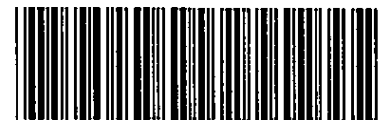


**GREAT BOWDEN ACADEMY LIMITED**  
(A Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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**GREAT BOWDEN ACADEMY LIMITED**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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**Trustees**

Helen Trotter, Chair of Trustees<sup>1 4</sup>  
Jan Shardlow, Vice Chair<sup>2 4</sup>  
Les Dodd, Chair of Finance and Audit Committee<sup>1 4</sup>  
Georgina Connors<sup>2</sup>  
Raoul Mercer<sup>1</sup>  
Michael Fletcher<sup>2</sup>  
Sarah Hill<sup>2 4</sup>  
Sue Fraser<sup>1</sup>  
Julie Dunne, Business Manager<sup>1,3</sup>  
Jayne Wicks, Staff Trustee<sup>2</sup>  
Lennie Rhodes<sup>1 3</sup>  
Isabel Dupey<sup>2</sup>  
Gemma Christison  
Bernard Evans  
Rev James Shakespeare<sup>1</sup>  
Stefanie Edwards, Head Teacher<sup>1 2 4</sup>  
Andrew Humphrey (resigned 10 July 2012)  
Jon Cook (resigned 25 November 2012)  
Rebecca Blagburn, Staff Trustee (resigned 11 January 2013)  
Peter Gould (resigned 22 May 2013)

<sup>1</sup> Finance and Audit Committee

<sup>2</sup> Curriculum Committee

<sup>3</sup> Health and Safety / Premises Committee

<sup>4</sup> Pay Committee

**Company registration number**

08095439

**Principal and registered office**

Gunnsbrooke Close  
Great Bowden  
Market Harborough  
Leicestershire  
LE16 7EQ

**Company secretary**

Caroline Banks

**Senior management team**

Stefanie Edwards, Head Teacher  
Julie Dunne, Business Manager  
Rebecca Blagburn, Teacher  
Sarah Trappitt, Teacher - EYFS

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**GREAT BOWDEN ACADEMY LIMITED**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**Advisers (continued)**

**Independent auditor**

MHA MacIntyre Hudson  
Chartered Accountants  
Statutory Auditor  
Lyndale House  
Ervington Court  
Harcourt Way  
Meridian Business Park  
Leicester  
LE19 1WL

**Bankers**

National Westminster Plc  
Gateway House  
4 Penman Way  
Grove Park  
Enderby  
Leicester  
LE19 1SY

**Solicitors**

Legal Services  
Leicestershire County Council

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**GREAT BOWDEN ACADEMY LIMITED**  
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**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Great Bowden Academy (the Academy) for the period from 7 June 2012 to 31 August 2013. The Trustees confirm that the Annual Report and financial statements of the Academy comply with current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**CONSTITUTION**

The Academy is constituted under a Memorandum of Association dated 7 June 2012.

Great Bowden Academy, a Church of England Primary School 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. The Governors are Trustees of Great Bowden Academy and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Great Bowden Academy.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

**MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

**TRUSTEES' INDEMNITIES**

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1,380.

**PRINCIPAL ACTIVITIES**

'The Academy Trust's charitable objects are to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on and developing a school with a designated Church of England religious character offering a broad and balanced curriculum, conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship and in having regard to the advice of the Diocesan Board of Education' (Great Bowden Academy Memorandum of Association).

The Department of Education provides funding for Great Bowden Academy on the understanding that education is provided for all pupils in the area local to the school regardless of ability.

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**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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

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**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

There are three 'Members' of the Academy Trust, comprising signatories to the Memorandum who are

- 1 Helen Trotter
- 2 Les Dodd
- 3 Revd James Shakespeare (representing the Diocese of Leicester Educational Trust – a corporate Foundation Member)

Recruitment of Governors is outlined in the Memorandum of Association

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

New Governors are encouraged to undertake governor induction training through the Local Authority Governor Development Service, which also offers a menu of extensive specialised training through the local network of schools to support all new Governors. They all receive a Governor handbook and are also inducted and trained by existing Governors and members of Academy staff as appropriate. A Governor skills matrix is updated regularly to identify areas of strength and weakness.

**ORGANISATIONAL STRUCTURE**

Great Bowden Academy is governed by a Governing Body which met 3 times during 2012/13. The members of the Governing Body are represented on committees which meet three times a year or as required - Pay/Personnel, Finance and Audit, Health and Safety, Premises, and Curriculum. The day-to-day operations of the Academy are delegated to the senior leadership team, headed by the Head Teacher, who is also the Accounting Officer. The Academy has a business manager who works closely with the Head Teacher. Governor approval is sought for all significant Academy decisions. The Financial Regulations Manual and suite of policies further outline this structure.

Company law requires the Governors to prepare financial statements at the end of each financial year. The statement must give a 'true and fair' view of the state of affairs of the charitable company. It describes its incoming resources and how they have been used including income and expenditure. In preparing the statement Governors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any disclosed material departures, explained in the financial statements, and
- prepare the financial statements on a 'going concern' basis unless it is inappropriate to assume that the charitable company will continue in operation,

The Governors are responsible for keeping proper accounting records which disclose the financial position of the charitable company with reasonable accuracy and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Having taken all reasonable steps to scrutinise relevant audit information, Governors can confirm that they do not know of any information of which the company's Auditor is unaware.

The Governors are responsible for the maintenance and integrity of the company's website.

A table describing the diverse Governors' decision making responsibilities and the arrangements for their delegation is included in the Governor handbook.

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**GREAT BOWDEN ACADEMY LIMITED**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

Great Bowden Academy is part of local collaborative trust (LCT), "The Harborough Collaborative Trust" (HCT), a group of local primary academies joined in partnership through its LCT Articles of Association. The Head Teachers and chairs of Governors collaborate in the areas of common policy, curriculum provision, professional learning and school improvement. In addition, Great Bowden Academy is a strategic partner in the Affinity Teaching School Alliance, an organization supported by the National College of Teaching and Learning, providing a forum for school to school support and other school improvement activities.

**RISK MANAGEMENT**

A thorough risk management assessment has been conducted using guidelines provided by the EFA and has been assessed and approved via the Finance and Audit Committee along with the Statement of Internal Control. This assessment involves identifying the types of risk the Academy faces, prioritising them into strategic and reputational risks, operational, compliance and financial risks, assessing the likelihood of the occurrence and the impact that the occurrence will have on the Academy and putting in place controls to mitigate such risks. All of this is defined in the Academy Risk Register. The Risk Management Policy sits with the Risk Register in the Financial Manual Procedures and Policies. Reviewed via the Finance and Audit Committee on an annual basis, the Risk Register is a live document which will be reviewed regularly with Governors and management. There is a third document, The Risk Management Assessment and Procedures document, which is contained within the health and safety suite of policies and is used by school staff to risk assess and to mitigate against risk at a very detailed level.

**OBJECTS AND AIMS**

The Academy's 'objects' are outlined above under 'Principal Activities'.

The Academy's Mission Statement is, 'Believing in a loving God, each other and ourselves, we will inspire everyone to learn and to achieve their dreams.' Its core values sum up the school's commitment to both to its pupils and its community in the words 'Inspire ~ Believe ~ Learn ~ Achieve'.

Great Bowden Academy is a professional learning community that continually strives to develop education of the highest quality for its pupils.

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

The significant objectives of the Academy for the period under review have been summarized below.

**1. Establish consistently good or outstanding progress across the curriculum and across the school.**

- a) Establish a culture of professional learning and development with the expectation that all lessons are at least good with a clear focus on learning.
- b) Effective use of assessment to support all learning.
- c) Achievement is at least good in English, Maths and Science in KS1 and 2 and in all areas in EYFS-(CVA increases).

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**GREAT BOWDEN ACADEMY LIMITED**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**2. Develop an outstanding curriculum which fulfils the school's core values.**

- a) Ofsted criteria for an outstanding curriculum are met
- b) Maintain a focus on creative and expressive arts
- c) Develop use of digital technology to enhance learning
- d) Maintain outstanding provision for community cohesion

**3. Develop good and outstanding leadership at all levels.**

- a) Ofsted criteria for outstanding leadership and management are met
- b) Our leaders, whether curriculum or in school leadership are recognised as leaders of good practice in DG15 and further afield
- c) A healthy budget which supports the SDP priorities in an uncertain financial context is maintained

**PUBLIC BENEFIT**

In setting objectives the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The focus of the Academy's activities remains the provision of primary education. This benefits pupils of all abilities who are drawn from the local area.

**ACHIEVEMENTS AND PERFORMANCE**

Achievement in maths, reading and writing in the academic year 2012-2013 was significantly above the national average at Key Stages 1 and 2 and the proportions of children achieving a good level of development at the end of the Early Years Foundation Stage compared favourably with national norms.

**Additionally**

- Successful conversion to Academy status,
- Successful in bidding for funding to support learning in maths and science from NCETM and NSLC, and
- Great Bowden Academy staff are leaders in the local area in the development of professional learning and its impact on pupil achievement,

**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.



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**GREAT BOWDEN ACADEMY LIMITED**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**KEY FINANCIAL PERFORMANCE INDICATORS**

The Academy prepares management accounts and an annual budget against which the actual income and expenditure are closely monitored. The management accounts and budget are presented to the Governors' Finance and Audit committee which in turn is reported to the full Governing Body. Any material budget variations are agreed with Governors prior to commitment of the expenditure. The annual budget is agreed by the Governing Body.

**FINANCIAL REVIEW**

The Governors are satisfied with the Academy's first period's financial performance and with its financial position at the period end. The Financial Regulations Manual and associated policies have been under stringent review in this first period of operation and were adopted at the full Governors' meeting on 6 November 2013. The principal sources of funding continue to be the General Annual Grant, with some further funding coming from the Head Teacher's work as a Local Leader in Education (LLE) and specific grants from educational organisations such as the NCETM and NSLC, National College for Teaching and Learning and the Affinity TSA.

**FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Academy Trust practises risk management principles through its Governing Body and the constituted committees. Any major risks highlighted at any committee are brought to the Governing Body with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by members of the Senior Leadership Team. The Academy operates using simple financial instruments, principally bank accounts, trade creditors, sundry debtors and creditors, all of which carry minimal risk and uncertainty.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks facing the Academy are included in the Risk Register and Management Plan and include

- strategic and reputational risks,
- operational risks,
- compliance risk, and
- financial risks,

Control measures are in place to manage the identified risks, the key risks being

- demand for student places decreases significantly,
- demand for student places increases beyond capacity of school site,
- inability to recruit appropriate and suitably qualified teaching staff,
- government cuts in education funding, and
- the Academy's capacity to manage the speed of change of education policy,

Active promotion of the Academy is maintained and budgets monitored carefully over a 3 year period to manage any reduction in funding.

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**GREAT BOWDEN ACADEMY LIMITED**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**RESERVES POLICY**

A current bank account and a direct reserve bank account have been operated during this first 14 month period of operation of the Academy. At the end of each working day, funds in excess of £10,000 are automatically 'swept' into the direct reserve account where they can earn interest

The deficit on the pension reserve, £241,000, relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held in trustee-administered funds to fund future liabilities as discussed in note 24. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted fund will be spent in accordance with the terms of those particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital requirements

**INVESTMENT POLICY**

An investment policy is in the early stages of implementation in the life of the Academy. Internal audit recommended that Governors should investigate suitable investments for the deposit and investment of funds of the Academy not immediately required for the furtherance of its educational objectives. There would be a need to have regard to the suitability of investments and the need for diversification not to mention instant access. The Governing Body will be looking into the management of investments in the future and this responsibility may be delegated to a financial expert

**ETHICAL CODE OF CONDUCT FOR GOVERNORS AND STAFF**

Governors and members of staff are public servants and should seek at all times to conduct themselves in accordance with best practice (see "Guidance on Codes of Practice for Board Members of Public Bodies," HM Treasury, which is available for reference, as an Appendix to the Academies Financial Handbook, and the Seven Principles of Public Life, below

Under no circumstances must Governors or staff use public monies or official business for private profit

The Governing Body should avoid obtaining goods and services that include elements of private use

Excessive hospitality from prospective suppliers must not be accepted and any such hospitality or gifts that are received should be recorded in the register kept for that purpose. (It should be noted that, under the Prevention of Corruption Act, the burden of proof is placed on the recipient of favours.)

Governors and staff must act and be seen to act impartially. All members of the Governing Body and all senior staff (together with other staff with direct control of or access to substantial sums of money, or with influence on significant spending decisions – as defined by the Governing Body) shall complete a declaration of their business interests. These declarations shall be kept together as a single register of interests in accordance with the Financial Management Manual, which also gives further details on all aspects of this issue

Governors have a duty to combat fraud as detailed in the Financial Management Manual. A Governor who suspects that fraudulent activity has taken place should raise their concerns initially with either the Chair of Governors or the Head Teacher, as they think most appropriate to the circumstances

It is not permitted for Governors to receive any remuneration for their work as Trustees or in respect of any contract to which the Academy is a party or to hold any interest in property belonging to the Academy, except in the case of one of the following exceptions

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**GREAT BOWDEN ACADEMY LIMITED**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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- Those listed in Articles 6 7 and 6 8 of the Articles
- Governors may be paid all reasonable out of pocket travel, accommodation and other expenses legitimately incurred by them when acting in the capacity of Governor, but not including any foreign travel

The Financial Management Manual gives further details

- Nothing prevents the payment of Governors who are also solicitors, accountants or other persons engaged in a profession, or any partner or connected person, when instructed by the Governing Body to act in a professional capacity on behalf of the Academy Trust
- Both the Head Teacher and any Staff Governors may receive remuneration or benefit in their capacity as employees of the Academy Trust, in accordance with the Articles

No Governor may participate in the part of a meeting or in a vote at which his remuneration is at issue, or whenever a conflict of interest might arise, in accordance with the provisions of the Articles

Notwithstanding all of the above, Governors may benefit from any indemnity insurance purchased by the Trust (in accordance with Article 6 3 of the Articles)

**The Seven Principles of Public Life**

**Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends

**Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties

**Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit

**Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office

**Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands

**Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest

**Leadership**

Holders of public office should promote and support these principles by leadership and example

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**GREAT BOWDEN ACADEMY LIMITED**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**PLANS FOR FUTURE**

The Academy implements a rolling programme of improvement priorities in order to fulfil its mission and core values. In the long term Governors hope to develop the school premises to accommodate expanding numbers of pupils and to make provision for leading edge practice in developing the quality of education and teachers' professional learning.

**FUNDS HELD AS CUSTODIAN**

Great Bowden Academy and its Trustees do not act as custodian Trustees for any assets of any other charity.

**DISCLOSURE OF INFORMATION TO AUDITOR**

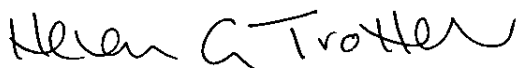
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

**AUDITOR**

The auditor, MHA MacIntyre Hudson, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report was approved by order of the Board of Trustees on 17 December 2013 and signed on its behalf by



**Helen Trotter**  
**Chair of Trustees**

**Stefanie Edwards**  
**Accounting Officer**



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**GREAT BOWDEN ACADEMY LIMITED**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Governors we acknowledge and provide assurance that we have overall responsibility for ensuring that Great Bowden Academy 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 Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Great Bowden Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The Board of Trustees has formally met 3 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Helen Trotter, Chair of Trustees	3	3
Jan Shardlow, Vice Chair	3	3
Les Dodd, Chair of Finance and Audit Committee	3	3
Georgina Connors	2	3
Raoul Mercer	0	3
Michael Fletcher	3	3
Sarah Hill	3	3
Sue Fraser	3	3
Julie Dunne, Business Manager	2	3
Jayne Wicks, Staff Trustee	2	2
Lennie Rhodes	3	3
Isabel Dupey	0	0
Gemma Christison	0	0
Bernard Evans	0	0
Rev James Shakespeare	3	3
Stefanie Edwards, Head Teacher	3	3
Andrew Humphrey	1	1
Jon Cook	1	1
Rebecca Blagburn, Staff Trustee	1	1
Peter Gould	1	2

The Finance and Audit Committee is a committee of the main Governing Body. Its purpose is to:

- 1 To provide guidance and assistance to the Head Teacher and Governing Body in all matters relating to administration and finance (particular reference should be made to the Academy's Financial Handbook),
- 2 To contribute to and monitor the Academy Improvement Plan in particular its financial implications,
- 3 To promote and monitor the Academy aims and operate value for money when considering major expenditure,
- 4 To consult with other committees where necessary,
- 5 To recommend the annual budget to the Governing Body, taking account of the School Improvement Plan,
- 6 To monitor and review income and expenditure on a regular basis and ensure compliance with the overall plan for the Academy, and with the financial regulations of the DfE/EFA, making recommendations where necessary,

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**GOVERNANCE STATEMENT (continued)**

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- 7 To monitor and review medium to long term financial forecasts,
- 8 To monitor and review relevant policies, making recommendations to the Governing Body as required,
- 9 To ensure the annual financial statements are produced in accordance with the DfE/EFA/Companies Act requirements,
- 10 To award contracts by tender up to the level of authority delegated by the Governing Body, and
- 11 To recommend to the Governing Body the appointment of external auditors and to review the external audit reports, making recommendations where necessary,

During the period Gemma Christison joined the committee

Attendance at meetings in the period was as follows

Trustee	Meetings attended	Out of a possible
Helen Trotter	3	3
Stefanie Edwards	3	3
Les Dodd	3	3
Raoul Mercer	3	3
Julie Dunne	3	3
Lennie Rhodes	3	3
Revd James Shakespeare	1	3

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Great Bowden Academy for the period from 7 June 2012 to 31 August 2013 and is 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 strategic, 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's significant risks that has been in place for the period ended 31 August 2013 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'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 & Audit committee 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, and
- identification and management of risks,

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**GREAT BOWDEN ACADEMY LIMITED**  
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**GOVERNANCE STATEMENT (continued)**

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The Governing Body has considered the need for a specific internal audit function and has decided to appoint the Local Authority Audit Team as internal auditor and as responsible officer (RO)

The Audit Team's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. It provides an objective and independent appraisal to management and the Governing Body of the Academy's systems and procedures, financial and otherwise, with regard to the business risk inherent in those systems and procedures. It evaluates the arrangements the Academy has in place to

- Establish and monitor the achievement of its organisational objectives,
- Identify, assess and manage risks to the achievement of those objectives,
- Ensure compliance with its own policies and laws and regulations including company and charity law,
- Ascertain the integrity and reliability of financial and other information provided to its management and stakeholders, including that used in decision making,
- Ascertain that good systems of control are laid down and operate to promote the economic, efficient and effective use of resources and to safeguard assets,
- Prevent fraud and / or financial irregularity, and
- Promote efficient methods of working,

In addition to this a Governor from the Finance and Audit committee has agreed to make random and at least termly audit checks on procedures and records of the systems of control. Both the Audit Team and the appointed Governor will report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Services as internal auditor.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- the work of the internal auditor,
- the work of the external auditor,
- the financial management and governance self-assessment process the work of the external auditor,

Governors can confirm that a full internal audit was carried out in May 2013 and a report of the findings were submitted to the Governing Body. The Accounting Officer has been advised of the implications of the result of their review of the system of internal control. An Audit Action Plan was initiated as a result of the recommendations and these are being addressed by the Business Manager and the Finance and Audit Committee to ensure any weaknesses are overcome and that continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 17 December 2013 and signed on their behalf,  
by



**Helen Trotter**  
Chair of Trustees

**Stefanie Edwards**  
Accounting Officer



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**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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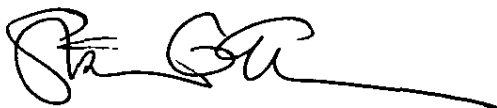
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Stefanie Edwards**  
**Accounting Officer**

Date 17 December 2013



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**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 17 December 2013 and signed on its behalf by



**Helen Trotter**  
**Chair of Trustees**

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**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT BOWDEN ACADEMY LIMITED**

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We have audited the financial statements of Great Bowden Academy for the period ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

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

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT BOWDEN ACADEMY LIMITED**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Robert Nelson BA FCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditor

Lyndale House  
Ervington Court  
Harcourt Way  
Meridian Business Park  
Leicester  
LE19 1WL

Date 24/12/13

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**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GREAT BOWDEN ACADEMY LIMITED AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 16 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Great Bowden Academy during the period 7 June 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Great Bowden Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Great Bowden Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Great Bowden Academy and the EFA, for our work, for this report, or for the conclusion we have formed

**RESPECTIVE RESPONSIBILITIES OF GREAT BOWDEN ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING AUDITOR**

The Accounting Officer is responsible, under the requirements of Great Bowden Academy's funding agreement with the Secretary of State for Education dated 29 June 2012, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 7 June 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

**APPROACH**

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

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

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

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

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**GREAT BOWDEN ACADEMY LIMITED**  
(A Company Limited by Guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GREAT BOWDEN ACADEMY LIMITED AND THE EDUCATION FUNDING AGENCY (continued)**

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The work undertaken to draw our conclusions includes

- reviewing the information in the Financial Management and Governance Self-assessment (FMGS) return and making appropriate enquiries of the Head Teacher, Accounting Officer,
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditor of the Academy,
- testing of a sample of grants received and other income streams,
- testing of a sample of payments to suppliers and other third parties,
- testing of a sample of payroll payments to staff,
- evaluating the internal control procedures and reporting lines, and testing as appropriate, and
- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity,

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 7 June 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditor

Lyndale House  
Ervington Court  
Harcourt Way  
Meridian Business Park  
Leicester  
LE19 1WL

Date 24/12/13

**GREAT BOWDEN ACADEMY LIMITED**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)  
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Assets transferred on conversion	2	20	(206)	500	314
Voluntary income	2	9	-	7	16
Activities for generating funds	3	20	-	-	20
Investment income	4	1	-	-	1
Funding for Academy Trust's educational operations	5	-	694	-	694
<b>TOTAL INCOMING RESOURCES</b>		<b>50</b>	<b>488</b>	<b>507</b>	<b>1,045</b>
<b>RESOURCES EXPENDED</b>					
Costs of activities for generating funds	6	11	12	-	23
Charitable activities	7	-	656	3	659
Governance costs	8	-	28	-	28
<b>TOTAL RESOURCES EXPENDED</b>	<b>9</b>	<b>11</b>	<b>696</b>	<b>3</b>	<b>710</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>39</b>	<b>(208)</b>	<b>504</b>	<b>335</b>
Transfers between funds	18	(6)	(1)	7	-
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>33</b>	<b>(209)</b>	<b>511</b>	<b>335</b>
Actuarial losses on defined benefit pension schemes		-	(27)	-	(27)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>33</b>	<b>(236)</b>	<b>511</b>	<b>308</b>
Total funds at 7 June 2012		-	-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2013</b>		<b>33</b>	<b>(236)</b>	<b>511</b>	<b>308</b>

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

The Statement of Financial Activities includes all gains and losses recognised in the period

The notes on pages 23 to 44 form part of these financial statements

**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08095439**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2013**

	Note	£000	2013 £000
<b>FIXED ASSETS</b>			
Tangible assets	15		511
<b>CURRENT ASSETS</b>			
Debtors	16	17	
Cash at bank		46	
		<u>63</u>	
<b>CREDITORS: amounts falling due within one year</b>	17	(25)	
<b>NET CURRENT ASSETS</b>			<u>38</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>549</u>
Defined benefit pension scheme liability	24		(241)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>308</u></u>
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds			
Restricted funds	18	5	
Restricted fixed asset funds	18	511	
		<u>516</u>	
Restricted funds excluding pension liability		516	
Pension reserve	18	(241)	
		<u></u>	
Total restricted funds			275
Unrestricted funds	18		33
<b>TOTAL FUNDS</b>			<u><u>308</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 17 December 2013 and are signed on their behalf, by



**Helen Trotter**  
**Chair of Trustees**

**Stefanie Edwards**  
**Accounting Officer**



The notes on pages 23 to 44 form part of these financial statements

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**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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	<b>Note</b>	<b>2013 £000</b>
Net cash flow from operating activities	20	32
Returns on investments and servicing of finance	21	1
Capital expenditure and financial investment	21	(7)
Cash transferred on conversion to an Academy Trust	23	20
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>46</b>

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

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

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	<b>2013 £000</b>
Increase in cash in the period	46
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>46</b>
<b>NET FUNDS AT 31 AUGUST 2013</b>	<b>46</b>

The notes on pages 23 to 44 form part of these financial statements



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**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Fund accounting**

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

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

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

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

**1.3 Incoming resources**

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

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

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

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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**GREAT BOWDEN ACADEMY LIMITED**  
(A Company Limited by Guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Resources expended**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £750 are capitalised.

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

Assets transferred at conversion have been included at the estimated depreciated replacement cost.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property improvements-	2% Straight line
Fixtures and fittings -	10% Straight line
Computer equipment -	33% Straight line

The land included in Leasehold land is not being depreciated.

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**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term

**1.8 Taxation**

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

**1.9 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.10 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 no consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from Great Bowden Church of England Primary School to an Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees 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 Great Bowden Academy Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23

**2. VOLUNTARY INCOME**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Assets transferred on conversion	20	294	314
Donations	6	7	13
Other income	3	-	3
Subtotal	9	7	16
Voluntary income	29	301	330

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Hire of facilities	1	-	1
Catering	10	-	10
Other income	9	-	9
	20	-	20

**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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

**4. INVESTMENT INCOME**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Bank interest receivable	1	-	1

**5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
<b>DfE/EFA grants</b>			
General Annual Grant (GAG)	-	627	627
Pupil Premium	-	7	7
Capital grants	-	5	5
Start up grants	-	25	25
Other EFA/DfE grants	-	5	5
	-	669	669
<b>Other government grants</b>			
	-	-	-
<b>Other funding</b>			
Trips and parental contributions	-	8	8
Insurance claims	-	5	5
Other income	-	4	4
Other non-government grants	-	8	8
	-	25	25
	-	694	694

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**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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

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**6. COSTS OF GENERATING VOLUNTARY INCOME**

	<b>Unrestricted funds 2013 £000</b>	<b>Restricted funds 2013 £000</b>	<b>Total funds 2013 £000</b>
Catering costs	4	12	16
Uniform costs	1	-	1
Kitchen staff costs	6	-	6
	<u>11</u>	<u>12</u>	<u>23</u>

**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
<b>DIRECT COSTS</b>			
Wages and salaries	-	343	343
National insurance	-	20	20
Pension costs	-	49	49
Depreciation	-	3	3
Educational supplies	-	13	13
Staff development	-	7	7
Other direct costs	-	23	23
Insurance	-	2	2
	-	460	460
<b>SUPPORT COSTS</b>			
Wages and salaries	-	84	84
National insurance	-	4	4
Pension costs	-	14	14
Pension finance costs (note 13)	-	10	10
Travel and subsistence	-	1	1
Recruitment and support	-	1	1
Maintenance of premises and equipment	-	34	34
Cleaning	-	1	1
Rent and rates	-	2	2
Energy costs	-	4	4
Insurance	-	17	17
Legal and professional	-	1	1
Other support costs	-	25	25
Bank charges and interest	-	1	1
	-	199	199
	-	659	659

**GREAT BOWDEN ACADEMY LIMITED**  
**(A Company Limited by Guarantee)**

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

**8. GOVERNANCE COSTS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Internal audit costs	-	1	1
Auditors' remuneration	-	5	5
Legal and professional fees	-	22	22
	<u>-</u>	<u>28</u>	<u>28</u>

**9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000
Costs of generating voluntary income	6	-	17	23
<b>Costs of generating funds</b>	<u>6</u>	<u>-</u>	<u>17</u>	<u>23</u>
Educational Operations	412	3	45	460
Support costs	102	-	97	199
<b>Charitable activities</b>	<u>514</u>	<u>3</u>	<u>142</u>	<u>659</u>
<b>Governance</b>	<u>-</u>	<u>-</u>	<u>28</u>	<u>28</u>
	<u>520</u>	<u>3</u>	<u>187</u>	<u>710</u>

**10. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging

	2013 £000
Depreciation of tangible fixed assets	3
Auditor's remuneration	5
	<u>8</u>



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**11. STAFF COSTS**

Staff costs were as follows

	<b>2013</b>
	<b>£000</b>
Wages and salaries	<b>432</b>
Social security costs	<b>24</b>
Other pension costs	<b>64</b>
	<hr/> <b>520</b> <hr/>

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

	<b>2013</b>
	<b>No.</b>
Teaching Staff	<b>5</b>
Support Staff	<b>6</b>
Management	<b>2</b>
	<hr/> <b>13</b> <hr/>

No employee received remuneration amounting to more than £60,000 during the period

**12. TRUSTEES' REMUNERATION AND EXPENSES**

During the period retirement benefits were accruing to 4 Trustees in respect of defined benefit pension schemes

The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' gross remuneration (including employer's pension contributions), for the 14 month period, fell within the following bands

	<b>2013</b>
	<b>£000</b>
Stefanie Edwards (Head Teacher)	<b>65-70</b>
Jayne Wicks (Staff Trustee)	<b>40-45</b>
Georgina Connors (Staff Trustee)	<b>0-5</b>
Rebecca Blagburn (Staff Trustee)	<b>25-30</b>
Julie Dunne (Staff Trustee)	<b>35-40</b>

During the period ended 31 August 2013, expenses totalling £865 were reimbursed to 4 Trustees

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**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,380.

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

**14. PENSION FINANCE COSTS**

	<b>2013</b>
	<b>£000</b>
Expected return on pension scheme assets	9
Interest on pension scheme liabilities	(19)
	<hr/>
	<b>(10)</b>
	<hr/> <hr/>

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**15. TANGIBLE FIXED ASSETS**

	Leasehold land £000	Leasehold property improvements £000	Fixtures and fittings £000	Computer equipment £000
<b>Cost or valuation</b>				
Additions	-	4	3	7
Assets transferred on conversion	497	-	-	3
At 31 August 2013	497	4	3	10
<b>Depreciation</b>				
Charge for the period	-	-	-	3
At 31 August 2013	-	-	-	3
<b>Net book value</b>				
At 31 August 2013	497	4	3	7

	Total £000
<b>Cost or valuation</b>	
Additions	14
Assets transferred on conversion	500
At 31 August 2013	514
<b>Depreciation</b>	
Charge for the period	3
At 31 August 2013	3
<b>Net book value</b>	
At 31 August 2013	511

Included in leasehold land is leasehold land at valuation of £497,400 which is not depreciated

**16. DEBTORS**

	2013 £000
VAT recoverable	3
Prepayments and accrued income	14
	17

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17 CREDITORS**

Amounts falling due within one year

	2013 £000
Taxation and social security	7
Other creditors	7
Accruals and deferred income	11
	<u>25</u>

	£000
<b>Deferred income</b>	
Resources deferred during the year	<u>1</u>

At the balance sheet date the Academy Trust was holding funds received in advance for dinner money and rates reimbursement in relation to 2013/14

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**18. STATEMENT OF FUNDS**

	<b>Brought forward £000</b>	<b>Incoming resources £000</b>	<b>Resources expended £000</b>	<b>Transfers in/(out) £000</b>	<b>Gains/ (losses) £000</b>	<b>Carried forward £000</b>
<b>Unrestricted funds</b>						
Unrestricted funds	-	50	(11)	(6)	-	33
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	627	(626)	(1)	-	-
Other DfE/EFA grants	-	5	(5)	-	-	-
Start up grant	-	25	(25)	-	-	-
Pupil Premium	-	7	(7)	-	-	-
Capital grants	-	5	-	-	-	5
Other income	-	25	(25)	-	-	-
LGPS Defined Benefit Pension Scheme	-	(206)	(8)	-	(27)	(241)
	-	488	(696)	(1)	(27)	(236)
<b>Restricted fixed asset funds</b>						
Transfer from Local Authority	-	500	(1)	-	-	499
Other fixed asset funds	-	7	(2)	7	-	12
	-	507	(3)	7	-	511
<b>Total restricted funds</b>	-	995	(699)	6	(27)	275
<b>Total of funds</b>	-	1,045	(710)	-	(27)	308

The specific purposes for which the funds are to be applied are as follows

**General Annual Grant (GAG)**

Funds from the Education Funding Agency for the provision of education, in line with the funding agreement

**Other DfE/EFA grants**

Other funds provided by the DfE/EFA for particular purposes within the academy's educational operations

**Start up grant**

Being the fund from the Education Funding Agency to cover development costs to prepare the Academy

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18 STATEMENT OF FUNDS (continued)**

for opening

**Pupil Premium**

Additional funds from the Education Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

**Capital grants**

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

**Other income**

These consist of income from all other sources to be used primarily for the Academy's educational operations.

**LGPS Defined Benefit Pension Scheme**

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

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

**SUMMARY OF FUNDS**

	Brought forward £000	Incoming resources £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Carried forward £000
General funds	-	50	(11)	(6)	-	33
Restricted funds	-	488	(696)	(1)	(27)	(236)
Restricted fixed asset funds	-	507	(3)	7	-	511
	-	1,045	(710)	-	(27)	308

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. ANALYSIS OF CHANGES IN NET FUNDS**

	7 June 2012 £000	Cash flow £000	Other non-cash changes £000	31 August 2013 £000
Cash at bank and in hand	-	46	-	46
<b>Net funds</b>	<b>-</b>	<b>46</b>	<b>-</b>	<b>46</b>

**23. CONVERSION TO AN ACADEMY TRUST**

On 1 July 2012 Great Bowden Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Great Bowden Academy Limited from Leicestershire County Local Authority for no 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 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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
- Leasehold land and buildings	-	-	497	497
- Other tangible fixed assets	-	-	3	3
Budget surplus on Local Authority funds	19	-	-	19
Budget surplus on other school funds	1	-	-	1
LGPS pension deficit	-	(206)	-	(206)
<b>Net assets/(liabilities)</b>	<b>20</b>	<b>(206)</b>	<b>500</b>	<b>314</b>

The above net assets include £20,000 that were transferred as cash

**24. PENSION COMMITMENTS**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000
Tangible fixed assets	-	-	511	511
Current assets	34	29	-	63
Creditors due within one year	(1)	(24)	-	(25)
Provisions for liabilities and charges	-	(241)	-	(241)
	<u>33</u>	<u>(236)</u>	<u>511</u>	<u>308</u>

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013 £000
Net incoming resources before revaluations	335
Returns on investments and servicing of finance	(1)
Fixed assets transferred from Local Authority on conversion	(500)
Depreciation of tangible fixed assets	3
Capital donations	(7)
Cash transferred on conversion to Academy Trust	(20)
Increase in debtors	(17)
Increase in creditors	25
Pension liability transferred on conversion	206
FRS 17 adjustments	8
<b>Net cash inflow from operations</b>	<u><u>32</u></u>

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2013 £000
<b>Returns on investments and servicing of finance</b>	
Interest received	<u>1</u>
	2013 £000
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(14)
Capital donations	7
<b>Net cash outflow capital expenditure</b>	<u><u>(7)</u></u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24 PENSION COMMITMENTS (continued)**

Contributions amounting to £7,006 were payable to the scheme at 31 August 2013 and are included within creditors

**Teachers' Pension Scheme**

**Introduction**

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

**The Teachers' Pension Budgeting and Valuation Account**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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**24. PENSION COMMITMENTS (continued)**

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

**Teachers' Pension Scheme Changes**

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £38,000, of which employer's contributions totalled £29,000 and employees' contributions totalled £9,000. The agreed contribution rates for future years are 13% for employers and 6.5% for employees.

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

As described in note 23 the LGPS obligation relates to the employees of the Academy, who were the

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**24. PENSION COMMITMENTS (continued)**

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 at the balance sheet date.

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000
Equities	6.60	131
Bonds	3.80	54
Property	4.70	19
Cash	3.60	2
Total market value of assets		206
Present value of scheme liabilities		(447)
Deficit surplus in the scheme		(241)

The amounts recognised in the Balance Sheet are as follows

	2013 £000
Present value of funded obligations	(447)
Fair value of scheme assets	206
Net liability	(241)

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

	2013 £000
Current service cost	(27)
Interest on pension liabilities	(19)
Expected return on pension scheme assets	9
Total	(37)

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**24. PENSION COMMITMENTS (continued)**

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

	2013 £000
Opening defined benefit obligation	350
Current service cost	27
Interest cost	19
Contributions by scheme participants	9
Actuarial losses	42
	<hr/>
Closing defined benefit obligation	447
	<hr/>

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

	2013 £000
Opening fair value of scheme assets	144
Expected return on assets	9
Actuarial gains	15
Contributions by employer	29
Contributions by employees	9
	<hr/>
	206
	<hr/>

The Academy expects to contribute £28,000 to its Defined Benefit Pension Scheme in 2014

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

	2013
Equities	64.00 %
Bonds	26.00 %
Property	9.00 %
North American bonds	1.00 %

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

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.70 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %

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**24. PENSION COMMITMENTS (continued)**

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

	2013
Retiring today	
Males	20.9
Females	23.3
Retiring in 20 years	
Males	23.3
Females	25.6

Amounts for the current period are as follows

Defined benefit pension schemes

	2013 £000
Defined benefit obligation	(447)
Scheme assets	206
Deficit	(241)
Experience adjustments on scheme liabilities	(42)
Experience adjustments on scheme assets	15

**25. OPERATING LEASE COMMITMENTS**

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

	Land and buildings 2013 £000	Other 2013 £000
Expiry date:		
Between 2 and 5 years	-	1

**26. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustees has 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.

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**27. CONTROLLING PARTY**

The Academy is ultimately controlled by the Governing Body, which includes the Head Teacher

**28. MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member

**29. COMPANY LIMITED BY GUARANTEE**

The Academy Trust is a company limited by guarantee and does not have share capital