, and Christopher Ferguson, Herbert Newark, Glyn Oliver, and Sarah Rusby as Appointed Governors Angela Glover is now a Parent Governor

Core Leadership Team

Simon Spiers	Headteacher
Jonathan Smith	Deputy Headteacher
Joanna Halliday	Deputy Headteacher
Andrew Morrison	Deputy Headteacher
Peter Thompson	Finance Director
Allison Ascroft	Operations Director

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Principal and Registered Office

Portway
Wantage
Oxfordshire
OX12 9BY

Company Registration Number

7674473 (England and Wales)

Independent Auditor

Critchleys LLP
Greyfriars Court
Paradise Square
Oxford
OX1 1BE

Bankers

Lloyds TSB Bank PLC

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

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Governors' Report

The governors present their annual report, together with the financial statements and auditor's report of King Alfred's, an Academy Trust charitable company, for the period ended 31st August 2012

The financial statements have been prepared in accordance with the statement of accounting policies set out in Note 1 of the financial statements, and comply with the company's Memorandum and Articles of Association, the Companies Act 2006, the requirements of the Charity Commission's Statement of Recommended Practice "Accounting and Reporting by Charities," (SORP 2005 – updated 2008), and the Academies Accounts Direction 2011/12 issued by the Education Funding Agency in August 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

History

King Alfred's was founded in 1597 and was latterly a local authority maintained 11 to 18 non-selective secondary school under the control of Oxfordshire County Council, with Specialist Sports College status, Training School status, and a Foundation School. King Alfred's occupies three sites across Wantage: East Site, which houses Years 7 and 8, West Site for Years 9 and 10, and Centre Site for Years 11 to 13. There are currently 1,869 students on roll, including 369 in the Sixth Form. King Alfred's attracts students from Wantage, Grove, the surrounding villages and from further afield in Oxfordshire and neighbouring counties.

Constitution

The Academy Trust was incorporated on 20th June 2011 and obtained Academy status from 1st August 2011, being the first new-style Converter Academy in Oxfordshire, having been rated as Outstanding by Ofsted in 2011. The Academy Trust is a company limited by guarantee with no share capital and is also an exempt charity. There are two principal governing documents: the Memorandum and Articles of Association, and the Funding Agreement with the Secretary of State for Education. The Governors act as the trustees for the charitable activities of King Alfred's and are also the members and directors of the charitable company for the purposes of company law. The charitable company's registered name is King Alfred's School, Wantage and is known as King Alfred's. Details of the governors who served throughout the period, except as noted, are included in the Reference and Administrative Details.

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 period 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.

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Principal Activities

Under the Memorandum and Articles of Association and Funding Agreement the principal 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 and balanced curriculum

Method of Recruitment and Appointment or Election of Governors / Directors

The Members of the Trust are responsible for the appointment of governors except for parent governors and staff governors who are appointed through an election process directed by the governing body. In the event that these positions are not filled, the members of the Trust are able to appoint to these positions.

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

The Academy's Governing Body comprises the Headteacher on an ex officio basis, a minimum of 4 Parent Governors, up to 3 Staff Governors (providing that the total number of Governors, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Governors), 1 local authority nominated Governor, and up to 12 other appointed Governors. In addition, the members can co-opt an additional three governors.

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher whose appointment is ex officio.

Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Governors

King Alfred's procures Governor Support services provided by Oxfordshire County Council, and from elsewhere. Additional training is provided as required based on individual or collective need. External advice and support is commissioned as appropriate. The Governing Body undertakes self and peer evaluation in order to ensure maximum effectiveness.

Organisation Structure

The Governing Body is responsible for the strategic direction of King Alfred's, approving the School's policies, adopting the School Improvement Plan and Budget, monitoring performance against these plans, and making major decisions about the direction of the School, including its curriculum, the achievement and welfare of students and staff, its staffing and its estate.

The Headteacher, who is an ex-officio governor and the nominated Accounting Officer, supported by the Leadership Team has operational and leadership responsibility for King Alfred's at an executive level, and implements the strategies and policies set by the Governing Body and is accountable to them. As designated

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Accounting Officer the Headteacher is accountable ultimately to Parliament for propriety, regularity and value for money

King Alfred's Governing Body and staff are privileged to enjoy the support of the academy's many stakeholders and community, a good number of which provide their time on a voluntary basis, across many activities which are for the great benefit of the academy's mission

Risk management

The Governing Body and the Leadership Team continually consider the major risks to which King Alfred's is exposed, including those relating to governance, health and safety, safeguarding, teaching and learning, reputation, finance, and facilities. A formal Risk Register is in place which records the strategies and systems in place to identify and manage all risks

Connected Organisations, including Related Party Relationships

King Alfred's has strong collaborative links with many other schools, in particular its partner primary schools which form the WASPS (Wantage Area Secondary and Primary Schools) Partnership. Since conversion to academy status King Alfred's has provided particular support to St Nicholas CE Primary School, East Challow, and since the Balance Sheet date the basis of this support has been formalised under an agreement with Oxfordshire County Council and the Diocese. Prior to King Alfred's formal involvement St Nicholas was put under Special Measures following an Ofsted inspection, and members of King Alfred's governing body have joined the St Nicholas Interim Executive Board. One of King Alfred's Assistant Headteachers has been appointed as Acting Head of St Nicholas, and he is being supported by King Alfred's Headteacher, who has been appointed Interim Executive Headteacher at St Nicholas. The intention is to bring St Nicholas out of Special Measures by the end of the 2012/13 Academic Year.

There are no related parties which either control or significantly influence the decisions and operations of the Academy. There are no sponsors associated with the Academy.

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 and balanced curriculum for students of different abilities.

The particular aims of the Academy during the period ended 31st August 2012 were

- to continue to raise the standard of educational attainment and achievement of all students
- to continue to provide a broad and balanced curriculum, including extra curricular and enrichment activities

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- to develop students as effective and independent learners
- to develop the Academy sites to support students to achieve their full potential
- to ensure that every student enjoys the same high quality of education in terms of resourcing, teaching and care
- to continue to improve the effectiveness of the Academy by continual review of the curriculum and organisational structure
- to maximise the number of students who achieve 5 A* - C GCSE grades including English, Maths and Science, and to raise attainment within post-16 subjects
- to achieve value for money for the funds expended
- to fulfil the role of Training School and as a Teaching School if appointed
- to comply with all appropriate statutory and curriculum requirements
- to maintain close links with industry and commerce
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

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

Objectives, Strategies and Activities

Key activities and targets are identified in the Improvement and Development Plan and are informed by the significant challenges and opportunities arising from national developments in education policy and funding, including the conversion to Academy status. The current targets comprise

- Raising achievement
- Improving Teaching and Learning through the use of Digital Technology
- Developing the physical Learning Environment

Each of these strands is supported by detailed activity targets, plans, and success criteria.

Public Benefit

The Governors confirm that they have complied with their duty under Section 17(5) of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

As a non-selective state-funded school King Alfred's work is to the public benefit. King Alfred's offers a broad and balanced curriculum and a wealth of extra-curricular and enrichment activities to all its students of all abilities and from varied socio-economic backgrounds. King Alfred's also has regard to Charity Commission guidance on public benefit beyond the core provision of education to its students, and endeavours to be at the heart of its community and fosters many collaborative links with community and other stakeholder groups.

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance

King Alfred's was rated by Ofsted in 2011 in the highest category of Outstanding. Since the Ofsted inspection and conversion to Academy status on 1st August 2011, attainment has continued to significantly surpass national averages and the Academy achieved a record 75.2% in the "gold standard" of 5 GCSE A*-C including English and Maths in Summer 2012. This success is evidenced by increased student intakes, well-being and outcomes, staff recruitment and retention, and sound finances.

A Level Results

The pass rate at A level in Summer 2012 was 100%, and the proportion of grades at the highest A*/B grades was 52.4%. The vast majority of Sixth Form students applying for places at university were accepted at their first choice university with only a few going through the clearing system. Three students succeeded in taking up their places at The University of Oxford.

GCSE Results

As noted, GCSE results this year were the highest ever achieved at King Alfred's, and all key targets were exceeded. The headline 5 A*-C GCSE results placed King Alfred's as the highest performing publicly-funded school in Oxfordshire for 2012.

5 A*-C	94%	(2011 93% Target 85%)
5 A*-C including English, Maths and Science	75.2%	(2011 62% Target 70%)
5 A*-G including English and Maths	98%	
5 A*-G	99%	

English	82.4% A* - C	(up from 68% in 2011)
Maths	79.5% A* - C	(up from 75% in 2011)
Science	86.0% A* - C	(up from 81% in 2011)

Key Stage 3

Students at King Alfred's study at KS3 in two years, Years 7 and 8. Student achievement at the end of KS3 2012 exceeded national data across the core subjects of Maths, English and Science as follows:

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Teacher assessment results - Percentage of students at each level

Level -	1	2	3	4	5	6	7	8	Absent
English at King Alfred's	0	0 34	0	5 10	23 81	45 58	24 83	0	0 34
English nationally	0	1	3	13	35	34	11	1	1
Maths at King Alfred's	0	0 34	2 04	7 48	19 73	34 02	28 57	7 48	0 34
Maths nationally	0	1	4	12	22	29	22	8	1
Science at King Alfred's	0	0	0 34	3 06	19 05	33 33	43 54	0 34	0 34
Science nationally	0	1	3	12	32	34	16	1	1

Further improvements are now taking place at King Alfred's linked to a new KS3 Home Learning package, which has enabled the whole curriculum to be accessible by parents through the web and VLE (Virtual Learning Environment). All Home Learning is now directly linked to termly assessments, contains specific literacy activities, is differentiated, contains additional "stretch" opportunities, and is supported by Learning Support for students at Level 3 and below. The Home Learning Tracker formally evidences progress and allows parents to input into dialogue with staff, it also allows direct monitoring by Curriculum leaders and during Lesson Observations.

Site developments

Since conversion the Academy has begun a major refurbishment programme across all three sites after many years of under-investment whilst a local authority-maintained school. This work has been greatly assisted by the award of a grant of £661,525 from the Education Funding Agency under the Academies Capital Maintenance Fund. This grant, together with the use of academy capital reserves, has enabled the building of a new teaching block on East Site, which includes two music rooms, an art room, three further classrooms, a new Learning Support base and new toilets and offices. A further laboratory and a new fitness suite have also been built. In addition, significant other improvements have been made across all the sites, which have included replacing doors and windows, improving roofs, redecorations, and improved IT facilities including a wireless network system. New toilets for staff and students have also been installed. Over the first 18 months following conversion to academy status a total of over £1 million will have been invested in much-needed improvements to the learning and working environments. Further grants are being sought in order to continue the improvement programme across the three sites.

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Staff development

The Academy has submitted an application to the National College and the DfE to become a National Teaching School during the 2012/13 academic year. This application follows 5 years as a very successful Training School, where Continuing Professional Development has been at the heart of what King Alfred's does, and has played a significant role in recruiting and retaining high calibre staff. As such King Alfred's continues to run numerous training programmes for its staff and for staff from across the County. Through work with the Youth Sports Trust King Alfred's has also undertaken national training for leaders in Physical Education and those aspiring to senior leadership.

Enrichment

Enrichment activities for students have always and continue to form a very significant part of the provision at King Alfred's. Enrichment comprises a number of aspects of the work at the Academy including all after-hours extra-curricular activities, local trips and visits, receiving numerous local and national speakers and experts to work with our students, and residential trips within the UK and abroad, including within the last year trips to Croatia, Morocco, Florence, Tanzania, Paris, the Ardeche, and Skiing in the French Alps. Enrichment also includes the very successful Duke of Edinburgh Award Scheme, which is offered to students from Years 9 to 13 and is very popular. In addition there are numerous academic Awards evenings, Sports Awards evenings, dance shows, celebration evenings and productions.

Going Concern

After making appropriate enquiries, including an assessment of the likelihood of public funds continuing to be made available to it under the Funding Agreement with the Secretary of State for Education, the Governing Body has a reasonable expectation that the Academy Trust will have adequate resources to continue in operational existence for the foreseeable future. For this reason it adopts the going concern basis in preparing the financial statements. Further details about the adoption of the going concern basis are set out in the Statement of Accounting Policies.

FINANCIAL REVIEW

The principal source of Academy's public funding is grants received from the Education Funding Agency (EFA), most of which are properly restricted for use for particular purposes relating to the academy's charitable activities, its educational operations. The grants received from the EFA during the period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Total revenue expenditure for the period has been contained at less than the total funding and income available in order to accumulate adequate reserves, which will be used to contribute to on-going projects and to sustain educational provision at a time of funding uncertainty. Reserves are held in interest-bearing bank deposit accounts, which are not considered to be at risk of loss to the Academy.

During the period under review the Academy has also successfully bid for grants for capital expenditure from the EFA under the Academies Capital Maintenance Fund. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement

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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 expected useful lives of the assets concerned.

As set out in Note 28 to the Financial Statements, King Alfred's is responsible for meeting the employers' contributions for King Alfred's employees who are members of the Teachers' Pension Scheme or the Local Government Pension Scheme. Both schemes are defined-benefit schemes, and the latter scheme is a funded scheme with the assets held in separate trustee-administered funds. The scheme actuary has calculated a notional fund deficit at the date of the financial statements, which is used to determine the level of employers' contributions, currently 19.3%, which is the same level as under the predecessor school. The governors have been advised that there are no circumstances in which an academy would be called upon to meet the pension deficit in a single transaction.

Fund balances

The total fund balances of the Academy at 31st August 2012, as detailed in Note 18 to the financial statements, amounted to £18,547k. Excluding the fixed asset fund (representing the net book value of fixed assets) of £18,254k and the pension deficit fund of £1,747k, fund balances amounted to £2,040k and are summarised as follows:

	£
GAG funds	676,957
Other restricted income funds	165,436
Academies Capital Maintenance Fund	289,510
Other restricted capital funds	422,474
Unrestricted funds	<u>485,690</u>
	<u>2,040,066</u>

Reserves and Investment Policies

King Alfred's Reserves policy is to hold in reserves sufficient sums to enable educational provision and the on-going improvement and development of the teaching, learning and working environment to be continued as far as possible, whilst making proper use of funds for the current cohort. The level of reserves held at the Balance Sheet date is shown in the Fund Balances paragraph above and in Note 18 to the Financial Statements.

King Alfred's Investment policy is to safeguard its assets by holding them in low-risk categories, principally interest-bearing accounts with UK banks.

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PLANS FOR FUTURE PERIODS

King Alfred's will continue in future periods to strive to meet its key objectives, and has ambitious aspirations and targets for student outcomes, the use and development of its estate, and closer and more formal collaborative links with other schools across the age range. Strong governance and leadership, pro-active strategic planning, sound financial management, and continuing staff development will be key aspects of King Alfred's continuing success.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

In so far as the governors are aware

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

The auditors, Critchleys LLP who were appointed during the year, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The report of the Governors was approved by the Governors on 11/12/12 and signed on their behalf by


Mark Craig
Chair

Governance Statement

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that King Alfred's 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 Headteacher, 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 King Alfred's 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 in this section supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Full Governing Body has formally met 5 times since converting to academy status on 1st August 2011. Attendance during this period at meetings of the Full Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mark Craig	5	5
Jean Creagh	4	5
Clement Davies	2	5
Anthony Green	3	5
Francis Kelly	3	5
John Price	4	5
Stephen Quinton	4	5
Andrew Robson	1	5
Andrew St George	2	5
Simon Spiers	5	5
David Johnson	4	5
Natalie Kerner	3	5
Anthony Norris	4	5
Christine Butler	4	5
Charles Clayton	4	5
Philip Harrison	4	5
Maria Wysocki-Jones	5	5
Gina Hocking	4	5
Angela Glover	5	5
Core Leadership Team		
Joanna Halliday	3	5
Jonathan Smith	2	5
Andrew Morrison	4	5
Peter Thompson	5	5

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Clerk To Governors

Victoria Roberts	5	5
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Attendance during this period at meetings of the Governors' Finance & Operations Committee was as follows

Governor	Meetings attended	Out of a possible
Clement Davies	5	6
Anthony Green	4	6
Angela Glover	6	6
Philip Harrison	5	6
Maria Wysocki-Jones	4	6
Simon Spiers	5	6
John Price	6	6
Anthony Norris	5	6
Stephen Quinton	6	6
Jean Creagh	3	6
Core Leadership Team		
Peter Thompson	6	6
Allison Ascroft	4	6

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 King Alfred's for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body in conjunction with the leadership team 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 confirm that there is a formal on-going process for identifying, evaluation and managing the Academy Trust's significant risks that has been in place for the period ending 31st 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 -

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- 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 Governors' Finance and Operations 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

In addition, in accordance with the requirements of the Academies Financial Handbook issued by the EFA, the governors have appointed an appropriately qualified, experienced and independent Responsible Officer, who carries out an internal audit function. The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The Responsible Officer carries out his work on a quarterly basis and submits a formal report to the governing body on the operation of the systems of control.

Review of Effectiveness

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

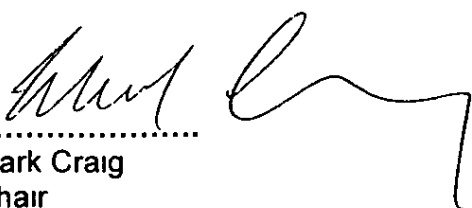
The work of the Responsible Officer

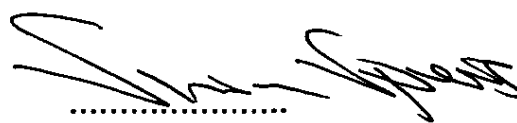
The work of the external auditor

The financial management and governance self-assessment process

The work of senior staff who develop and maintain the internal control framework

Approved by order of the members of the Governing Body on 11/12/12 and signed on its behalf by


.....
Mark Craig
Chair


.....
Simon Spiers
Accounting Officer

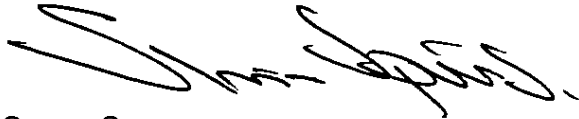
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Statement on Regularity, Propriety and Compliance

As accounting officer of King Alfred's School, Wantage I have considered my responsibility to notify the Academy Trust's governing body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the Funding Agreement between the academy trust and the Secretary of State for Education. 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's 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.



Simon Spiers
Accounting Officer

11 / 12 / 12

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Statement of Governors' Responsibilities

The Governors (who act as Trustees for charitable activities of King Alfred's School, Wantage 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 11/12/12 and signed on its behalf by,


Mark Craig
Chair

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Independent Auditor's Report to the members of King Alfred's School, Wantage

We have audited the financial statements of King Alfred's School, Wantage for the period ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (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 academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006,

King Alfred's School, Wantage
Annual report and financial statements for the period ended 31 August 2012

**Independent Auditor's Report to the members of King Alfred's School,
Wantage (continued)**

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Michael Good (Senior statutory auditor)

For and on behalf of Critchleys LLP

Statutory Auditor

Oxford

Date

12/12/12

King Alfred's School, Wantage
Annual report and financial statements for the period ended 31 August 2012

Independent Reporting Accountant's Assurance Report on Regularity to King Alfred's School, Wantage and the Education Funding Agency

In accordance with the terms of our engagement letter dated 6 August 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King Alfred's School, Wantage during the period 20 June 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

Respective responsibilities of the accounting officer of King Alfred's School, Wantage and the reporting accountant

The accounting officer is responsible, under the requirements of funding agreement of King Alfred's School, Wantage with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 20 June 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

King Alfred's School, Wantage
Annual report and financial statements for the period ended 31 August 2012

**Independent Reporting Accountant's Assurance Report on Regularity to
King Alfred's School, Wantage and the Education Funding Agency
(continued)**

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 20 June 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.



Critchleys LLP

Chartered Accountants
Greyfriars Court
Paradise Square
Oxford

Date

12/12/12

King Alfred's School, Wantage
Statement of Financial Activities
For the period ended 31 August 2012
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income - transfer on conversion	3,30	434,212	88,548	18,564,392	19,087,152
Other voluntary income	4	12,288	219,165	-	231,453
Activities for generating funds	5	128,154	-	-	128,154
Investment income	6	1,784	-	-	1,784
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	7	-	10,077,775	695,883	10,773,658
Other income for educational operations	8	965,029	-	-	965,029
Total incoming resources		1,541,467	10,385,488	19,260,275	31,187,230
Resources expended					
<i>Other resources expended</i>					
Transfer from Local Authority on conversion	30	-	1,252,000	-	1,252,000
<i>Cost of generating funds</i>					
Costs of activities for generating funds	9	125,730	-	-	125,730
<i>Charitable activities</i>					
Academy's educational operations	9,10	930,047	9,292,179	624,577	10,846,803
<i>Governance costs</i>	11	-	36,233	-	36,233
Total resources expended		1,055,777	10,580,412	624,577	12,260,766
Net incoming / (outgoing) resources before transfers		485,690	(194,924)	18,635,698	18,926,464
Gross transfers between funds	18	-	(330,684)	330,684	-
Net income/(expenditure) for the period		485,690	(525,608)	18,966,382	18,926,464
Actuarial gains and losses in period for defined benefit pension schemes	18,28	-	(379,000)	-	(379,000)
Net movement in funds		485,690	(904,608)	18,966,382	18,547,464
Funds carried forward at 31 August 2012		485,690	(904,608)	18,966,382	18,547,464

All of the Academy's activities derive from acquisitions in the current accounting period

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

King Alfred's School, Wantage
Balance sheet
As at 31 August 2012

Company number:
7674473

	Notes	2012 £	2012 £
Fixed assets			
Tangible assets	15		18,254,398
Current assets			
Debtors	16	700,979	
Cash at bank and in hand		2,605,183	
		3,306,162	
Creditors: Amounts falling due within one year	17	(1,266,096)	
Net current assets			2,040,066
Total assets less current liabilities			20,294,464
Net assets excluding pension liability			20,294,464
Pension scheme liability	28		(1,747,000)
Net assets including pension liability			18,547,464
Funds of the academy:			
Restricted fixed asset funds	18		18,966,382
Restricted funds			
Restricted funds excluding pension liability	18	842,392	
Pension reserve	18	(1,747,000)	
Total restricted funds			(904,608)
Unrestricted funds	18		485,690
Total funds			18,547,464

The financial statements were approved by the Board of Governors and authorised for issue on

11/12/12

Signed on behalf of the Board of Governors

Mark Craig
Chair of Governors

King Alfred's School, Wantage
Cash Flow Statement
For the period ended 31 August 2012

	Notes	2012 £
Net cashflow from operating activities	22	1,699,339
Returns on investments and servicing of finance	23	1,784
Capital expenditure and financial investment	24	275,881
Increase/(decrease) in cash in the period	25	1,977,004
Reconcillation of net cash flow to movement in net funds		
Cash transferred on conversion to an Academy Trust	30	628,179
Net funds at 31 August 2012		2,605,183

All of the cash flows are derived from acquisitions in the current financial period

1. Statement of 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, is set out below.

Academy conversion

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

The assets and liabilities transferred have been valued at their fair value in accordance with the accounting policies set out below. Property has been valued on a depreciated replacement cost basis (see note 15). The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 30.

Going Concern

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

1. Statement of Accounting Policies (continued)

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.

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 other relevant 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 activities that raise funds.

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 Governors' meetings and any reimbursed expenses.

All resources expended are inclusive of any irrecoverable VAT.

1. Statement of Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 15 for further details)

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

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

Freehold buildings	35 years from conversion
Leasehold buildings	35 years from conversion
Fixtures, fittings and equipment	5 years
ICT equipment	3 years
Motor Vehicles	5 years

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

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

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Any significant catering stocks are valued at the lower of cost or net realisable value.

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.

1. Statement of Accounting Policies (continued)

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. As stated in Note 30, 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 Department for Education and other funders where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and other funders.

2 General Annual Grant (GAG)

Results and Carry Forward for the Period

2012
£

GAG brought forward from previous year

-

GAG allocation for current year

9,916,659

Total GAG available to spend

9,916,659

Recurrent expenditure from GAG

(8,909,018)

Fixed assets purchased from GAG

(330,684)

GAG carried forward to next year

676,957

Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)

(1,189,999)

GAG to surrender to DfE

(12% rule breached if result is positive)

(513,042)

3 Voluntary Income on conversion to academy

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Fixed assets transferred to academy	-	18,458,973	18,458,973
Other capital funds	-	105,419	105,419
Other revenue funds	434,212	88,548	522,760
	<u>434,212</u>	<u>18,652,940</u>	<u>19,087,152</u>

Further information relating to the transfer on conversion can be found in note 30

4 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Other grants and donations	12,288	219,165	231,453
	<u>12,288</u>	<u>219,165</u>	<u>231,453</u>

5 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Hire of facilities / other lettings	20,604	-	20,604
Catering income from other schools	84,808	-	84,808
Other income	22,742	-	22,742
	<u>128,154</u>	<u>-</u>	<u>128,154</u>

6 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Bank interest	1,784	-	1,784
	<u>1,784</u>	<u>-</u>	<u>1,784</u>

7 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
DfE/EFA capital grants			
Devolved formula capital grant	-	34,358	34,358
Academies Capital Maintenance Fund grant	-	661,525	661,525
	<u>-</u>	<u>695,883</u>	<u>695,883</u>
DfE/EFA revenue grants			
General Annual Grant (GAG) (note 2)	-	9,916,659	9,916,659
Other DfE grants	-	119,495	119,495
	<u>-</u>	<u>10,036,154</u>	<u>10,036,154</u>
Other Government grants			
Other grants	-	41,621	41,621
	<u>-</u>	<u>41,621</u>	<u>41,621</u>
	<u>-</u>	<u>10,773,658</u>	<u>10,773,658</u>

8 Other income for educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Contributions to salaries	127,122	-	127,122
Trip income	353,628	-	353,628
Training school income	72,403	-	72,403
Transport charges	48,253	-	48,253
Catering income	245,088	-	245,088
Other educational income	118,535	-	118,535
	<u>965,029</u>	<u>-</u>	<u>965,029</u>

9 Resources Expended (excluding transfer on conversion)

	Staff Costs £	Premises Costs £	Other Costs £	Total 2012 £
Costs of activities for generating funds	71,611	-	54,119	125,730
Academy's educational operations				
Direct costs (note 10)	6,223,735	-	1,183,035	7,406,770
Allocated support costs (note 10)	1,123,471	969,911	1,346,651	3,440,033
	<u>7,347,206</u>	<u>969,911</u>	<u>2,529,686</u>	<u>10,846,803</u>
Governance costs (note 11)	-	-	36,233	36,233
	<u>7,418,817</u>	<u>969,911</u>	<u>2,620,038</u>	<u>11,008,766</u>

Incoming/outgoing resources for the period include:

	2012 £
Operating leases	56,669
Fees payable to auditor	
Audit	7,250
Other services	6,725
Profit/(loss) on disposal of fixed assets	<u>-</u>

10 Charitable Activities - Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Direct costs			
Teaching and educational support staff costs	132,195	6,091,540	6,223,735
Educational supplies, trips and transport costs	491,194	366,542	857,736
Examination fees	-	225,290	225,290
Staff development	-	41,239	41,239
Other direct costs	2,513	56,257	58,770
	<u>625,902</u>	<u>6,780,868</u>	<u>7,406,770</u>
Allocated support costs			
Support staff costs	44,800	664,806	709,606
Depreciation	-	624,577	624,577
Recruitment and support	-	24,947	24,947
Maintenance (inc staff costs)	-	806,350	806,350
Cleaning (including staff costs)	-	116,718	116,718
Rent, rates and other utilities	-	247,864	247,864
Catering staff costs	107,839	34,794	142,633
Catering supplies	138,549	38,626	177,175
Insurance	-	77,025	77,025
IT costs	-	160,841	160,841
Other pension costs	-	57,000	57,000
Other finance costs (FRS17)	-	59,000	59,000
Other support costs	12,957	223,340	236,297
	<u>304,145</u>	<u>3,135,888</u>	<u>3,440,033</u>
Total	<u>930,047</u>	<u>9,916,756</u>	<u>10,846,803</u>

11 Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Legal and professional fees	-	21,538	21,538
Auditor's remuneration			
Audit services	-	7,250	7,250
Other services	-	6,725	6,725
Responsible officer audit	-	720	720
	<u>-</u>	<u>36,233</u>	<u>36,233</u>

12 Staff Costs

	2012
Staff costs for the period were	£
Wages and salaries	6,066,827
Social security costs	438,709
Pension costs	873,629
	<u>7,379,165</u>
Agency supply teacher costs	21,210
Compensation payments	18,442
	<u>7,418,817</u>

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

	2012 No.
Charitable Activities	
Teachers	110
Administration and support	72
Core leadership team	6
	<u>188</u>

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

	2012 No
£60,001 - £70,000	3
£90,001 - £100,000	<u>1</u>

The above employees also participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £41,959

13 Governors' remuneration and expenses

The Headteacher and staff governors only receive remuneration in respect their employment to undertake the roles of Headteacher and staff and not in respect of their additional roles as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. Remuneration for the period (including employers' pension contributions) is disclosed in £5,000 bands for governors who are also Trustees of the academy trust, as follows

	2012 £
S Spiers, Headteacher Governor and Trustee	£110k-£115k
D Johnson, Staff Governor and Trustee	£55k-£60k
A Norris, Staff Governor and Trustee	£40k-£45k
N Kerner, Staff Governor and Trustee	£50k-£55k

During the period ended 31 August 2012, no expenses were reimbursed to governors for travel and subsistence expenditure incurred in their roles as governors

Related party transactions involving trustees are disclosed in note 29

14 Governors' and Officers' Insurance

In accordance with normal commercial practice, and the practice of the predecessor Local Authority maintained school, the Academy has purchased insurance to cover all those insurable risks that its professional advisors have identified. Insurance cover includes protection for the academy, its governors and officers from claims made which allege negligent acts, errors or omissions occurring whilst on Academy business. This category of insurance provides Public Liability and Employers Liability cover up to £25,000,000, Libel and Slander cover up to £2,000,000, and Governors Liability cover up to £10,000,000. The relevant premium cost for these categories on insurance for the period ended 31 August 2012 was £15,141. No claims have been made in the period, nor is the academy aware of any circumstances which might warrant such claims.

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

15 Tangible Fixed Assets

	Freehold Land and Buildings £	Leasehold Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
Assets transferred on conversion	12,345,519	5,926,891	97,430	89,133	-	18,458,973
Additions	377,665	10,660	63,917	231,112	24,995	708,349
Disposals	(288,347)	-	-	-	-	(288,347)
At 31 August 2012	12,434,837	5,937,551	161,347	320,245	24,995	18,878,975
Depreciation						
Charges in period	275,178	184,221	55,256	104,923	4,999	624,577
Disposals	-	-	-	-	-	-
At 31 August 2012	275,178	184,221	55,256	104,923	4,999	624,577
Net book values						
At 31 August 2012	12,159,659	5,753,330	106,091	215,322	19,996	18,254,398

Valuation of land and buildings

Freehold land and buildings, and leasehold buildings have been valued by qualified surveyors commissioned by the EFA. The valuation was carried out on a depreciated replacement cost basis as at 31 August 2012 and the values of assets transferred, shown above, have been adjusted for depreciation for the 13 month period. The valuation is not representative of any likely disposal proceeds for any of the sites.

Depreciated replacement cost is the current cost of replacing an asset with its modern equivalent asset, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. This method of valuation is commonly used to value properties when it is difficult to assess the market value because the property has a specific purpose and properties of its type do not often come on to the market, and is therefore the standard method of valuation for academy property.

Disposal of property

During the period, a former caretaker's house was sold with the permission of the EFA. As agreed, the net proceeds have been set aside to be reinvested in capital projects (note 18).

16 Debtors

	2012 £
Trade debtors	13,029
Prepayments and accrued income	10,573
Other debtors	<u>677,377</u>
	<u><u>700,979</u></u>

Other debtors includes an amount of £529,220 relating to the balance of the Academies Capital Maintenance Fund grant awarded to the Academy

17 Creditors amounts falling due within one year

	2012 £
Trade creditors	382,439
PAYE and NIC creditor	126,597
Other creditors	192,378
Accruals and deferred income	<u>564,682</u>
	<u><u>1,266,096</u></u>

18 Funds

	Balance at 1 August 2011 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 August 2012 £
Restricted general funds					
General Annual Grant (GAG)	-	9,916,659	(8,909,018)	(330,684)	676,957
Pupil Premium funding	-	79,787	(48,715)	-	31,072
16-19 bursary funding	-	22,408	(10,055)	-	12,353
In Year Fair Access funding	-	8,110	(2,530)	-	5,580
Sports related grants	-	177,317	(77,630)	-	99,687
Curriculum subject related grants	-	21,850	(21,850)	-	-
Staff cost related grants	-	49,221	(49,221)	-	-
Training school	-	54,413	(54,413)	-	-
Sweatbox Youth Club	-	46,022	(29,279)	-	16,743
Balance of academy conversion grant	-	9,701	(9,701)	-	-
Pension reserve (note 28)	-	(1,252,000)	(116,000)	(379,000)	(1,747,000)
	-	9,133,488	(9,328,412)	(709,684)	(904,608)
Restricted fixed asset funds					
Academies Capital Maintenance fund	-	661,525	-	(372,015)	289,510
Devolved formula capital	-	34,358	-	(5,650)	28,708
Capital funds transferred on conversion	-	105,419	-	-	105,419
Proceeds of house sale restricted for capital reinvestment (note 15)	-	-	-	288,347	288,347
Fixed asset fund (note 15)	-	18,458,973	(624,577)	420,002	18,254,398
	-	19,260,275	(624,577)	330,684	18,966,382
Total restricted funds	-	28,393,763	(9,952,989)	(379,000)	18,061,774
Unrestricted funds					
Unrestricted funds	-	1,541,467	(1,055,777)	-	485,690
Total unrestricted funds	-	1,541,467	(1,055,777)	-	485,690
Total funds	-	29,935,230	(11,008,766)	(379,000)	18,547,464

19 Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	18,254,398	18,254,398
Current assets	1,751,786	842,392	711,984	3,306,162
Current liabilities	(1,266,096)	-	-	(1,266,096)
Pension Scheme liability	-	(1,747,000)	-	(1,747,000)
Total net assets	485,690	(904,608)	18,966,382	18,547,464

20 Capital commitments

**2012
£**

Contracted for, but not provided in the financial statements

143,000

21 Financial commitments

Operating leases

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

**2012
£**

Land and buildings

Expiring within one year

72,877

Expiring within two and five years inclusive

-

Expiring in over five years

-

72,877

Other

Expiring within one year

-

Expiring within two and five years inclusive

15,426

Expiring in over five years

-

15,426

22 Reconciliation of net income to net cash flow from operating activities	2012
	£
Net income	18,926,464
Cash transferred on conversion	(628,179)
Depreciation (note 15)	624,577
Capital income re fixed assets transferred on conversion	(18,458,973)
Capital grants from DfE	(695,883)
Interest receivable (note 6)	(1,784)
FRS 17 pension liability on transfer to Academy	1,252,000
FRS 17 pension costs less contributions payable (note 28)	57,000
FRS 17 pension finance income (note 28)	59,000
(Increase)/decrease in debtors	(700,979)
Increase/(decrease) in creditors	1,266,096
Net cash inflow/(outflow) from operating activities	1,699,339

23 Returns on investments and servicing of finance	2012
	£
Interest received	1,784
Net cash inflow/(outflow) from returns on investment and servicing of finance	1,784

24 Capital expenditure and financial investment	2012
	£
Purchase of tangible fixed assets	(708,349)
Capital grants from DfE	695,883
Receipts from sale of tangible fixed assets	288,347
Net cash inflow/(outflow) from capital expenditure and financial investment	275,881

25 Analysis of changes in net funds	Transferred on conversion	Cashflows	At 31 August 2012
	£	£	£
Cash at bank and in hand	628,179	1,977,004	2,605,183
	628,179	1,977,004	2,605,183

26 Contingent liabilities

There are no contingent liabilities that require disclosure

27 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

28 Pension and similar obligations

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

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

Contributions amounting to £102,894 were payable to the schemes at 31 August 2012 and are included within creditors

Teachers' Pension Scheme

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

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

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

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

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

28 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

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

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

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

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

28 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £363,000, of which employer's contributions totalled £267,000 and employees' contributions totalled £96,000. The agreed contribution rates for future years are 19.3% for employers and 5.5%-7.5% for employees.

As described in note 30 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the Local Authority maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Principal Actuarial Assumptions

	At 31 August 2012
Rate of increase in salaries	4.10%
Rate of increase for pensions in payment / inflation	1.90%
Discount rate for scheme liabilities	3.90%
Inflation assumption (CPI)	1.90%
Commutation of pensions to lump sums	50.00%

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

	At 31 August 2012
<i>Retiring today</i>	
Males	19.0
Females	23.1
<i>Retiring in 20 years</i>	
Males	21.0
Females	25.0

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £
Equities	6.30%	1,116,000
Gilts	2.80%	164,000
Other bonds	3.90%	115,000
Property	5.30%	98,000
Cash	0.50%	49,000
Other (hedge funds)	4.70%	98,000
Total market value of assets		1,640,000
Present value of scheme liabilities		
- Funded		(3,387,000)
Surplus/(deficit) in the scheme		(1,747,000)

The actual return on scheme assets was £124,000

Amounts recognised in the statement of financial activities

	2012 £
Current service cost (net of employee contributions)	324,000
Past service cost	-
Total operating charge	324,000

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	88,000
Interest on pension liabilities	(147,000)
Pension finance income / (costs)	(59,000)

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities
The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £379,000 loss

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

	2012 £
At 1 August 2011	2,415,000
Current service cost	324,000
Interest cost	147,000
Employee contributions	96,000
Actuarial (gain)/loss	415,000
Estimated benefits paid	(10,000)
Past Service cost	-
Curtailments and settlements	-
At 31 August 2012	<u>3,387,000</u>

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

	2012 £
At 1 August 2011	1,163,000
Expected return on assets	88,000
Actuarial gain/(loss)	36,000
Employer contributions	267,000
Employee contributions	96,000
Estimated benefits paid	(10,000)
At 31 August 2012	<u>1,640,000</u>

Reconciliation of opening and closing deficit		
	£	2012 £
Pension deficit at 1 August 2011		(1,252,000)
Current service cost	(324,000)	
Employer contributions	<u>267,000</u>	
Additional pension cost		(57,000)
Other finance costs		(59,000)
Actuarial losses		<u>(379,000)</u>
Pension deficit at 31 August 2012		<u>(1,747,000)</u>

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The estimated value of employer contributions for the year ended 31 August 2013 is £251,000

The history of experience adjustments is as follows

	2012 £
Present value of defined benefit obligations	(3,387,000)
Fair value of share of scheme assets	1,640,000
Deficit in the scheme	<u>(1,747,000)</u>
Experience adjustments on share of scheme assets	<u>36,000</u>
Experience adjustments on scheme liabilities	<u>-</u>

29 Related party transactions

The membership of the governing body appropriately includes individuals from stakeholder public and private sector organisations and groups. Where it is to the benefit of the academy to use such networking links, from time to time financial transactions will be entered into with organisations in which a member of the governing body may have an interest. All transactions are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

The spouse of a member of the governing body, G Hocking has an interest in the company Red Octopus Media Transactions totalling £1,500, relating to the provision of consultancy services by the company to the academy, took place during the period. There were no amounts outstanding at 31 August 2012.

30 Conversion to an academy trust

On 1 August 2011 King Alfred's School (Local Authority maintained school) converted to academy trust status under the Academies Act 2010. All the operations and assets and liabilities were transferred to King Alfred's School, Wantage (Academy Trust) from Oxfordshire County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities ("SOFA") as voluntary income.

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

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total £
Tangible fixed assets				
Freehold land and buildings	-	-	18,272,410	18,272,410
Other tangible fixed assets	-	-	186,563	186,563
Budget surplus on LA funds	398,969	-	105,419	504,388
Budget surplus on other school funds	35,243	88,548	-	123,791
	434,212	88,548	18,564,392	19,087,152
LGPS pension deficit	-	(1,252,000)	-	(1,252,000)
Net assets	434,212	(1,163,452)	18,564,392	17,835,152

The above net assets include £628,179 that was transferred as cash at bank.