

Appleby Grammar School
(Company Limited by Guarantee)

Financial Statements for the Period Ended

31 August 2012

Company Registration Number 07698461



**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

CONTENTS	PAGES
Reference and Administrative Details	1
Governors' Annual Report	2 to 10
Governance Statement	11 to 13
Statement on Regularity, Propriety & Compliance	14
Statement of Governors' Responsibilities	15
Independent Auditor's Reports	16 to 18
Statement of Financial Activities (incorporating the income and expenditure account)	19
Balance Sheet	20
Cash Flow Statement	21 to 22
Notes to the Financial Statements	23 to 41

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

REFERENCE AND ADMINISTRATIVE DETAILS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

Governors (Trustees)	S Asquith* (resigned 27/09/12) P Burns* A Dixon P Elliott # (resigned 17/12/12) N Gutteridge L Hullock M Hutt P Jackson* (resigned 09/01/12) J Lucas (appointed 26/01/12) A Lund* (Head and Accounting Officer) D Mattinson J Rostron # S Rowan M Saint*# (Chairman) (appointed as Director 17/12/12) M Stephenson* H Taylor # T Coburn (appointed 31/05/12) D Watkinson M Williamson* *Member of the Finance and Buildings Committee # Director
Company Secretary	J Dunham
Senior Leadership Team	
Deputy Head	R Houston
Deputy Head	N Mills
Leader of Student Support (Y12/13)	A Coltman
Leader of Student Support (Y9/10/11)	K Moore
Leader of Student Support (Y7/8)	V Yerbes Bellesteros
Bursar	J Dunham
Principal and Registered Office	Battlebarrow Appleby Cumbria CA16 6XU
Company Registration Number	07698461
Independent Auditor	Saint and Co The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT
Bankers	Barclays The Eden Valley and North Lakes Group, Market Square, Penrith, Cumbria, CA11 7YB

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

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

1. Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Appleby Grammar School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Appleby Grammar School.

Details of the governors who served throughout the year, 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 charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors Indemnities

In respect of the governors, the Academy Trust holds professional indemnity insurance with Ecclesiastical Insurance Office PLC. The limit of indemnity is currently £2,000,000.

Principal Activities

The principal object of the charitable company is defined under paragraph 4 of the Articles of Association, being the operation of Appleby Grammar School to provide education for students between the ages of 11 and 18 through a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of governors

In accordance with the Articles of Association, Appleby Grammar School's Governing Body comprises of the Headteacher, a minimum of two Parent Governors, up to three Staff Governors so long as the total number of staff governors including the Headteacher is no greater than one third of the total number of governors, and up to nine other governors. Currently, the governing body consists of eighteen members being:

Six Parent Governors who are elected by the parents of the current students of Appleby Grammar School.

Three Staff Governors who are appointed by the staff currently employed by the school.

Five Member Governors, of which a minimum of two are appointed by the Appleby Grammar School Foundation.

Three Co-opted Governors who are appointed by the governing body with regard to existing skills mix of the governors in order to ensure that the Board of Governors has the necessary skills to contribute fully to the Academy's development.

The Headteacher is an ex-officio governor.

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

Policies and Procedures Adopted for the Induction and Training of Governors

The Academy publishes a handbook for governors which sets out all terms of references and responsibilities for members of the governing body. Governors also partake in joint training sessions with other Eden Valley schools. As there is expected to be only a limited number of new governors in any given year, induction programmes will be carried out informally and tailored to the individual's needs.

Organisational Structure

The Board of Governors normally meets once each academic half-term. The board has established an overall framework for the governance of the Academy and agrees the membership of the committees and other panels which may meet. It monitors the work of the committees by receiving reports from the chairs, and through the minutes of their meetings. It also establishes the terms of reference for each committee. There are three committees, which each meet at least termly. These are as follows:

Student Support and Welfare. To initiate and review the school's Special Educational Needs code of practice, in consultation with the Headteacher and Learning Support Co-ordinator. To initiate and review the school's provision for students on the Gifted and Talented Register in consultation with the Headteacher and appropriate members of the Senior Leadership Team. To Review the school's inclusion policies and practices, and with particular reference to students' access to school visits.

Staffing and Curriculum. To keep under review policies relating to the employment, recruitment, selection, appointment, promotion, appraisal, grievance, discipline, redundancy and early retirement, remuneration and terms and conditions of employment of all staff. To recommend to the governing body any changes necessary to fulfil current employment legislation. To receive, consider and make recommendations to the governing body on the overall staffing provision of the school, including the management structure.

Finance and Buildings Committee monitor and review school policy and practice in relation to financial planning and monitoring, to determine how to spend grant funding, to ensure compliance with DfE, EFA and Charity Commission requirements in relation to the proper financial management of the school, to agree limits of financial delegation and to ensure full accounts are kept. To make recommendations concerning the general condition, usage and development of the school buildings and their fabric and sites, and health and safety requirements.

Risk Management

The governors are responsible for the management of the risks the Academy is exposed to, and have undertaken a review of risks associated with its activities. The major risks that have been identified are recorded on the Academy's Risk Register, and procedures have been put in place to manage the risk. The key controls used by the Academy include:

- Formal agendas for all governor meetings,
- Detailed terms of reference for all committees,
- A clear development plan identifying key strategic planning objectives,
- Comprehensive financial planning and monitoring,
- Formal written policies reviewed on a regular basis,
- Rigorous review of educational achievement to ensure high standards

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

The Board of Governors are satisfied that the major risks identified have adequate control measures in place to manage the risks

Connected Organisations, including Related Party Relationships

Appleby Grammar School Foundation Appleby Grammar School Foundation is a charity whose objects are for the public benefit to advance education through the provision of items, services and facilities for the school. The Foundation is the landlord to the academy, and has appointed five governors to the board. During the year under review, the Foundation has made donations of £46,060 to the academy.

Appleby Heritage Centre Appleby Heritage Centre is a charity which provides both Key Stage 4 and Post-16 courses for the school. The school has appointed both Deputy Headteachers to serve on the Board of Trustees. During the year under review, the school paid Appleby Heritage Centre £237,396 for its services.

2. Objectives and Activities

Objectives and Aims

The Academy Trust's object is specifically restricted to the provision for the public benefit education in the United Kingdom, by establishing and managing the school and promoting a broad and balanced curriculum for all students.

The aims of the academy are to provide students with

- an education which will equip them with the skills and abilities that they will need to cope with life in an ever changing society,
- an awareness of the rights and needs of others to show respect and consideration and, when possible, to work actively to help members of our society who may be disadvantaged in any way

We achieve these aims by offering each student the highest possible standards in terms of

- academic progress and achievement,
- sixth form opportunities,
- moral, spiritual and physical development,
- security, support and care,
- standards of dress, behaviour and discipline,
- a well-resourced, wide and enriching curriculum,
- teaching commitment and expertise,
- educational and vocational guidance,
- opportunities for extra-curricular activities

APPLEBY GRAMMAR SCHOOL "IN THE COMMUNITY, FOR THE COMMUNITY."

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

Objectives, Strategies and Activities

Key influences on the Academy Trust's Development Plan for the period under review were the significant challenges and opportunities arising from changes in educational policy and funding, including the conversion to academy status, and the recommendations of the Trust's Ofsted Inspection from September 2011

The key activities and targets are detailed in the Academy Development Plan. These include

Pupil Achievement

- Increase the percentage of students achieving top grades at GCSE, AS and A2 Level,
- Ensure the percentage of students gaining five or more A*-C grades at GCSE including English and Maths meets or exceeds national benchmarks,
- For English and Maths to achieve their targets for students to make three levels of progress between Key Stage 2 and Key Stage 4,
- Increase the percentage of Year 11 students gaining the English Baccalaureate,
- To further develop systems for monitoring the performance of vulnerable groups of students, and develop strategies to address underachievement,
- Improve achievement of boys in English,
- Raise the profile and benefits of higher education with students and parents from Year 7 onwards

Leadership and Management Quality

- Ensure middle and senior leaders and governors receive appropriate and effective professional development,
- Ensure monitoring and evaluation of teaching places a greater emphasis on students' learning and progress in lessons;
- Extend opportunities for student leadership in school, locally, nationally and internationally,
- Develop partnership work as an academy

Pupil Behaviour and Safety

- Evaluate the impact of revised whole school behaviour policy,
- Review student routines out of lesson time

Teaching Quality

- Increase the proportion of good and outstanding lessons,
- Strengthen literacy and numeracy strategies across the curriculum

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

Public Benefit

Governors have given consideration to the charity commission's general guidance on public benefit and in particular to its supplementary guidance on education

The Academy's objective is to advance for the public benefit education in this area, in particular, developing a school offering a broad and balanced curriculum which helps all students to fulfil their potential

3. Achievement and Performance

Summary of GCSE and A2 Results

GCSE

	Qualifications per student	Average points per qualification	Average points per candidate	Percentage gaining 5 or more A*-C Grades	Percentage gaining 5 or more A*-C Grades including English and Maths	Qualifications passed at Grade A*	Qualifications passed at Grades A*-A	Qualifications passed at Grades A*-C
Male	12 3	13 6	488	64%	50%	3 2%	14.8%	73 1%
Female	10 8	42 6	459	81%	54%	9 6%	25.2%	84 8%
All	11 6	41 0	474	72%	52%	6 5%	20.2%	79 1%

A Level

	2012
A*-C Pass Rate	70 8%
A*-E Pass Rate	96 6%
Points per Paper	211
Points per Candidate	626

Year 13 Leaver Destinations

In 2012, all Year 13 leavers were able to obtain the university place of their choice. This included students successfully gaining places at Oxford, Durham, Manchester and Sheffield Universities

National Recognition

During 2011-12, the school was successfully re-designated with the International School Award (2011-14) and gained the Specialist Schools and Academy Trust Investing in Community Engagement (ICE) Award, recognising the high quality of partnership work with the local community

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

Partnership

Appleby Grammar School continues to develop its partnership work with other schools. This has included joint teacher training with Appleby Primary School, secondary consortia co-operation at Eden Secondary Heads (EASH) and partnership work with the Rural Academy of Cumbria and South Lakes Federation.

Student Achievement and Activities

Below is a list of activities both in and out of school – this is intended to provide a “snapshot” and is not exhaustive.

- Year 7 Grinton Residential
- Year 13 Rotterdam Exchange
- Year 13 Applied Science Appleby Rivers field visit
- Year 9 Visit to Beamish
- Year 12 Applied Science visit to Blackburn Rovers
- Year 8 Geography Whinlatter/Keswick visit
- Year 12/13 English Grasmere visit
- Year 13 Debating Matters Conference
- Year 12 Applied Science visit to Tirril Brewery
- Year 10 ASDAN students various local visits
- Year 11 ASDAN students various local visits
- Year 12 Art visit to Salt Mills, Leeds
- Year 13 Art visit to Manchester Art Galleries
- Year 10 GCSE PE Residential
- Year 12 Cambridge Universities Residential
- Year 11 GCSE Drama ‘Blood Brothers’ Theatre visit
- Year 11 ‘Jumpstart’ Careers Convention, UCC
- Year 13 Young Enterprise Workshop, Carlisle
- Year 7 Geography Appleby Field visit
- Ski Trip to Risoul, France
- Year 9 History students workshop with Appleby Primary Students
- Mock Trials Competitions
- Year 12/13 Physics visit to CERN, Switzerland
- Rotary Club Technology Challenge, Rockliffe Centre, Carlisle
- Year 8 Bayeux visit
- Year 13 Geography, Liverpool field visit
- Carlisle Music and Drama Festival
- Commonwealth Day Celebration, Westminster Abbey
- Year 12 Geography Blencathra field visit
- U-Dance Festival, The Sands Centre, Carlisle
- Year 9 Geography field visit to Grasmere and Keswick
- Year 12 Oxbridge Conference
- Mock Trials Rewards Visit to AMF Bowling, Carlisle
- SEN Students Horse Riding Lessons
- Bronze Duke of Edinburgh Training and Expedition
- Silver Duke of Edinburgh Training and Expedition

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

- Gold Duke of Edinburgh Training Expedition
- Year 11 Leavers visit to Alton Towers
- Year 10 Biology Appleby Rivers field visit
- Year 12 Newcastle University Open Day
- Year 11 Dutch Exchange Visit
- Year 12 Applied Science, Biology and Geography field visit to Holland
- Year 9 Patterdale Residential and GCSE Study Skills
- Year 12 Lancaster University Workshops
- Greenpower Racing Regional Heat, Croft Racing Circuit
- Year 11 students visit to University of Cumbria
- Rewards Visit to Lightwater Valley
- Year 10 GCSE Geography field visit to Keswick
- South Africa Cultural Exchange visit

Plus numerous sporting activities throughout the year .

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

Staff Costs as a percentage of Public / GAG income

	August 2011 to August 2012
Teaching Staff	58%
Administrative, Support and Site Staff	22%

Teaching Staff

	August 2011 to August 2012
Average Full Time Equivalents	37.90
Pupil Teacher Ratio	17.23

4. Financial Review

The Academy Trust's accounting period for this first period of operation is 1 August 2011 to 31 August 2012.

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

During the period under review, the majority of the Academy Trust's income was obtained from the DfE in the form of recurrent grants, the use of which was restricted to the Academy's educational activities. The grants received during the initial 13 month accounting period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In addition to the recurrent funding the school was successful in attracting a substantial capital funding for refurbishment of boilers and toilets. The school was also in receipt of a donation from the Appleby Grammar School Foundation for the installation of a large solar power installation.

Financial Risk Management Objectives and Policies

The Academy Trust's activities expose it primarily to cash flow risks. The governing body continually monitors cash flow to ensure that the Academy has sufficient funds available to meet debts as they fall due. The governors maintain significant cash reserves at all times.

Key financial policies adopted or reviewed during the year include the Treasury Management Policy, the Risk Management Policy and the Terms of Reference for the Finance and Buildings Sub-Committee.

Principal Risk and Uncertainties

The principal risks to the Academy are financial and result from the projected deficit on the Local Government Pension Scheme, and from the proposed changes to the funding formulas. The Academy is operating in a period of considerable financial uncertainty with regard to public funding. Long term financial planning is focused on maintaining the breadth and quality of the school's curriculum.

Under Financial Reporting Standard 17, it is necessary to charge projected deficits on the Local Government Pension Scheme to a restricted fund within the accounts. This results in reducing the reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any liquidity problems.

The academy has made contingency plans for dealing with expected reductions in pupil numbers resulting from demographic changes within our primary feeder schools. This has included a comprehensive curriculum review of future provision to ensure the curriculum on offer at the academy is of high quality, appropriate for students' needs and sustainable in the long term.

Reserves Policy

The governing body reviews the level of reserves annually as part of its budget planning cycle, and aims to carry forward a prudent level of resources from General Annual Grant as a contingency for future unforeseen circumstances, and as contributions towards future capital improvement programmes.

Investment Policy

In a period of financial uncertainty and historically low interest rates, the Academy Trust's policy has been to maximise liquidity and minimise risk. This policy will be kept under review.

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

5. Plans for the Future

Following the conversion to academy status, the school plans to maintain a clear focus on raising pupil achievement and improving teaching and learning. Financial planning will focus on maintaining the breadth and quality of the current curriculum offer. Specific plans include the following

- Improving pupil achievement,
- Improving leadership and management quality,
- Improving pupil behaviour and safety,
- Improving quality of teaching

6. Funds held as Custodian Trustee on behalf of Others

The Academy acts as an intermediary for two administered projects, but has no responsibility for them. These are

- Eden Area Secondary Heads (EASH) The group facilitates close collaboration between five secondary schools located within the Eden Valley utilising Local Authority consortia funding,
- The Rural Academy of Cumbria This group facilitates close collaboration between seven small secondary schools spread across Cumbria

In both instances, the Academy acts as a banking agent for the funds but has no responsibility for them.

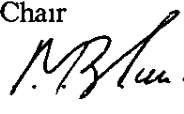
7. Auditors

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 and signed on its behalf by

M B Saint
Chair

 Date 17/12/2012

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

Scope of Responsibilities

As governors, we acknowledge we have overall responsibility for ensuring that Appleby Grammar School has effective and appropriate systems of control, financial and otherwise. However such systems are 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 Appleby Grammar School and the Secretary of State for Education. The governing body is 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 seven times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
S Asquith	4	7
P Burns	5	7
A Dixon	6	7
P Elliott	4	7
N Gutteridge	5	7
L Hullock	6	7
M Hutt	4	7
P Jackson (Resigned 09/01/12)	0	3
J Lucas (Appointed 26/01/12)	3	4
A Lund	7	7
D Mattinson	0	7
J Rostron	4	7
S Rowan	6	7
M Saint (Chairman)	6	7
M Stephenson	7	7
H Taylor	4	7
T Coburn (Appointed 31/05/12)	1	1
D Watkinson	5	7
M Williamson	5	7

The Finance and Buildings Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To achieve this, it makes appropriate comments and recommendations on such matters to the governing body on a regular basis.

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT *(continued)*

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

Attendance at meetings in the year was as follows

Governor	Meetings attended	Out of a possible
S Asquith	4	8
P Burns	6	8
P Jackson (Resigned 09/01/12)	0	4
A Lund	8	8
M Saint	8	8
M Stephenson	8	8
M Williamson	6	8

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 Appleby Grammar School for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 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

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

GOVERNANCE STATEMENT *(continued)*

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

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 a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

Review of Effectiveness

As accounting officer, 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 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 and signed on its behalf by



M B Saint
Chair

17/12/2012. Date



A W Lund
Accounting Officer

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

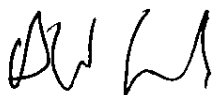
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

As Accounting Officer of Appleby Grammar School 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.



A W Lund
Accounting Officer

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

STATEMENT OF GOVERNORS' RESPONSIBILITIES

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

The governors (who act as trustees for charitable activities of Appleby Grammar School 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 the financial statements may differ from legislation in other jurisdictions.

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



M B Saint
Chair

17/12/2012 Date

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLEBY
GRAMMAR SCHOOL**

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

We have audited the financial statements of Appleby Grammar School for the period from 8 July 2011 to 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 company's members, as a body, in accordance with sections 495 and 496 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' Responsibilities Statement set out on page 15, the governors (who are also the directors of Appleby Grammar School for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION

In our opinion the financial statements.

- give a true and fair view of the state of the charitable company's affairs as at 31st 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, and
- have been prepared in accordance with Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLEBY
GRAMMAR SCHOOL *(continued)***

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

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

- the charitable company has not kept adequate accounting records 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



Ian Thompson (Senior Statutory Auditor)

For and on behalf of

SAINT & CO

Chartered Accountants & Statutory Auditors

The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

20/12/12 . Date

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING
BODY OF APPLEBY GRAMMAR SCHOOL AND THE EDUCATION FUNDING
AGENCY**

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

In accordance with the terms of our engagement letter dated 13 July 2011 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 from 8 July 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 GOVERNING BODY AND AUDITORS

The governing body is responsible, under the requirement 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.

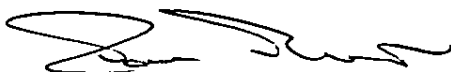
Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 8 July 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 8 July 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.



Ian Thompson (Senior Statutory Auditor)

For and on behalf of

SAINT & CO

Chartered Accountants & Statutory Auditors

The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

20/12/12 . Date

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

					Total Funds
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Period from 8 Jul 11 to 31 Aug 12 £
INCOMING RESOURCES					
Incoming resources from generating funds:					
Voluntary income	3	–	4,156	46,060	50,216
Net assets transferred on conversion to Academy Trust	3	78,989	(638,000)	5,556,151	4,997,140
Activities for generating funds	4	1,419	–	–	1,419
Investment income	5	1,008	–	–	1,008
Incoming resources from charitable activities - Funding for the Academy's educational operations					
	6	13,395	3,780,336	52,785	3,846,516
TOTAL INCOMING RESOURCES		94,811	3,146,492	5,654,996	8,896,299
RESOURCES EXPENDED					
Charitable activities - Academy's educational operations					
	7	(1,920)	(3,801,537)	(128,363)	(3,931,820)
Governance costs	8	–	(52,095)	–	(52,095)
TOTAL RESOURCES EXPENDED		(1,920)	(3,853,632)	(128,363)	(3,983,915)
NET INCOMING / (OUTGOING) RESOURCES					
BEFORE TRANSFERS	9	92,891	(707,140)	5,526,633	4,912,384
Transfer between funds	10	(69,052)	69,052	–	–
NET INCOME / (EXPENDITURE) FOR THE PERIOD		23,839	(638,088)	5,526,633	4,912,384
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial losses in respect of defined benefit pension schemes					
		–	(62,000)	–	(62,000)
NET MOVEMENT IN FUNDS		23,839	(700,088)	5,526,633	4,850,384
RECONCILIATION OF FUNDS					
Total funds brought forward					
		–	–	–	–
TOTAL FUNDS CARRIED FORWARD		23,839	(700,088)	5,526,633	4,850,384

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

All of the Academy Trust activities derive from acquisitions in the current financial period

The notes on pages 23 to 41 form part of these financial statements

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

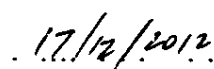
BALANCE SHEET

31 AUGUST 2012

	Note	£	31 Aug 12 £
FIXED ASSETS			
Tangible assets	12		5,504,425
Investments	13		<u>300</u>
			5,504,725
CURRENT ASSETS			
Stocks	14	2,200	
Debtors	15	191,731	
Cash at bank and in hand		<u>179,757</u>	
		373,688	
CREDITORS: Amounts falling due within one year	16	<u>(296,029)</u>	
NET CURRENT ASSETS			77,659
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,582,384</u>
PROVISIONS FOR LIABILITIES			
Defined benefit pension scheme	18		<u>(732,000)</u>
NET ASSETS	24		<u><u>4,850,384</u></u>
RESTRICTED FIXED ASSET FUNDS	21		5,526,633
RESTRICTED GENERAL FUNDS:			
Restricted general funds	22	31,912	
Pension deficit	22	<u>(732,000)</u>	
TOTAL RESTRICTED GENERAL FUNDS			(700,088)
UNRESTRICTED FUNDS	23		<u>23,839</u>
TOTAL FUNDS			<u><u>4,850,384</u></u>

These financial statements were approved by the governors and are signed on their behalf by:

 M B Saint (Chair)

 17/12/2012 Date

Company Registration Number 07698461

The notes on pages 23 to 41 form part of these financial statements.

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

CASH FLOW STATEMENT

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

	Period from 8 Jul 11 to 31 Aug 12 £	£
RECONCILIATION OF NET INCOMING RESOURCES BEFORE TRANSFERS TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net incoming resources before transfers		4,912,384
Tangible fixed assets transferred on conversion to Academy status		(5,556,151)
Investments transferred on conversion to Academy status		(300)
Defined benefit scheme deficit transferred on conversion to Academy		638,000
Interest receivable		(1,008)
Depreciation		109,119
Increase in stocks		(2,200)
Increase in debtors		(191,731)
Increase in creditors		296,029
Increase in defined benefit scheme deficit		94,000
Defined benefit scheme actuarial losses included in provision		(62,000)
Net cash inflow from operating activities		236,142
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	1,008	
Net cash inflow from returns on investments and servicing of finance		1,008
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(57,393)	
Net cash outflow from capital expenditure		(57,393)
INCREASE IN CASH		<u>179,757</u>
RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET FUNDS		
		31 August 2012 £
Increase in cash in the period		179,757
Change in net funds		179,757
Net funds at 31 August 2012		<u>179,757</u>

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

CASH FLOW STATEMENT *(continued)*

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

**Period from
8 July 2011 to
31 Aug 12**

ANALYSIS OF CHANGES IN NET FUNDS

	8 Jul 11	Cash flows	31 Aug 12
	£	£	£
Cash in hand and at bank	—	179,757	179,757
	<u> </u>	<u> </u>	<u> </u>

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

1. ACCOUNTING POLICIES

Basis of accounting

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

Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable except in so far as they are not capable of financial measurement

Fixed assets grants are recognised on a receivable basis. The General Annual Grant (GAG) from the education funding agency is credited directly to the accounts on a receivable basis. Other government grants are also recognised on a receivable basis. For all grants the balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet

Deferred income

Grants and other funding received for the Academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred

Funds held by the academy as principal

Funds received on behalf of third parties, where the Academy has control over the charitable application, are only recognised as incoming resources in the statement of financial activities to the extent that the charitable expenditure has been applied. The unused funds at the period end are included as a liability in the balance sheet in other creditors

Investment assets and income

The investment bond is held for the long term benefit of the Academy and is included in the designated investment bond fund at market value.

The bond interest is initially credited to the designated fund and then transferred to the gag fund, as the interest is paid directly into the bank account

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

1. ACCOUNTING POLICIES *(continued)*

Fund accounting

Unrestricted funds reflect those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors

School funds that are not otherwise restricted are designated within unrestricted funds. An amount equal to the value of the investment bond is also designated.

Restricted fixed asset funds reflect the fixed assets and capital grants for the purchase of fixed assets to be used for charitable purposes

Restricted general funds comprise grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with EFA guidance

Details of restricted and unrestricted funds are shown in the notes to the financial statements

Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity

Costs have been allocated in accordance with the Charities SORP 2005. Expenditure has been analysed between the Academy's educational operations, governance costs and activities for generating funds. Items of expenditure which involve more than one cost category have been apportioned on a reasonable and justifiable basis for the cost category concerned. Direct costs are those incurred in the provision of education in accordance with the objects. Support costs are those related to the organisational infrastructure that allow the charitable company to provide education. Governance costs include those costs attributable to compliance with statutory requirements.

Pension costs

Academy staff are members of either the Teachers Pension Scheme or the Local Government Pension Scheme both of which are defined benefit schemes. Details of the scheme are given in notes to the financial statements.

Fixed assets

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation.

Since the Academy was established, assets costing £500 or more are capitalised as tangible fixed assets.

Assets are carried at valuation/cost, net of depreciation.

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Information communications & technology equipment - 3 years straight line
Leasehold buildings - straight line over remaining economic life (ranging from
22 to 64 years)
Furniture fittings & equipment - 10 years straight line

All assets have been depreciated for 13 months except land for which no depreciation is provided

The total depreciation charge is allocated to teaching costs and administration and support costs pro-rata to the number of employees

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

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 taxation 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

Conversion to an academy trust

The conversion from a state 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 on conversion from Appleby Grammar School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Appleby Grammar School. 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 assets funds. Further details of the transaction are set out in note 3

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

2. GENERAL ANNUAL GRANT (GAG)

a. Results and Carry Forward for the Year

GAG allocation for current year	3,468,303
Total GAG available to spend	3,468,303
Recurrent expenditure from GAG	(3,504,866)
Less expenditure funded from general reserves	<u>68,475</u>
GAG carried forward to next year	31,912
Maximum permitted GAG carried forward at end of current year (12% of allocation for current year)	<u>(416,196)</u>
GAG to surrender to DfE (12% rule breached if result is positive)	<u>(384,284)</u>

b. Use of GAG Brought Forward from Previous Year for Recurrent Purposes

(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

Recurrent expenditure from GAG in current year	3,504,866
GAG allocation for current year	<u>(3,468,303)</u>
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	<u>36,563</u>
(2% rule breached if result is positive)	

3. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £
Net assets transferred on conversion to Academy Trust	<u>78,989</u>	<u>(638,000)</u>	<u>5,556,151</u>	<u>4,997,140</u>
Donations				
Donations from Appleby Grammar School Foundation	–	215	46,060	46,275
Miscellaneous donations	–	3,941	–	3,941
	<u>–</u>	<u>4,156</u>	<u>46,060</u>	<u>50,216</u>

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

3. VOLUNTARY INCOME *(continued)*

Net assets transferred on conversion to Academy Trust

When the Academy Trust commenced its charitable activities on 1 August 2011 it acquired net assets in the sum of £4,997,140 (being assets £5,635,140 less liabilities £638,000) comprising restricted tangible fixed assets £5,556,151 (being leasehold land and buildings £5,268,438, freehold land £212,250, information communications and technology equipment £18,740, furniture fittings and equipment £56,723), investment bond £300, designated School Funds £24,575, general unrestricted surplus from the LEA £54,114, less the Local Government Pension Scheme defined benefit scheme deficit £638,000.

4. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Total Funds 2012 £
Lettings	<u>1,419</u>	<u>1,419</u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2012 £
Bank interest receivable	1,006	1,006
Other interest receivable	<u>2</u>	<u>2</u>
	<u>1,008</u>	<u>1,008</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £
Education Funding Agency grants				
General Annual Grant (GAG)	–	3,468,303	–	3,468,303
Capital grants	–	–	52,785	52,785
Pupil premium	–	20,118	–	20,118
Bursary funding	–	5,841	–	5,841
Other DfE/EFA grants	–	7,600	–	7,600
Other Government grants				
Local authority funded statements	–	30,773	–	30,773
Other government grants	–	18,139	–	18,139
School fund income	–	191,333	–	191,333
Other educational income	<u>13,395</u>	<u>38,229</u>	–	<u>51,624</u>
	<u>13,395</u>	<u>3,780,336</u>	<u>52,785</u>	<u>3,846,516</u>

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

7. COSTS OF CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £
Direct costs	–	2,866,989	87,005	2,953,994
School Fund trips & activities	501	191,910	–	192,411
Support costs	1,419	742,638	41,358	785,415
	<u>1,920</u>	<u>3,801,537</u>	<u>128,363</u>	<u>3,931,820</u>

For details of costs of charitable activities see Note 29

8. GOVERNANCE COSTS

	Restricted General Funds £	Total Funds 2012 £
Audit fees	4,000	4,000
Legal and professional fees	13,095	13,095
Net finance costs in respect of defined benefit pension schemes	35,000	35,000
	<u>52,095</u>	<u>52,095</u>

9. NET INCOMING RESOURCES FOR THE PERIOD

This is stated after charging

	Period from 8 Jul 11 to 31 Aug 12 £
Depreciation	109,118
Auditors' remuneration	
- audit of the financial statements	4,000
- accountancy	<u>4,000</u>

10. FUND TRANSFERS

Fixed assets were purchased during the period amounting to £57,393. The amount was funded with £11,333 from the DfE/EFA formula capital grant and £46,060 from the Appleby Grammar School Foundation capital donation.

The designated School Fund contributed £577 towards restricted School Fund trips and activities

Unrestricted incoming resources include the surplus transferred on conversion of £54,114, income from the catering contractor of £9,345, cash backs on equipment purchases £4,050 and bank interest £964. The total of £68,473 has been transferred to the GAG fund.

Designated investment bond interest of £2 was also transferred to the GAG fund.

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

11. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	Period from 8 Jul 11 to 31 Aug 12 £
Wages and salaries	2,286,041
Social security costs	160,824
Other pension costs	319,037
	<u>2,765,902</u>

Wages and salaries includes the following

Staff redundancy payments	16,261
Agency staff	8,466

Other pension costs includes the following:

Premature Retirement Teachers Pension Scheme payments	5,917
---	-------

Other pension costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other finance costs and other recognised gains and losses (see note 23)

Particulars of employees:

The average number of employees during the period, calculated on the basis of full-time equivalents, was as follows:

	Period from 8 Jul 11 to 31 Aug 12 No
Teaching	54
Administration and support	14
	<u>68</u>

The number of employees whose remuneration for the period fell within the following bands, were.

	Period from 8 Jul 11 to 31 Aug 12 No
£70,000 to £79,999	1
	<u>1</u>

The above employee participated in the Teachers Pension Scheme During the period ended 31 August 2012, the employer's pension contributions in respect of this employee amounted to £11,367

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

12. TANGIBLE FIXED ASSETS

	Freehold land £	Information communications & technology equipment £	Long leasehold land and property £	Furniture fittings and equipment £	Total £
COST					
Additions	212,250	30,073	5,268,438	102,783	5,613,544
At 31 August 2012	<u>212,250</u>	<u>30,073</u>	<u>5,268,438</u>	<u>102,783</u>	<u>5,613,544</u>
DEPRECIATION					
Charge for the period	–	14,754	77,339	17,026	109,119
At 31 August 2012	<u>–</u>	<u>14,754</u>	<u>77,339</u>	<u>17,026</u>	<u>109,119</u>
NET BOOK VALUE					
At 31 August 2012	<u>212,250</u>	<u>15,319</u>	<u>5,191,099</u>	<u>85,757</u>	<u>5,504,425</u>

Assets transferred on conversion

Included within additions are freehold land £212,250, information communications and technology equipment £18,740, leasehold land and property £5,268,438 and furniture fittings and equipment £56,723 relating to assets transferred on conversion

Valuation

The leasehold land and buildings (including integral service installations) and the freehold land were valued at £5,268,438 and £212,250 respectively as at 1 August 2011 by Duncan Young RICS Registered Valuer, who is independent of the charitable company. The basis of valuation for the assets was Existing Use Value using a Depreciated Replacement Cost approach in accordance with FRS15 Tangible Fixed Assets.

Appleby Sports Centre

Appleby Sports Centre is situated on freehold land which is owned by Appleby Grammar School. The sports facility was built before the school converted to an academy and is operated by Appleby Sports Centre (registered charity number 1125895). Appleby Sports Centre do not pay rent to the Academy for the occupation of the freehold land. The Academy pays a rent to Appleby Sports Centre for the use of the sports facility on a year to year basis, there is no lease in place and therefore the asset has not been capitalised as leasehold property on the Academy's balance sheet.

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

13. INVESTMENTS

Movement in market value

	31 Aug 12 £
Acquisitions at cost	300
Market value at 31 August 2012	<u>300</u>
Historical cost at 31 August 2012	<u>300</u>

Analysis of investments at 31 August 2012 between funds

	Unrestricted Funds 31 Aug 12 £
UK investments	
Investment bond	<u>300</u>

14. STOCKS

	31 Aug 12 £
Stock	<u>2,200</u>

15. DEBTORS

	31 Aug 12 £
Trade debtors	290
Other debtors	130,277
Prepayments	<u>61,164</u>
	<u>191,731</u>

16. CREDITORS: Amounts falling due within one year

	31 Aug 12 £
Trade creditors	95,782
Taxation and social security	46,548
Deferred income	76,574
Other creditors	51,332
Accruals	<u>25,793</u>
	<u>296,029</u>

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

16. CREDITORS: Amounts falling due within one year *(continued)*

Deferred income

	31 Aug 12
	£
Resources deferred in the period	76,574
Deferred income carried forward 31 August 2012	<u>76,574</u>

Deferred income comprises

- £60,486 Local authority funded statements grant (section 215) for the period September 2012 to March 2013
- £16,088 School Fund income for future trips

Funds held by the Academy as principal

	31 Aug 12
	£
Amounts received in the period	10,894
Charitable expenditure applied during the period	<u>(5,841)</u>
Creditor carried forward 31 August 2012	<u>5,053</u>

Other creditors includes £5,053 where the Academy acts as principal and comprises

- £5,053 6th Form Bursaries - funding issued by the Department for Education for distribution to disadvantaged 6th form students

17. ADMINISTERED FUNDS

The academy acts as an intermediary for the following administered projects but has no responsibility for them, the receipts and payments during the period have been excluded from the Statement of Financial Activities, and the monies held and the associated creditor have been excluded from the Balance Sheet

	Eden Area Secondary Heads	The Rural Academy of Cumbria
Monies brought forward as at 01 August 2011	–	10,293
Income during the year	117,386	–
Expenditure during the year	<u>(50,216)</u>	<u>(277)</u>
Balance carried forward as at 31 August 2012	<u>67,170</u>	<u>10,016</u>

Eden Area Secondary Heads

This group facilitates closer collaboration between five secondary schools located within the Eden valley utilising Local Authority consortia funding

The Rural Academy of Cumbria

This groups facilitates closer collaboration between seven small secondary schools spread across Cumbria

In both instances, the Academy acts as a banking agent for the funds but has no responsibility for them, the monies held and the associated creditors have not been included in the balance sheet

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

18. PENSIONS

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff 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 £35,211 were payable to the schemes as at 31 August and are included within creditors, comprising TPS £25,915 and LGPS £9,296

The total pension costs to the Charitable Company during the year ended 31 August 2012 and included in staff costs were £319,037 comprising TPS £213,504, LGPS £99,380, Premature Retirement payments £5,917 and other costs £236 In addition, the Charitable Company incurred finance costs amounting to £35,000 (interest on LGPS pension liabilities £53,000 less expected returns on LGPS assets £18,000), included in governance costs

Teachers' Pension Scheme (TPS)

The TPS is a statutory contributory defined benefit scheme The regulations under which the TPS operates are the Teachers' Pension Regulations 2010 following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

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' Pension 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 the 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 a real rate of return

The Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review 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

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

18. PENSIONS *(continued)*

covered by the standard contributions to be paid in the future by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 01 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 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. 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 has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance assets and liabilities as required by regulations within 15 years) a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced - effective for the first time in the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 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 17 (FRS17) 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 for the scheme and the implications for the Academy in terms of the anticipated contribution rates.

Local Government Pension Scheme (LGPS)

The LGPS obligation relates to the employees of the Academy Trust, who were employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the 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.

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 £133,194, of which employers' contributions totalled £99,380 and employees' contributions totalled £33,814. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

18. PENSIONS *(continued)*

The principal actuarial assumptions are:

	2012
Rate of CPI inflation	2.30%
Rate of increase in salaries	4.05%
Rate of increase in pensions	2.30%
Discount rate	4.50%

Post retirement mortality assumptions are

	2012
Longevity at age 65 for current pensioners	
Male	22.2 Yrs
Female	24.8 Yrs
Longevity at age 65 for future pensioners	
Male	24.0 Yrs
Female	26.8 Yrs

The Academy's share of the scheme assets and liabilities and the expected rate of return at the balance sheet date were

	2012 Expected return	2012 Fair value of assets £
Equities	7.0%	189,000
Government bonds	2.5%	62,000
Other bonds	3.4%	63,000
Property	6.0%	24,000
Cash / liquidity	0.5%	6,000
Other	7.0%	33,000
Fair value of scheme assets		<u>377,000</u>
Present value of scheme liabilities		
Funded		(1,109,000)
Unfunded		-
Deficit in the scheme		<u>(732,000)</u>

None of the fair values of the assets shown above include any of the Charitable Company's own financial instruments or any property occupied by, or other assets used by, the Charitable Company.

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

18. PENSIONS *(continued)*

The actual return on the scheme assets in the year was £18,000

The amounts recognised in the Statement of Financial Activities are as follows

	2012 £
Current service cost	96,000
Expected return on scheme assets	(18,000)
Interest on pension liabilities	53,000
Total cost recognised in SOFA	<u>131,000</u>

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 FRS 17 is a £62,000 loss

Contributions

The total contributions made by the employer in the year were £99,000. The level of contributions will be reviewed as a result of the triennial valuation of the scheme as at 31 March 2013.

The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 Aug 12 is £91,000

Movement in deficit in the year

	2012 £
Current service cost	(96,000)
Employer contributions	99,000
Expected return of assets	18,000
Interest on pension liabilities	(53,000)
Actuarial gain or (loss)	(62,000)
Business combinations	(638,000)
Deficit at 31 August 2012	<u>(732,000)</u>

Change in the present value of the defined pension obligation scheme are as follows

	2012 £
Current service cost	(96,000)
Interest on pension liabilities	(53,000)
Actuarial gain or (loss)	(62,000)
Contributions by scheme participants	(34,000)
Benefits paid	4,000
Business combinations	(868,000)
Benefit obligation at 31 August 2012	<u>(1,109,000)</u>

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

18. PENSIONS *(continued)*

Change in the fair value of scheme assets are as follows:

	2012 £
Expected return on scheme assets	18,000
Contributions by employer	99,000
Contributions by scheme participants	34,000
Benefits paid	(4,000)
Business combinations	230,000
Closing fair value of scheme assets at 31 August 2012	<u>377,000</u>
Experience adjustment on scheme assets Percentage of scheme assets	0.0%
Experience adjustment on scheme liabilities Percentage of scheme liabilities	0.0%

19. COMMITMENTS UNDER OPERATING LEASES

At 31 Aug 12 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets other than land and buildings £
Operating leases which expire:	
Within 1 year	1,394
Within 2 to 5 years	8,680
After more than 5 years	3,820
	<u>13,894</u>

Land and property leases

The leasehold land and buildings are subject to a 125 year lease with Appleby Grammar School Foundation. Although a peppercorn rent may be demanded, no such rent has been demanded to date.

The sports centre, which is situated on the Academy's freehold land, is hired from the the Appleby Sports Centre (Registered Charity number 1125895). There is no formal lease agreement in place.

20. PENSION COMMITMENTS

The Academy is committed to paying amounts to the Teachers Pension in respect of Premature Retirement balances for two former employees, starting in September 2012. A total of £48,110, payable at £9,622 per annum over the next 5 years, is due in respect of one individual and £135 18 per month is payable in respect of the other individual until that person dies.

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

21. RESTRICTED FIXED ASSET FUNDS

	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Aug 12 £
DfE/EFA formula capital	14,918	–	(11,333)	3,585
DfE/EFA building grant	37,867	(19,244)	–	18,623
Appleby Grammar School Foundation capital donation	46,060	–	(46,060)	–
Fixed assets used for charitable purposes	5,556,151	(109,119)	57,393	5,504,425
	<u>5,654,996</u>	<u>(128,363)</u>	<u>–</u>	<u>5,526,633</u>

Details of transfers are shown in Note 10

22. RESTRICTED GENERAL FUNDS

	Incoming resources £	Outgoing resources £	Transfers £	Gains and losses £	Balance at 31 Aug 2012 £
Education Funding Agency grants					
General Annual Grant (GAG)	3,468,303	(3,504,866)	68,475	–	31,912
Pupil premium	20,118	(20,118)	–	–	–
Bursary	5,841	(5,841)	–	–	–
Defined benefit pension scheme deficit	(638,000)	(32,000)	–	(62,000)	(732,000)
Other DfE/EFA grants	7,600	(7,600)	–	–	–
Other Government grants					
Local authority funded statements	30,773	(30,773)	–	–	–
Other government grants	18,139	(18,139)	–	–	–
School funds (including trips) - restricted	191,333	(191,910)	577	–	–
Other educational income	38,229	(38,229)	–	–	–
Other restricted funds	4,156	(4,156)	–	–	–
	<u>3,146,492</u>	<u>(3,853,632)</u>	<u>69,052</u>	<u>(62,000)</u>	<u>(700,088)</u>

Details of transfers are shown in Note 10

**APPLEBY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

23. UNRESTRICTED FUNDS

	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Aug 2012 £
Designated school fund	24,616	(500)	(577)	23,539
Investment bond	302	—	(2)	300
General Funds	69,893	(1,420)	(68,473)	—
	<u>94,811</u>	<u>(1,920)</u>	<u>(69,052)</u>	<u>23,839</u>

Details of transfers are shown in Note 10

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current assets £
Restricted General Funds:			
General Annual Grant (GAG)	—	—	31,912
Restricted Fixed Asset Funds:			
DfE/EFA formula capital	—	—	3,585
DfE/EFA building grant	—	—	18,623
Fixed assets used for charitable purposes	5,504,425	—	—
	<u>5,504,425</u>	—	<u>22,208</u>
Unrestricted Funds	—	300	23,539
Total Funds	<u>5,504,425</u>	<u>300</u>	<u>77,659</u>
		Defined benefit pension liability £	Total £
Restricted General Funds:			
General Annual Grant (GAG)		—	31,912
Defined benefit pension scheme deficit		(732,000)	(732,000)
		<u>(732,000)</u>	<u>(700,088)</u>
Restricted Fixed Asset Funds:			
DfE/EFA formula capital		—	3,585
DfE/EFA building grant		—	18,623
Fixed assets used for charitable purposes		—	5,504,425
		—	<u>5,526,633</u>
Unrestricted Funds		—	23,839
Total Funds		<u>(732,000)</u>	<u>4,850,384</u>

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

25. RELATED PARTY TRANSACTIONS

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

There were six governors - M Stephenson, M Saint, H Taylor, D Watkinson, P Elliot and J Rostron - who acted for the Academy during the period who also acted as a trustee for Appleby Grammar School Foundation. The governors have no equitable interest in either entity, but the following items are noteworthy:

- the value of leasehold land and buildings assets, held on a 125 year lease with the Foundation, transferred on conversion amounted to £5,268,438. Included in this amount is £72,701 relating to a bungalow which is not used by the Academy, rather it is commercially let by the Foundation which collects the rents and is responsible for its maintenance and upkeep. The bungalow has been depreciated by £1,545 during the period.
- the Foundation donated £46,060 to the Academy to purchase a solar panel system. The Academy benefits from reduced electricity charges and the Foundation receives the Feed-in-Tariff direct from the electricity company.
- the Foundation also donated £215 for other items.
- there was a balance of £Nil due at the period end to Appleby Grammar School Foundation.

M Stephenson acted for the Academy during the period and also acted as a trustee for Appleby Sports Centre. The governor has no equitable interest in either entity, but it is noted that the Academy paid £23,971 to Appleby Sports Centre for the hire of the sports facility during the period. There was a balance of £Nil due at the period end to Appleby Sports Centre.

Related party transactions with staff governors are detailed in the note below.

26. GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration for the 13 month period was as follows:

A Lund	£80,000 to £84,999
S Rowan	£40,000 to £44,999
A Dixon	£30,000 to £34,999
P Burns	£20,000 to £24,999

During the period ended 31 August 2012, travel and subsistence expenses totalling £2,030 were reimbursed to three governors.

27. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims for negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2012 was £83.

APPLEBY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 JULY 2011 TO 31 AUGUST 2012

28. COMPANY LIMITED BY GUARANTEE

Appleby Grammar School is a company limited by guarantee; each member's contribution not exceeding £10 on dissolution

29. DETAILS OF COSTS OF CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Period from 8 Jul 11 to 31 Aug 12 £
Educational activities	
<i>Direct costs</i>	
Depreciation	87,005
Teaching and educational support staff costs	2,416,986
Educational supplies	108,081
Examination fees	58,690
Staff development	16,687
External teaching centre	243,652
Other direct costs	22,893
	<u>2,953,994</u>
<i>Support costs</i>	
Depreciation	22,114
Support staff costs	348,916
Maintenance of premises and equipment	93,570
Information communications and technology	62,664
Rates and water	35,717
Heat light and power	85,202
Insurance	32,554
Hire of Sports Centre	23,971
Professional fees	44,499
Other support costs	36,208
	<u>785,415</u>
	<u>3,739,409</u>
School Fund trips & activities	
School Fund expenses	192,411
	<u>3,931,820</u>