



# Waltham Leas Primary Academy Limited

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*(A Company Limited by Guarantee – Company  
Registration Number 07772345)*



## Report and Financial Statements

### Period to 31 August 2012

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**REFERENCE AND ADMINISTRATIVE DETAILS OF WALTHAM  
LEAS PRIMARY ACADEMY LIMITED, ITS GOVERNORS AND  
ADVISORS**

**Governors (Trustees)**

Ivor Appleton MBE (Chairman)  
Liam Doran (left 31/8/12)  
Robert Beel (w e f 1/9/12)  
Karen Jane Smith (left 31/8/12)  
Simon Dunn  
Graham Briggs  
Alison Jane Jackson  
Nicolas Andrew Shaw  
Christopher Carr  
David Stuart  
Nicola Irene Lucas  
Carol Ann Shaw  
Janice Margaret Tarttelin  
Claire Marie Read  
Caroline Hutson  
Helen Maria Allen

**Secretary**

Carol Shaw

**Senior Managers**

**Headteacher**

Liam Doran (left 31/8/12)  
Robert Beel (w e f 1/9/12)  
Claire Rigg  
Eveline Dawson

**Deputy Headteacher**

**Assistant Headteacher**

**Registered Office**

Manor Drive  
Waltham  
Grimsby  
DN37 0NU  
Tel 01472 822419

**Company Registration Number**

07772345 (England and Wales)

**Auditors**

Forrester Boyd  
26 South Saint Mary's Gate  
Grimsby  
North East Lincolnshire  
DN31 1LW

**Bankers**

HSBC  
55 Victoria Street  
Grimsby  
North East Lincolnshire  
DN31 1UX

**Solicitors**

Wilkin Chapman Grange  
PO Box 16, Town Hall Square  
Grimsby, North East Lincolnshire  
DN31 1HE

## **REPORT OF THE GOVERNORS**

The governors present their report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2012. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies on pages 21 to 23 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Academy is a company limited by guarantee with no share capital (registration no. 07772345) and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy.

The governors act as the trustees of the charitable activities and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Waltham Leas Primary Academy Limited.

### **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 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**

The governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

Governor recruitment processes are undertaken upon retirement announcements rather than fixed rotation. Governors are recruited through a process of investigation into the individual's expertise and experience with the aim of a broad knowledge base on the Board of Directors.

The governors who were in office at 31 August 2012 and served since the establishment of the Academy, except where shown, are listed on page 3.

During the period under review the governors held five main meetings and five Finance meetings. In addition, there was training given by external providers covering Governors' responsibilities and changes in the new Charities SORP. New and current Governors are also invited to numerous induction and training events throughout the year.

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

## **REPORT OF THE GOVERNORS (CONTINUED)**

As there are normally only one or two new governors a year, induction tends to be done informally and is tailored specifically to the individual. The Academy through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Governors.

### **Organisational Structure**

The school operates with a clear, developing distributive management structure. This is comprised of the Governing Body, a Senior Leadership Team, and a team of support staff. The aim of the structure is to devolve responsibility and accountability, and to encourage involvement and ownership at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the work of the Academy, and helping to set the school's strategic direction. They are involved in making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership team consists of the Headteacher, the Deputy Head, the School Business Manager, along with four Year Group Leaders and a teacher on a TLR. This team leads and manages the school on a daily basis, implements the policies agreed by the Governors, and reports back to them.

They have accountability for standards and achievement within the school. They also have authorisation for spending within agreed budgets and the appointment of staff, though appointment for posts within the Leadership team will always contain a Governor.

The Middle Leaders have teaching responsibilities and accountabilities, as well the leadership of subjects. They have limited budget authorisation within agreed amounts, and involvement in the development of policy and direction for learning.

### **Connected Organisations, including Related Party Relationships**

There are no major associations with financial implications but the Academy is part of an Alliance with 7 other local schools/academies. The Alliance work closely to share best practice, cut costs using bulk purchasing power and arrange cross-school events.

### **Risk Management**

The governors have assessed the major risks to which the Academy is exposed through the Academy's Risk Register and Statement of Internal Control, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Headteacher, Business Manager, Finance Officer and Chair of Governors are attending Risk Management training in October 2012. The Academy has an effective system of internal financial controls and this is explained in more detail below.

## **REPORT OF THE GOVERNORS (CONTINUED)**

### **OBJECTIVES AND ACTIVITIES**

#### **Objects, Aims and Objectives**

As mentioned in the Articles of Association, the Academy Trust's object is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy")

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

The principal object and activity of the charitable company is the operation of the Waltham Leas Primary Academy Limited to provide education for pupils of different abilities between the ages of 4 and 11

The main objectives of the Academy during the period ended 31 August 2012 are summarised below -

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

#### **Strategies and Activities**

The Academy's main strategy is encompassed in its mission statement which is 'Learning together, Learning for life' To this end the activities provided include

- tuition and learning opportunities for all students to attain appropriate academic qualifications,
- training opportunities for all staff, and especially teaching staff,
- a programme of sporting and after school leisure activities for all students,
- a system of after school clubs to allow students to actively follow interests,

Our intention is to foster the aspiration amongst children, staff, Governors and parents for "Learning together, Learning for life"

By this, we mean that all individuals in the school will be encouraged to be continually engaged in the learning process and always try to do their best

To achieve this, we will

- support and encourage the children to become effective, independent learners,
- constantly develop the quality of our teaching,
- strive to actively involve parents in their children's education

## REPORT OF THE GOVERNORS (CONTINUED)

### Equal Opportunities Policy

The governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

### Disabled Persons

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

### 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.

## ACHIEVEMENTS AND PERFORMANCE

The Academy is in its first year of operation. Total students in the period ended 31st August 2012 numbered 418 and the Academy has a full complement in all year groups except Year 6 which was an exceptionally low year group of 47. The Academy has obtained agreement from the Department for Education (DfE) to admit 60 students into each year group, thereby meaning that 60 is our Published Admission Number.

### Key Stage 2 Results

Subject	% Level 4+				% Level 5+			
	2012	2011	+ / -	2010	2012	2011	+ / -	2010
English Overall	89.4	82.0	+7.4	86.0	42.6	11.0	+31.6	38.0
Reading	89.4	87.0	+2.4	92.0	46.8	34.0	+12.8	64.0
Writing	76.6	73.0	+3.6	75.0	23.4	7.0	+16.4	10.0
Maths	83.0	88.0	-5.0	92.0	46.8	53.0	-6.2	53.0

As the above table shows, there was a percentage improvement in English Overall, Reading and Writing, with regards to children achieving Level 4+. Maths showed a slight decline. The same pattern applies to the percentages of pupils achieving level 5+.

The percentage of pupils achieving Level 4+ in both English and Maths was 76.6%, (the national Floor target being 60%).

As far as children making 2 Levels progress between Year 2 and Year 6 is concerned, 85% did so in Reading, 84% in Writing and 81% in Maths. These figures are to be confirmed in Raise Online, which will be released in October.

## **REPORT OF THE GOVERNORS (CONTINUED)**

To ensure that standards are continually raised the Academy operates a programme of observation of lessons, is visited by inspectors, and undertakes a comparison of results from previous years and national averages

The Academy also participates in a variety of staff training events and courses which are attended in line with the Academy development plan

### **FINANCIAL REVIEW**

#### **Financial Report for the Period**

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as income in the Restricted Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned

During the period ended 31 August 2012, total expenditure of £1,191,380 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year (excluding Restricted Fixed Asset Fund and Pension Reserve) was £156,326

At 31 August 2012 the net book value of fixed assets was £1,765,420 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy

The Actuary has calculated the pension scheme deficit as £421,000 as at 31 August 2012, which also equated to the deficit figure that was transferred from the local authority at the date of conversion. Further detail is provided in note 21 of this set of accounts

Expenditure in the year has supported the key objectives by equipping the children with good quality teaching and learning resources, play areas and continued developments with the Academy's use of I T equipment. Staffing levels have increased slightly in order to cover five members of staff on maternity leave

#### **Reserves Policy and Financial Position**

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be equivalent to one month's expenditure, approximately £128,000

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is above the stated amount due to carry forward and in-year surpluses. The Academy intends to maintain the free reserves at the level required



**REPORT OF THE GOVERNORS (CONTINUED)**

The Academy held fund balances at 31 August 2012 of £1,543,465 comprising £1,808,139 of restricted fixed asset funds, £54,795 of restricted general funds, £101,531 of unrestricted general funds and a pension reserve deficit of £421,000

**Investment Policy**

The Academy has an Investment Policy which is fully adhered to and all current investments are in short-term interest earning, low risk savings accounts

**PLANS FOR FUTURE PERIODS**

The Academy will strive continuously to improve the quality of its provision in all areas, which in turn will have the beneficial effect on academic standards

Areas for development include the wider use and deeper embedding of handheld technology in the classroom, the more effective use of assessment data to inform teaching, and the improvement in the standards of writing across the school. All of this will run alongside the embedding of the principles of academisation

**Additional information:**

- there have been no post balance sheet events
- no funds are in deficit


**AUDITORS**

In so far as the governors are aware

- there is no relevant audit information of which the charitable company 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, Forrester Boyd, 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 4 December 2012 and signed on their behalf by



**Mr Ivor Appleton M.B.E.**  
Chair of Governors

**Waltham Leas Primary Academy Limited**  
**Report and Financial Statements Period Ended 31 August 2012**

**GOVERNANCE STATEMENT (replaces Statement on the System of Internal Control)**

**Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Waltham Leas Primary Academy Limited 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 funding agreement between Waltham Leas Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdown 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 five times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings Attended	Out of a Possible
I Appleton	5	5
N Lucas	5	5
G Briggs	5	5
C Carr	5	5
C Hutson	5	5
C Read	5	5
C Shaw	5	5
N Shaw	5	5
K Smith	5	5
H Allen	4	5
J Tartelin	4	5
L Doran	4	5
S Dunn	4	5
D Stuart	2	5
A Jackson	2	5

The Finance and Audit Committee is a sub-committee of the main governing body. Its purpose is to ensure financial regularity is maintained. The Headteacher provides the strategic direction for the Academy and the Finance and Audit Committee ensures that the school is equipped to enable this to happen. Without sound financial systems and controls being in place and being monitored, the Academy could be at risk of deficits, fraud and cashflow problems.

## GOVERNANCE STATEMENT (CONTINUED)

Attendance at meetings in the year was as follows

Governor	Meetings Attended	Out of a Possible
I Appleton	5	5
C Shaw	5	5
L Doran	5	5
N Lucas	4	5
C Read	3	5
D Stuart	2	5
H Allen	2	5
G Briggs	1	5

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Waltham Leas Primary Academy Limited 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 has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The process of identifying, evaluating and managing risk is ongoing and regularly reviewed by the governing body

### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- regular reviews by the Finance and Audit 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

**GOVERNANCE STATEMENT (CONTINUED)**

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the governors have appointed Mr N Shaw, 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's financial systems.

On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

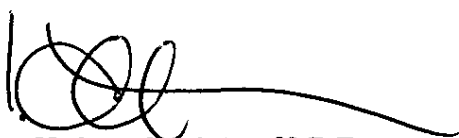
**Review of Effectiveness**

As accounting officer, the Headteacher (Mr Robert Beel) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

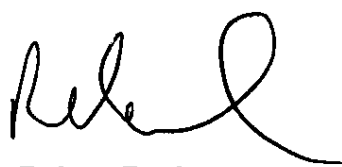
- the work of the Responsible Officer,
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the Principal Finance Officer (Academy Business Manager) within the academy who has responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of implications as a result of their review of the system of internal control by the Finance and Audit Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 4 December 2012 and signed on its behalf by



**Mr Ivor Appleton M.B.E.**  
Chair of Governors



**Mr Robert Beel**  
Head Teacher & Accounting Officer

**Waltham Leas Primary Academy Limited**  
**Report and Financial Statements Period Ended 31 August 2012**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

I confirm that I and the Academy governing body are able to identify any material irregular or improper use of funds by the Academy'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 handwritten signature in black ink, appearing to read 'R Beel', with a large, stylized loop at the end.

**Mr Robert Beel**  
**Head Teacher & Accounting Officer**

## STATEMENT OF GOVERNORS RESPONSIBILITIES

The Governors (who act as trustees for charitable activities of Waltham Leas Primary Academy 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 apply them consistently,
- observe the methods and principles in the charities SORP,
- make judgements 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 4 December 2012 and signed on its behalf by



**Mr Ivor Appleton M.B.E.**  
Chair of Governors

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WALTHAM LEAS  
PRIMARY ACADEMY LIMITED**

We have audited the financial statements of Waltham Leas Primary Academy Limited for the period from 13 September 2011 to 31 August 2012, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, 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 trustees, 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 charity's trustees 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 trustees 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 Statement of Governors Responsibilities (set out on page 14) the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the 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 the Financial Statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Waltham Leas Primary Academy Limited  
Report and Financial Statements Period Ended 31 August 2012

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WALTHAM LEAS  
PRIMARY ACADEMY LIMITED (CONTINUED)**

**Opinion on Other Matter Prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' 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



Kevin Hopper ACA (Senior Statutory Auditor)  
For and on behalf of Forrester Boyd, Statutory Auditor

26 South St Mary's Gate  
Grimsby  
North East Lincolnshire  
DN31 1LW

4 December 2012



Waltham Leas Primary Academy Limited  
Report and Financial Statements Period Ended 31 August 2012

**INDEPENDENT AUDITORS' REPORT ON REGULARITY TO THE GOVERNING  
BODY OF WALTHAM LEAS PRIMARY ACADEMY LIMITED AND THE  
EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 6 October 2011 and further to the requirements of the Education Funding Authority (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 13 September 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 may 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 any responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

**Respective Responsibilities of the Governing Body and Auditors**

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period from 13 September 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 from 13 September 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.



Forrester Boyd, Statutory Auditor

26 South St Mary's Gate  
Grimsby  
North East Lincolnshire  
DN31 1LW  
4 December 2012

Waltham Leas Primary Academy Limited  
Report and Financial Statements Period Ended 31 August 2012

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**  
**(including Income and Expenditure Account and**  
**Statement of Recognised Gains and Losses)**

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
		£	£	£	£
<b>Incoming Resources</b>					
From Generated Funds					
- Voluntary income	2	9,728	0	0	9,728
- Voluntary income - transfer from Local Authority on conversion	2	52,796	(421,000)	1,822,803	1,454,599
Activities for Generating Funds	3	2,135	18,962	0	21,097
Investment Income	4	155	0	0	155
From Charitable Activities					
- For Academy's educational operations	5	58,368	1,194,162	8,736	1,261,266
<b>Total Incoming Resources</b>		<b>123,182</b>	<b>792,124</b>	<b>1,831,539</b>	<b>2,746,845</b>
<b>Resources Expended</b>					
On Generating Funds					
- Other spend - transferred from Local Authority on conversion		0	0	0	0
- Costs on generating voluntary income		0	0	0	0
- Fundraising trading		0	0	0	0
On Charitable Activities					
- For Academy's educational operations	6/7	21,651	1,131,450	23,400	1,176,501
Governance Costs	6/8	0	14,879	0	14,879
<b>Total Resources Expended</b>		<b>21,651</b>	<b>1,146,329</b>	<b>23,400</b>	<b>1,191,380</b>
<b>Net incoming (outgoing) resources before transfers</b>		<b>101,531</b>	<b>(354,205)</b>	<b>1,808,139</b>	<b>1,555,465</b>
Gross transfers between funds		0	0	0	0
<b>Net income/(expenditure) for the year</b>		<b>101,531</b>	<b>(354,205)</b>	<b>1,808,139</b>	<b>1,555,465</b>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	21	0	(12,000)	0	(12,000)
<b>Net Movement in Funds</b>		<b>101,531</b>	<b>(366,205)</b>	<b>1,808,139</b>	<b>1,543,465</b>
<b>Reconciliation of Funds</b>					
Total Funds Brought Forward at 1 January 2012		0	0	0	0
<b>Funds Carried Forward at 31 August 2012</b>		<b>101,531</b>	<b>(366,205)</b>	<b>1,808,139</b>	<b>1,543,465</b>

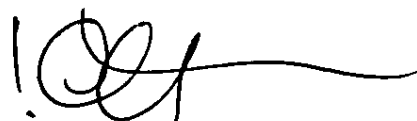
All of the Academy's activities derive from acquisitions during the period. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Waltham Leas Primary Academy Limited  
Report and Financial Statements Period Ended 31 August 2012

**BALANCE SHEET**  
**At 31 August 2012**

	Notes	At 31 August 2012	
		£	£
<b>Fixed Assets</b>			
Tangible Assets	12	1,765,420	
Investments		0	
<b>Total Fixed Assets</b>			<b>1,765,420</b>
<b>Current Assets</b>			
Stock		0	
Debtors	13	32,161	
Cash at Bank and In Hand		310,472	
		<b>342,633</b>	
<b>Current Liabilities</b>			
Creditors amounts falling due within one year	14	(143,588)	
<b>Net Current Assets</b>			<b>199,045</b>
<b>Total Assets less Current Liabilities</b>			<b>1,964,465</b>
Pension Scheme Liability	21	(421,000)	
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<b>1,543,465</b>
<b>Funds</b>			
<b>Restricted Funds</b>			
Restricted Fixed Asset Fund	15	1,808,139	
Restricted General Fund	15	54,795	
Pension Reserve	15/21	(421,000)	
<b>Total Restricted Funds</b>			<b>1,441,934</b>
<b>Unrestricted Income Funds</b>			
General Fund	15	101,531	
<b>Total Unrestricted Funds</b>			<b>101,531</b>
<b>TOTAL FUNDS</b>			<b>1,543,465</b>

The financial statements on pages 18 to 40 were approved by the governors on 4 December 2012 and signed on their behalf by



**Mr Ivor Appleton M.B.E.**  
**Chair of Governors**  
**Waltham Leas Primary Academy Limited**  
**Company Registration Number 07772345**  
**4 December 2012**

**CASH FLOW STATEMENT**  
**For the Period Ended 31 August 2012**

	Notes	2012	
		£	£
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	23		196,856
Cash Transferred on Conversion to Academy Trust	25		104,725
<b>Net Cash Inflow Before Financing</b>			<b>301,581</b>
<b>Returns on Investment and Servicing of Finance</b>			
Interest Received	4/23	155	
Other Cash Payments		<u>0</u>	
			<b>155</b>
<b>Capital Income/(Expenditure)</b>			
Capital Grants from DfE/EFA	5/23	8,736	
Capital Funding Received from Sponsors		0	
Purchase of Tangible Fixed Assets		0	
Receipts from Sale of Tangible Fixed Assets		<u>0</u>	
			<b>8,736</b>
<b>Net Increase/(Decrease) in Cash</b>			<b>310,472</b>
<b>Reconciliation of Net Cash Flow to Movement in Net Funds</b>			
Net Increase/(Decrease) in Cash			<b>310,472</b>
Net Funds at 1 January 2012			0
Net Funds at 31 August 2012			<u>310,472</u>
<b>Change in Net Funds</b>			<b>310,472</b>

All of the cashflows are derived from acquisitions in the current financial period

**Analysis of Changes in Net Funds**

	At 1 January 2012 £	Cash Flows in Period £	At 31 August 2012 £
Cash in Hand and at Bank	<u>0</u>	<u>310,472</u>	<b>310,472</b>
	<u>0</u>	<u>310,472</u>	<b>310,472</b>

## PRINCIPAL ACCOUNTING POLICIES

**1. Basis of Preparation** - the financial statements are prepared under the historic cost convention and in accordance with applicable United Kingdom accounting standards, the charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' (SORP 2005), the Academies Accounts direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below

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

**3. 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 for received 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 included in the Statement of Financial Activities on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

- **Other Income** - other income is recognised in the period it is receivable and to the extent that the goods have been provided or on completion of the service.

- **Interest Receivable** - Interest receivable is included within the Statement of Financial Activities on a receivable basis.

### 4. Resources Expended

- **Recognition** - resources expended are recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs relating to that category. All resources expended are inclusive of irrecoverable VAT.

- **Allocation of Costs** - where costs cannot be directly attributed to particular headings they have been allocated on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use. Other support costs are allocated based on the spread of staff costs.

- **Costs of Generating Funds** - these are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable Activities** - these are costs incurred on the academy trust's educational operations.

## PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

- **Governance Costs** - these include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses

### 5. Fund Accounting

- **Unrestricted Funds** represent those resources which may be used towards meeting any of the charitable aspects 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 grant funding bodies 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 DfE/EFA

**6. Academy Conversion** - 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 school land and buildings were transferred at the value calculated by North East Lincolnshire Council's appointed qualified valuers on a depreciated replacement cost basis. Assets and liabilities of the Local Government Pension Scheme were valued by appointed pension's actuary Hymans Robertson. Other balances transferred were cash values. 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.

**7. Tangible Fixed Assets** - tangible fixed assets acquired since the Academy was established are included in the accounts at cost. The opening valuation of the school is deemed to be the value of the school as recorded by the Local Education Authority at the date of transfer. Where tangible fixed assets have been funded from grants the related grants are credited to a Restricted Fixed Asset Fund (in the Statement of Financial Activities and carried forward in the Balance Sheet). Assets costing less than £2,000 are recorded as a revenue expense in the year of acquisition. All other assets are capitalised.

**8. Depreciation and Impairment** - depreciation on assets is charged in the Statement of Financial Activities on a straight line basis over the expected useful economic life of the related asset. No depreciation is charged on land. Assets in the course of construction are included at cost and depreciation not charged until they are brought into use. Depreciation is charged on the value of the asset at the start of the year. This means that no depreciation is charged in the year of acquisition but that depreciation is charged in the year of disposal. The school building transferred from the local authority is depreciated from the date of transfer, over its remaining useful economic life of 50 years, with leasehold land depreciated over the lease term of 125 years.

## PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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.

**9. Leased Assets** - rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**10. Taxation** - the Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company. 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.

**11. Pensions** - 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 pension schemes, are contracted out of the State Earnings Related Pension Schemes (SERPS), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits are vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

## NOTES TO THE ACCOUNTS

### 1. General Annual Grant (GAG)

	2012 £
<b>Results and Carry Forward for the Period</b>	
GAG brought forward from previous period	0
GAG allocation for current period	1,113,961
<b>Total GAG Available to Spend</b>	<b>1,113,961</b>
Recurrent net expenditure from GAG	(1,059,166)
Fixed asset purchases from GAG	0
<b>GAG Carried Forward to Next Period</b>	<b>54,795</b>
Maximum permitted GAG carry forward at end of current period	<b>133,675</b>
<b>GAG Surrender to DfE</b>	<b>0</b>
(12% rule breached if result is positive)	(no breach)

### 2. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2012 £
From conversion from Local Authority				
- revenue	52,796	0	0	52,796
- devolved capital	0	0	33,983	33,983
- donated assets	0	0	1,788,820	1,788,820
- pension liability	0	(421,000)	0	(421,000)
Miscellaneous Donations	9,728	0	0	9,728
<b>Total</b>	<b>62,524</b>	<b>(421,000)</b>	<b>1,822,803</b>	<b>1,464,327</b>

### 3. Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2012 £
Hire of Facilities	2,135	0	0	2,135
Catering Income	0	18,962	0	18,962
<b>Total</b>	<b>2,135</b>	<b>18,962</b>	<b>0</b>	<b>21,097</b>



Waltham Leas Primary Academy Limited  
Report and Financial Statements Period Ended 31 August 2012

**NOTES TO THE ACCOUNTS (CONTINUED)**

**4. Investment Income**

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2012 £
Short-term Deposits	155	0	0	155
Other	0	0	0	0
<b>Total</b>	<b>155</b>	<b>0</b>	<b>0</b>	<b>155</b>

**5. Funding for the Academy's Educational Operations**

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2012 £
Department for Education (DfE) Grants				
- General Annual Grant (note 1)	0	1,113,961	0	1,113,961
- Pupil Premium Grant	0	12,208	0	12,208
- Start Up Grant	0	25,000	0	25,000
- Capital Grants	0	0	8,736	8,736
<b>Total DfE Grants</b>	<b>0</b>	<b>1,151,169</b>	<b>8,736</b>	<b>1,159,905</b>
Other Income				
- Local Authority Statement Funding	0	42,993	0	42,993
- Other Income	58,368	0	0	58,368
<b>Total Other Income</b>	<b>58,368</b>	<b>42,993</b>	<b>0</b>	<b>101,361</b>
<b>Overall Total</b>	<b>58,368</b>	<b>1,194,162</b>	<b>8,736</b>	<b>1,261,266</b>

**6. Resources Expended**

	2012			Total
	Staff Costs £	Deprecia- tion £	Other £	£
Costs of Generating Voluntary Income	0	0	0	0
Costs of Activities for Generating Funds	0	0	0	0
Academy's Educational Operations				
- Direct costs	758,687	23,400	138,354	920,441
- Allocated support costs	102,514	0	153,546	256,060
<b>Total Educational Operations</b>	<b>861,201</b>	<b>23,400</b>	<b>291,900</b>	<b>1,176,501</b>
Governance Costs (including allocated support costs)	0	0	14,879	14,879
<b>Overall Total</b>	<b>861,201</b>	<b>23,400</b>	<b>306,779</b>	<b>1,191,380</b>

Waltham Leas Primary Academy Limited  
Report and Financial Statements Period Ended 31 August 2012

**NOTES TO THE ACCOUNTS (CONTINUED)**

Incoming/outgoing resources for the year include –

	<b>2012 £</b>
Operating Leases	2,176
Fees payable to audit -	
- external scrutiny	4,850
- other	500
<b>Total</b>	<b>7,526</b>

**7. Charitable Activities – Academy's Educational Operations**

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2012 £
<b>Direct Costs</b>				
Teaching & Educational Support Staff Costs	0	782,687	0	782,687
Depreciation	0	0	23,400	23,400
Educational Supplies	7,454	69,728	0	77,182
Examination Fees	0	0	0	0
Staff Development	0	5,403	0	5,403
Educational Services	9,208	46,503	0	55,711
FRS17 Staff Costs - current service	0	(24,000)	0	(24,000)
Other Direct Costs	0	58	0	58
<b>Total Direct Costs</b>	<b>16,662</b>	<b>880,379</b>	<b>23,400</b>	<b>920,441</b>
<b>Allocated Support Costs</b>				
Support Staff Costs	0	102,514	0	102,514
Depreciation	0	0	0	0
Recruitment and Support	0	2,071	0	2,071
Maintenance of Premises and Equipment	0	31,124	0	31,124
Cleaning	0	3,083	0	3,083
Rent and Rates	0	8,739	0	8,739
Gas and Electricity	0	11,665	0	11,665
Insurance	0	20,494	0	20,494
Licences and Subscriptions	0	4,601	0	4,601
Security and Transport	0	1,366	0	1,366
Catering	0	30,696	0	30,696
Bank Interest and Charges	0	0	0	0
FRS17 - other adjustments	0	12,000	0	12,000
Other Support Costs	4,989	22,718	0	27,707
<b>Total Support Costs</b>	<b>4,989</b>	<b>251,071</b>	<b>0</b>	<b>256,060</b>
<b>Overall Total</b>	<b>21,651</b>	<b>1,131,450</b>	<b>23,400</b>	<b>1,176,501</b>

Waltham Leas Primary Academy Limited  
Report and Financial Statements Period Ended 31 August 2012

**NOTES TO THE ACCOUNTS (CONTINUED)**

**8. Governance Costs**

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2012 £
Legal and Professional Fees	0	3,744	0	3,744
Audit and Accountancy Fees	0	10,705	0	10,705
Governor Services	0	430	0	430
<b>Total</b>	<b>0</b>	<b>14,879</b>	<b>0</b>	<b>14,879</b>

**9. Staff Costs, Numbers and Remuneration**

The average number of persons (including senior management team) employed by the Academy during the period ended 31 August 2012, expressed as full time equivalents, was as follows –

	2012 No.
<b>Charitable Activities</b>	
Teachers	15.0
Management	3.0
Administration and Support	23.4
	<b>41.4</b>
<b>Governance Activities</b>	<b>0.0</b>
<b>Total</b>	<b>41.4</b>

Staff costs comprise –

	2012 £
Wages and Salaries	712,009
Employers National Insurance Costs	45,063
Employers Pension Costs	128,129
FRS17 Pension Costs Adjustments	(24,000)
<b>Total</b>	<b>861,201</b>

**NOTES TO THE ACCOUNTS (CONTINUED)**

One employee was in receipt of a salary of more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the period ended 31 August 2012. However, it should be noted that as the school did not become an academy until 1 January 2012, the employee received eight months' (8/12ths) worth of this amount up to the 31 August 2012. The annual salary level of this employee fell in the respective banding below –

	2012 No.
£70,001 - £80,000	1

This employee participated in the Teachers' Pension Scheme and during the period ended 31 August 2012, employers pension contributions for this member of staff amounted to £6,673

**10. Governors' Remuneration and Expenses**

The governors of the Academy did not receive any payment from the Academy in the course of their duties

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. The value of governors remuneration (for the 8 months period) was as follows

Headteacher	Mr Liam Doran	£47,327
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**11. Governors' and Officers' Insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10m on any one claim and the cost for the period ended 31 August 2012 was £1,857

Waltham Leas Primary Academy Limited  
Report and Financial Statements Period Ended 31 August 2012

**NOTES TO THE ACCOUNTS (CONTINUED)**

**12. Tangible Fixed Assets**

	Leashold Land & Buildings £	Furniture & Equipment £	2012 Computer Equipment & Software £	Assets Under Construction £	Total £
<b>Cost</b>					
At 1 January 2012	0	0	0	0	0
Additions (all are transfers on conversion))	1,788,820	0	0	0	1,788,820
Disposals	0	0	0	0	0
<b>Gross Book Value at 31 August 2012</b>	<b>1,788,820</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,788,820</b>
<b>Depreciation</b>					
At 1 January 2012	0	0	0	0	0
Charged in Year	23,400	0	0	0	23,400
Disposals	0	0	0	0	0
<b>Depreciation at 31 August 2012</b>	<b>23,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,400</b>
<b>Net Book Value at 31 August 2012</b>	<b>1,765,420</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,765,420</b>

The valuations of land and buildings transferred from the local authority were undertaken by the Estates and Valuation Section of Balfour Beatty Workplace under the direction of

Mr Nick Booth, MRICS, Head of Asset Management and  
Mr Paul Durrant, BSc (Hons) Dip Surv MRICS, Principal Surveyor

**13. Debtors**

	2012 £
VAT Recoverable	28,192
Prepayments	3,870
Other Debtors	99
<b>Total</b>	<b>32,161</b>

Waltham Leas Primary Academy Limited  
Report and Financial Statements Period Ended 31 August 2012

**NOTES TO THE ACCOUNTS (CONTINUED)**

**14. Creditors – amounts falling due within one year**

	2012 £
Trade Creditors	0
North East Lincolnshire Council - staff pay	81,094
Other Creditors	24,692
Accruals and Deferred Income	37,802
<b>Total</b>	<b>143,588</b>

**Deferred Income**

	2012 £
Deferred Income at Start of Year	0
Resources Deferred in the Year	34,802
Amounts Released from Previous Years	0
<b>Deferred Income at 31 August 2012</b>	<b>34,802</b>

The deferred income is income received in advance of a pupil trip to France in 2012/13 (£8,920) and Special Educational Needs funding received that covers the financial years April 2012 to March 2013 (deferred element is for September 2012 to March 2013 - £25,882)

**15. Funds**

The income funds for the Academy comprise the following balances of grants and other income to be applied for specific purposes –

	Balance at 1 January 2012	Incoming Resources	2012 Resources Expended	Gains, Losses & Transfers	Balance at 31 August 2012
	£	£	£	£	£
<b>Restricted General Funds</b>					
General Annual Grant (note (i))	0	1 113,961	(1,059,166)	0	54,795
Catering Income - allocated to GAG	0	18,962	(18,962)	0	0
Pupil Premium Grant	0	12,208	(12,208)	0	0
Start Up Grant	0	25,000	(25,000)	0	0
Pension Reserve	0	(421,000)	12,000	(12,000)	(421,000)
Local Authority Statement Funding	0	42,993	(42,993)	0	0
<b>Total Restricted General Funds</b>	<b>0</b>	<b>792,124</b>	<b>(1,146,329)</b>	<b>(12,000)</b>	<b>(366,205)</b>
<b>Restricted Fixed Asset Funds</b>					
DfE Capital Grants	0	8,736	0	0	8,736
Donated Assets from Local Authority	0	1,788,820	(23,400)	0	1,765,420
Devolved Capital from Local Authority	0	33,983	0	0	33,983
<b>Total Restricted Fixed Asset Funds</b>	<b>0</b>	<b>1,831,539</b>	<b>(23,400)</b>	<b>0</b>	<b>1,808,139</b>
<b>Total Restricted Funds</b>	<b>0</b>	<b>2,623,663</b>	<b>(1,169,729)</b>	<b>(12,000)</b>	<b>1,441,934</b>
<b>Unrestricted Funds</b>	<b>0</b>	<b>123,182</b>	<b>(21,651)</b>	<b>0</b>	<b>101,531</b>
<b>Total Funds</b>	<b>0</b>	<b>2,746,845</b>	<b>(1,191,380)</b>	<b>(12,000)</b>	<b>1,543,465</b>

**NOTES TO THE ACCOUNTS (CONTINUED)**

Notes

- (i) General Annual Grant (GAG) must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.
- (ii) Catering expenditure is incurred against General Annual Grant and therefore any income from parents towards these costs is also allocated against General Annual Grant.
- (iii) Local Authority Statement funding is provided for the provision of services for children with special educational needs.
- (iv) Pupil Premium Grant may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools, and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year.
- (v) Devolved capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes.
- (vi) The donated assets income is the value of the school transferred from the local authority on conversion. The expenditure is the depreciation of the building since conversion up to the 31 August 2012.
- (vii) Start-up grant of £25,000 was received from the DfE to provide funding in support of additional costs anticipated to be incurred upon the schools conversion to an academy.
- (viii) The Pension Reserve recognises the schools current deficit position in respect of the Local Government Pension Scheme.

**16. Analysis of Net Assets Between Funds**

Fund balances at 31 August 2012 are represented by –

	2012			Total £
	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	
	£	£	£	
Tangible Fixed Assets	0	0	1,765,420	1,765,420
Investments	0	0	0	0
Current Assets	110,451	189,463	42,719	342,633
Current Liabilities	(8,920)	(134,668)	0	(143,588)
Pension Scheme Liability	0	(421,000)	0	(421,000)
<b>Total</b>	<b>101,531</b>	<b>(366,205)</b>	<b>1,808,139</b>	<b>1,543,465</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### 17. Capital Commitments

There are no contractual capital commitments at the 31 August 2012

### 18. Events After the Balance Sheet Date

There are no events that require reporting after the balance sheet date

### 19. Lease Commitments

#### Operating Leases

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

	2012 £
Operating leases which expire	
Within One Year	7,496
Within Two to Five Years	3,609
<b>Total</b>	<b>11,105</b>

### 20. Contingent Assets and Liabilities

There are no contingent assets or contingent liabilities

### 21. Pension Commitments

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, which is managed by the East Riding Pension Fund 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

The employee and employer pension contributions are paid on the schools behalf by North East Lincolnshire Council each month The amount outstanding as at 31 August 2012 for the schemes was £21,915 and this is included in the creditor amount due to North East Lincolnshire Council at the end of the financial year

#### **Teachers' Pension Scheme (TPS)**

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



**NOTES TO THE ACCOUNTS (CONTINUED)**

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 TPS, which is an unfunded scheme, 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 pension increases)

With effect 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 review is to specify the level of future contributions

Contributions are 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 the accumulated liabilities of the Account for benefits to past and present teachers are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS was for 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 £166,500m The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240m

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 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 an 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

## NOTES TO THE ACCOUNTS (CONTINUED)

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 upon 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 of 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 the process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS scheme is classed as a multi-employer pension scheme. The Academy is unable to identify its share of the underlying (notional) 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 latest information available for the scheme and the implications for the academy in terms of the anticipated contributions rates.

### Local Government Pension Scheme (LGPS)

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The total contributions made for the period ended 31 August 2012 was £74,920 of which employer's contributions totalled £64,964 and employees' contributions totalled £9,956. The agreed contribution rates for future years are 37.7% for employers, with the rate for employees being dependent on the individual's pay.

The following information is based upon a full actuarial valuation of the fund at 31 March 2010, updated to 31 August 2012 by a qualified independent actuary. The major assumptions used by the actuary were:

### Financial Assumptions

	At 1 January 2012	At 31 August 2012
Rate of Increase in Pensions/Inflation	2.3%	2.2%
Rate of Increase in Salaries	4.6%	4.5%
Expected Return on Assets	5.4%	4.9%
Discount Rate	4.7%	4.1%

## NOTES TO THE ACCOUNTS (CONTINUED)

### **Commutation**

An allowance is included for future retirements to elect to take 30% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 65% of the maximum tax-free cash for post-April 2008 service

### **Mortality**

The average future life expectancies at age 65 are summarised below -

	<b>Males</b>	<b>Females</b>
Current Pensioners	22 9 years	25 7 years
Future Pensioners	24 9 years	27 7 years

### **Expected Return on Assets by Category**

	<b>At 1 January 2012</b>	<b>At 31 August 2012</b>
Equities	6 0%	5 5%
Bonds	3 9%	3 4%
Property	4 2%	3 7%
Cash	3 2%	2 8%

### **Investment Returns**

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period

The return on the Fund in market value terms for the period to 31 August 2012 is estimated based on the actual Fund returns as provided by the Administering Authority and index returns where necessary Details are given below -

Actual Return for Period from 1 January 2012 to 31 March 2012	5 8%
Estimated Return for Period from 1 April 2012 to 31 August 2012	6 7%

**NOTES TO THE ACCOUNTS (CONTINUED)**

**Revenue Account Costs**

***Recognised as Income and Expenditure in Statement of Financial Activities***

	2012	
	£000	%
Current Service Cost	40	23.2%
Interest Cost	14	8.1%
Expected Return on Employer Assets	(2)	(1.2%)
Past Service Cost/(Gain)	0	0.0%
Losses/(Gains) on Curtailments and Settlements	0	0.0%
<b>Total</b>	<b>52</b>	<b>30.1%</b>
Actual Return on Employer Assets	3	

***Reconciliation of Defined Benefit Obligations***

	2012 £000
Opening Defined Benefit Obligation at 1 January 2012	436
Movement in period	
- Current Service Cost	40
- Interest Cost	14
- Contributions by Members	10
- Actuarial Losses/(Gains)	14
- Past Service Costs/(Gains)	0
- Losses/(Gains) on Curtailments	0
- Liabilities Extinguished on Settlements	0
- Liabilities Assumed in a Business Combination	0
- Exchange Differences	0
- Estimated Unfunded Benefits Paid	0
- Estimated Benefits Paid	0
<b>Closing Defined Benefit Obligation at 31 August 2012</b>	<b>514</b>

***Reconciliation of Fair Value of Employer Assets***

	2012 £000
Opening Fair Value of Employer Assets at 1 January 2012	15
Movement in period	
- Expected Return on Assets	2
- Contributions by Members	10
- Contributions by Employer	64
- Contributions in Respect of Unfunded Benefits	0
- Actuarial Gains/(Losses)	2
- Assets Distributed on Settlements	0
- Assets Acquired in a Business Combination	0
- Exchange Differences	0
- Estimated Unfunded Benefits Paid	0
- Estimated Benefits Paid	0
<b>Closing Fair Value of Employer Assets at 31 August 2012</b>	<b>93</b>

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**NOTES TO THE ACCOUNTS (CONTINUED)**

***Amounts for the Current Accounting Period***

	<b>2012 £000</b>
Fair Value of Employer Assets	93
Present Value of Defined Benefit Obligation	(514)
<b>Surplus/(Deficit)</b>	<b>(421)</b>
Experience Gains/(Losses) on Assets	2
Experience Gains/(Losses) on Liabilities	0

***Actuarial Gains and Losses***

	<b>2012 £000</b>
Opening Actuarial Gains/(Losses) at 1 January 2012	0
Increase/(Decrease) in Irrecoverable Surplus from Membership Fall & Other Factors	0
Actuarial Gains/(Losses) Recognised in Statement of Financial Activities	(12)
<b>Cumulative Actuarial Gains and (Losses)</b>	<b>(12)</b>

***Projected Pension Expense for the Period to 31 August 2013***

	<b>2013</b>	
	<b>£000</b>	<b>%</b>
Projected Current Service Cost	65	25.0%
Interest on Obligation	23	8.8%
Expected Return on Employer Assets	(7)	(2.7%)
Past Service Cost/(Gain)	0	0.0%
Losses/(Gains) on Curtailments and Settlements	0	0.0%
<b>Total</b>	<b>81</b>	<b>31.1%</b>

The estimated value of employer contributions for the year ended 31 August 2013 is £98,000

**NOTES TO THE ACCOUNTS (CONTINUED)**

**Balance Sheet Disclosures**

***Fair Value of Employer Assets***

	<b>At 1 January 2012 £000</b>	<b>At 31 August 2012 £000</b>
Equities	11	69
Bonds	2	11
Property	1	7
Cash	1	6
<b>Total</b>	<b>15</b>	<b>93</b>

***Balance Sheet***

	<b>At 1 January 2012 £000</b>	<b>At 31 August 2012 £000</b>
Fair Value of Employer Assets	15	93
Present Value of Funded Liabilities	(436)	(514)
<b>Net (Under)/Over Funding in Funded Plans</b>	<b>(421)</b>	<b>(421)</b>
Present Value of Unfunded Liabilities	0	0
Unrecognised Past Service Cost	0	0
<b>Net Asset/(Liability)</b>	<b>(421)</b>	<b>(421)</b>
Amount in the Balance Sheet		
Liabilities	(421)	(421)
Assets	0	0
<b>Net Asset/(Liability)</b>	<b>(421)</b>	<b>(421)</b>

***Sensitivity Analysis***

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below -

<b>Change in Assumptions at 31 August 2012.</b>	<b>Approximate Increase to Employer Liability %</b>	<b>Approximate % Monetary Amount £000</b>
0.5% Decrease in Real Discount Rate	11%	59
1 Year Increase in Member Life Expectancy	3%	15
0.5% Increase in the Salary Increase Rate	4%	22
0.5% Increase in the Pension Increase Rate	7%	36

**NOTES TO THE ACCOUNTS (CONTINUED)**

**22. 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

**23. Reconciliation of Net Income to Net Cash Flows from Operating Activities**

	<b>2012</b>
	<b>£</b>
<b>Net Income</b>	<b>1,555,465</b>
Cash Impact on Conversion to Academy Trust (note 25)	(104,725)
DfE Capital Grants Received in Year	(8,736)
Interest Received (note 4)	(155)
<b>Non cash transactions</b>	
Depreciation (note 12)	23,400
Voluntary Income from Donated Assets	(1,788,820)
FRS17 Pension Liability Transferred from Local Authority (note 21)	421,000
FRS17 Pension Cost Less Contributions Payable (note 21)	(24,000)
FRS17 Pension Finance Income (note 21)	12,000
(Increase)/Decrease in Stocks	0
(Increase)/Decrease in Debtors	(32,161)
Increase/(Decrease) in Creditors	143,588
<b>Net Cash Inflow from Operating Activities</b>	<b>196,856</b>

**24. 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.

Mr Ivor Appleton MBE, Chair of Governors, owns his own business and received payments totalling £13,004 for work undertaken at the school during the period ended 31 August 2012.

There were no outstanding related party transaction balances outstanding as at 31 August 2012.

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**NOTES TO THE ACCOUNTS (CONTINUED)**

**25. Conversion to an Academy Trust**

On 1 January 2012 Waltham Leas Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Waltham Leas Primary Academy Limited from North East Lincolnshire 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 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 Statement of Financial Activities –

	2012			
	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Funds	Total
	£	£	£	£
<b>Tangible Fixed Assets</b>				
- Leasehold Land and Buildings	0	0	1,788,820	1,788,820
Budget Surplus on LA Funds	52,796	0	33,983	86,779
Budget Surplus on Other School Funds	17,946	0	0	17,946
LGPS Pension Surplus/(Deficit)	0	(421,000)	0	(421,000)
<b>Net Assets/(Liabilities)</b>	<b>70,742</b>	<b>(421,000)</b>	<b>1,822,803</b>	<b>1,472,545</b>

The above net assets include £104,725 that was transferred as cash

The land and buildings transferred on a 125 year lease