
financial statements

Putnoe Primary School

A Company Limited by Guarantee

For the period ended 31 August 2013

Company registration number 08434113

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19/12/2013

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COMPANIES HOUSE



MHA MacIntyre Hudson
GLOBAL EXPERTISE NATIONAL EXPERIENCE LOCAL EXCELLENCE*

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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PUTNOE PRIMARY SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2013

Governors	Mrs Gillian Peck, Headteacher (appointed 1 April 2013) ^{1,2} Mr Philip Merryman, Co-opted Governor (appointed 1 April 2013) ¹ Mrs Jennifer Coast, Co-opted Governor & Vice Chair (appointed 1 April 2013) ¹ Mr Carl Du Plessis, Parent Governor (appointed 11 July 2013) ¹ Mrs Deborah Orr, Parent Governor (appointed 7 March 2013) ² Mrs Debra Brock, Co-opted Governor & Chair (appointed 7 March 2013) ² Mrs Elspeth Tierney, Staff Governor (appointed 1 April 2013) ¹ Mrs Amy Lumley-Wood, Parent Governor (appointed 1 April 2013) ¹ Mrs Katherine Stratford, Parent Governor (appointed 7 March 2013) ² Mrs Suzannah Pinkney, Staff Governor (appointed 1 April 2013, resigned 24 July 2013) ² <div>¹ Management Committee ² Standards Committee</div>
Company registered number	08434113
Principal and registered office	Church Lane Bedford MK41 0DH
Senior management team	Gillian Peck, Headteacher and Accounting Officer Susan Conroy, Deputy Headteacher Matthew Rogers, Senior Teacher Andrew Pope, Senior Teacher Kate Hall, Senior Teacher Pauline Gayle, Senior Teacher
Independent auditors	MHA MacIntyre Hudson Chartered Accountants and Statutory Auditor Equipoise House Grove Place Bedford MK40 3LE
Bankers	National Westminster Bank Plc 81 High Street Bedford MK40 1YN

PUTNOE PRIMARY SCHOOL
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GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Governors (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 Putnoe Primary School (the Academy Trust) for the period ended 31 August 2013. The Governors confirm that the Annual Report and financial statements of the Academy Trust comply with the current statutory requirements, the requirements of the Academy Trust'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

a. CONSTITUTION

The Academy Trust is a Company Limited by Guarantee and an exempt Charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Charitable Company was incorporated on 7 March 2013 and Putnoe Primary School converted to an Academy on 1 April 2013.

b. MEMBERS' LIABILITY

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

c. GOVERNORS' INDEMNITIES

In accordance with normal practice the Academy has purchased insurance to protect the Governors and officers from claims arising from negligent acts, errors or omissions whilst on Academy business. The cover under the policy is £2 million and in the period under review no sums were paid out.

d. PRINCIPAL ACTIVITIES

The Academy Trust undertakes to establish and maintain an independent school. The Academy Trust's object is 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.

To promote for the benefit of the inhabitants of Bedford and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social welfare and with the object of improving the condition of life of the said inhabitants.

Duties and Responsibilities of Governors

- The conduct of the school (i.e. ethos, appearance, attitudes, level of parental support, etc) is under the direction of the Governors. The Headteacher is responsible for the internal organisation and management of the school and the Governing Body have ultimate responsibility for the implementation of the curriculum and its delivery.
- The Governors must try to ensure the right provision is made for students with special educational needs.
- The Governors must have a policy on whether and how sex education should be provided at the school.

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

- The Governors must decide how the school's delegated budget is spent and ensure that accurate accounts are kept
- The Governors must approve the schools staffing structure. They can recommend dismissal of staff and should set out disciplinary rules and procedures. They can use their discretion over the award of incentive allowances
- Discipline. The Governors must approve the school behaviour policy and must hear any appeals by parents against exclusion
- The Governors control the use of premises outside school time and should periodically inspect the premises
- The Governors have a responsibility to agree constitutional matters, including procedures where the Governing Body has discretion, as follows
 - To recruit new members as vacancies arise and to appoint new Governors where appropriate,
 - To hold at least three Governing Body meetings a year,
 - To appoint or remove a Clerk to the Governing Body, the Chair and Vice Chair,
 - To establish the committees of the Governing Body and their terms of reference,
 - To appoint the Chair of any committee,
 - To appoint or remove a Clerk to each committee,
 - To suspend a Governor,
 - To decide which functions of the Governing Body will be delegated to committees, groups and individuals,
 - To receive reports from any individual or committee to whom a decision has been delegated and to consider whether any further action by the Governing Body is necessary,
 - To provide final approval of the budget plan as recommended by the Management Committee,
 - To review Health and Safety issues and recommendations referred to the Governing Body by the Management Committee,
 - To review the delegation arrangements annually,
 - To agree, by early in the autumn term, the programme of work and calendar of meetings for the Governing Body and its committees for the school year, based on known cycles of school improvement, financial management, staffing issues and communicating with parents,
 - To monitor the progress of work being undertaken by committees and individuals,
 - To consider recommendations made by committees with regard to the working of the Governing Body,
 - To establish and keep under review the Governing Body 'Protocols' and 'Terms of reference',

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

- To establish and keep under review arrangements for Governors' visits to school,
- To oversee arrangements for Governor involvement in formulating and monitoring the School Development Plan, the Ofsted SEF,
- To conduct reviews of the performance of the Governing body using an appropriate 'Governor Health Check' process,
- To make recommendations to the Governing Body to establish working parties where particular circumstances arise (e.g. a joint committee to oversee a building project or a special committee to oversee an Ofsted inspection), and
- To be available and respond to matters of particular difficulty, sensitivity or emergency and offer advice to the Headteacher,

e. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The Governing Body comprises of a minimum of 2 parent Governors, up to 7 Community Governors, up to 2 staff Governors and the Headteacher. The parent Governors are elected by the parent body of the School. The staff Governors are elected by the School's staff. The community Governors are appointed by the Members of the Academy Trust. Community Governors may be re-appointed after the end of their term of office. Individuals may request to join the Governing Body and the Members of the Academy Trust may decide to invite one of these individuals to join should a vacancy arise.

f. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

All Governors undertake training as appropriate to their work at the School. New Governors will be provided with an induction programme. A log is kept of all Governor training and reviewed on a regular basis at the full Governing Body meetings.

The Governors, who are also the charity Trustees, are responsible for the overall management and control of the School and meet at least three times a year. The work of reviewing and monitoring most policies is delegated to the members of the Committees as outlined below. They all work under the chairmanship of a Governor appointed at the first committee meeting in each academic year. Terms of reference of these committees are agreed annually at these meetings.

The Clerk to the Governing Body co-ordinates the work of the Governors and their committees, prepares agendas and papers and reviews matters arising. The Finance Manager prepares the accounts on behalf of the Governors. All Governors give their time to the role freely, no remuneration and only limited expenses were paid in the period.

g. ORGANISATIONAL STRUCTURE

The Governors determine the general policies of the School. The day to day running of the School is delegated to the Headteacher, supported by the Senior Management Team. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Management Team. The day to day administration is undertaken within the policies and procedures approved by the Governors. Only significant expenditure decisions and major capital projects should be referred to the Governors for prior approval. The Headteacher is an ex-officio Governor and Accounting Officer and attends all Governing Body meetings. The School Finance Manager is invited to attend Management Committee meetings.

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

Governors Committee Structure

Each of the committees can make recommendations that must be endorsed by the full Governing Body. The Committees and the full Governing Body meet at least 3 times per year.

The Governing Body

- The Governing Body will take a strategic role, act as a critical friend to the School and be accountable for its decisions. It will set the vision and key goals and agree, monitor and review policies, targets and priorities.

The following committees are sub-committees of the Governing Body and their respective aims are as follows:

Staff Pay Committee

- To consider and decide upon all matters relating to staff pay as part of the annual review process in accordance with the whole school salary policy agreed by the Governing Body in respect of the following staff: school teachers, NJC Local Government Services Staff, and any other staff as determined by the Governing Body.

Hearings committee

- To make any determination to dismiss any member of staff.
- To make any decisions under the Governing Body's personnel procedures (e.g. disciplinary, grievance, capability where the Headteacher is the subject of the action).
- To make any decisions relating to any member of staff other than the Headteacher, under the Governing Body's personnel procedures and pay policy.
- To make any determination or decision under the Governing Body's General Complaints Procedure for Parents and others.
- To make any determination or decision under the Governing Body's Curriculum Complaints Procedure, in respect of National Curriculum disapplications, and the operation of the Governing Body's charging policy.

Appeals committee

- To consider any appeal against a decision to dismiss a member of staff made by the Hearings Committee.
- To consider any appeal against a decision short of dismissal under the Governing Body's personnel procedures (e.g. disciplinary, grievance, capability).
- To consider any appeal against selection for redundancy.
- To consider any appeal against a pay decision.

Pupil Discipline Committee

- To consider representations from parents in the case of exclusions of 5 days or less (Committee may not re-instate).
- To consider representations from parents in the case of exclusions totalling more than 5 but not more than 15 school days in one term (meeting to be held between 6th and 50th school days after receiving notice of the exclusion).

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

- To consider the appropriateness of any permanent exclusion or any exclusion where one or more fixed period exclusions total more than 15 school days in one term or where a pupil is denied the chance to take a public examination (meeting to be held between 6th and 15th school days after receiving notice of the exclusion)

Standards Committee

- To consider and advise the Governing Body on standards and other matters relating to the school's curriculum, including statutory requirements and the School's Curriculum Policy and Teaching and Learning Policy
- To consider curricular issues which have implications for finance and personnel decisions and to make recommendations to the relevant committees or the Governing Body
- To ensure that children's enjoyment of lessons is an integral part of all curriculum planning
- To oversee the analysis annually of test data and pupil assessment and make recommendations to the Governing Body as appropriate
- To ensure that all curricular improvements required by Ofsted are implemented
- To review annually the School Prospectus
- To make arrangements for the Governing Body to be represented at School Improvement discussions with the SIA and for reports to be received by the Governing Body
- To oversee arrangements for individual Governors to take a leading role in specific areas of provision (e.g. SEN, Literacy, Numeracy and Curriculum Leadership Groups), to receive regular reports from them and advise the Governing Body
- To oversee arrangements for educational visits, including the appointment of a named co-ordinator ("EVC")

Management Committee

- To draft and review annually the staffing structure, in consultation with the Headteacher
- To oversee the selection and appointment procedure for all staff
- To oversee and review termly, the school's safeguarding procedures, including the implementation of the Child Protection and Safer Recruiting policies
- To establish and review a Performance Management policy for all staff
- To oversee the process leading to staff reductions
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence
- To make recommendations on personnel related expenditure
- To ensure that DfE regulatory and guidance documents are implemented appropriately in the school, with specific reference to the role assigned to the Governing Body

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

- To assist the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity
- To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis

Headteacher's Performance Review Group

- To arrange to meet with the External Adviser / School Improvement Partner to discuss the Headteacher's performance targets
- To decide, with the support of the External Adviser / School Improvement Partner, whether the targets have been met and to set new targets annually
- To monitor through the year the performance of the Headteacher against the targets
- To make recommendations to the Management Committee in respect of awards for the successful meeting of targets set

h. RISK MANAGEMENT

The Governors will conduct an annual review of the major risks to which the Academy Trust is exposed. These include Strategic and Reputational Risk, Operational Risk, Financial Risk and Compliance Risk.

The Governors are responsible for the overseeing of the risks faced by the School. Detailed considerations of risk are delegated to the Senior Management Team of the School. Risks are identified, assessed and controls established throughout the period. A review has been undertaken and an analysis prepared, of the financial risks facing the Academy for the period 1 April 2013 to 31 August 2013 and these were presented at the Management Committee on 3 December 2013. The Governors were satisfied that the actions agreed to mitigate these risks gave assurance that they could be adequately managed.

Risk is managed under the headings of Strategic and Reputational Risks, Operational Risks, Compliance Risks and Financial Risks as recommended by the DfE's Academy Financial Handbook. Through the risk management processes that are formalised by the school, the Governors are satisfied that the major financial risks identified will be adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks will be adequately managed. The other categories of risk are in process of being reviewed.

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

None to disclose

Objectives and Activities

a. OBJECTS AND AIMS

Putnoe Primary School's objects are 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

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FOR THE PERIOD ENDED 31 AUGUST 2013

- To promote for the benefit of the inhabitants of Bedford and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social welfare and with the object of improving the condition of life of the said inhabitants

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

- 1 To improve the achievement of all pupils
Ofsted priority – Reading for pleasure
Pupil progress 2 sub levels +
- 2 To improve the quality of teaching
100% good/outstanding
- 3 To provide a safe environment for children to learn
Attendance target 95.5%
Values Quality Mark
Investors in Pupils
R E Quality Mark
- 4 Create the capacity to maintain outstanding leadership and management of the school
Investors in People Gold
Tracking Pupil Premium
Mapping culture and creativity

c. PUBLIC BENEFIT

In setting the Academy's objectives and planning its activities, the Governing Body have given careful consideration to the Charity Commission's general guidance on public benefit. 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, continuing, managing and developing a school offering a broad and balanced curriculum
- To promote for the benefit of the inhabitants of Bedford and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social, welfare and with the object of improving the condition of life of the said inhabitants

Achievements and performance

a. REVIEW OF ACTIVITIES

- BECTA Quality Mark achieved
- To support ICT excellence, and help schools in the Borough, the subject has been incorporated into the plans for cultural development. ICT forms a major element of culture and creativity in the life of the school
- Partnership established with the Royal Opera House

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

- Headteacher's presentation to schools and providers from across the eastern region at the Royal Opera House April 2013
- Putnoe identified as a centre of excellence for the arts September 2013 in partnership with the Royal Opera House Our role will include
Supporting schools in the Borough to embed culture and creativity across the curriculum
- The drive to improve boys' performance has been largely successful in most year groups when comparing the 2013 results with those of 2012
- The gender gaps are narrowing, particularly at Key Stage 1 This should be the case as the pupils move through the school
- Although there remains work to be done, progress on closing the gap has been effective

b. 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 and in guidance from the Financial Reporting Council

c. KEY FINANCIAL PERFORMANCE INDICATORS

Please see below for the Financial Review

d. INVESTMENT POLICY

The School's Investment Strategy is

- Regularly monitor cash flow and current/fund account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the accounts have adequate balances to meet forthcoming commitments
- Funds surplus to immediate cash requirements (set at £10k) are transferred nightly to the School's liquidity deposit account bearing a higher interest rate
- Periodically review interest rates and compare with other investment opportunities
- The School's current policy is to only invest funds in risk free and immediately accessible deposit accounts

Any change in policy requires the approval of Governors via the Management Committee

Financial review

a. FINANCIAL REPORT FOR THE PERIOD

The Academy had a satisfactory financial period to 31 August 2013, with total income of £6,987,066 comprising capital funding of £3,476, other grants and funding of £880,761 and transfer on conversion to an Academy Trust of £6,102,829 Of this other income £855,061 was received to fund educational operations Total expenditure

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

amounted to £1,019,287 but includes £32,500 of depreciation allocated to the restricted fixed asset fund Revenue expenditure before depreciation and FRS 17 pension adjustments amounts to £764,787 leaving a surplus of £161,222 for the year After adjusting for the restricted fixed asset fund and pension fund the net movement in the year amounts to £5,980,779

Most of the Academy's income is obtained from the Department of Education via the Education Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes The grants received from the Department of Education during the period ended 31 August 2013 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities and the grants received are detailed in note 5 to the financial statements

GAG funding was the core funding element to the provision of educational services for the year Of the total income for educational purposes, excluding capital grants, some 60.8% was spent on teaching and educational support staff and 9.4% on other support staff Total staff costs represent 82.9% of GAG funding

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its support staff transferred on conversion The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements

Any surplus funds are swept nightly into a Liquidity Select account earning interest No further Investment activities are undertaken

b FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risks the Academy faces are mitigated by the fact that they relate largely to bank balances, cash and trade creditors, with limited trade (and other) debtors The exception is the Pension Scheme for Local Government Employees which has a current shortfall of £209,000 which the Academy is making up over 7 years This amount is booked as a liability in these financial statements

c. PRINCIPAL RISKS AND UNCERTAINTIES

As above

d RESERVES POLICY

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves This applies particularly to funds earmarked for future capital projects The level of reserves will be kept under review by the Governors

Reserves at the end of the period 31 August 2013 were £5,980,779 comprising £112,539 on the restricted general funds, £48,683 of unrestricted general funds, £6,028,557 of restricted fixed asset fund and a pension reserve deficit of £209,000

Included in the restricted fixed asset fund of £6,028,557 is an amount of £306,783 earmarked for future capital projects

The deficit on the pension reserve relates to the non-teaching staff pension scheme (Local Government Pension Scheme) where, unlike the Teachers' Pension Scheme, separate assets are held 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

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

Plans for the future

a. FUTURE DEVELOPMENTS

The Governors intend to continue their current strategies of improving the School's reputation by continuing to provide outstanding education for all students. Achieving high standards of academic results is a constant aim whilst maintaining the breadth and depth of wider education to develop the whole child. The Headteacher and senior staff continue to review the curriculum to ensure that the education provided remains appropriate for our students' development.

Our future plans are financed from income direct from the EFA, related to student numbers and other lump-sum factors. Governors will ensure funding is invested appropriately for the next generation of students as they have done in the past for current students. Maintaining and, where necessary, developing the fabric of the facilities of the School are central to our strategy. In planning for the future, three form entry has dictated that additional classrooms need to be built. A building project will need to take place before the end of the academic year 2013-2014.

Since 1 April 2013 the School has funded the installation of a fire alarm system into the After Hours building.

FUNDS HELD AS CUSTODIAN

No such funds are held by Putnoe Primary School.

DISCLOSURE OF INFORMATION TO AUDITORS


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

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

AUDITORS

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report was approved by order of the Governing Body on **12/12/13** and signed on its behalf by


Mrs Debra Brock
Chair of Governors

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that Putnoe Primary School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Putnoe Primary School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The Governing Body has formally met 2 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mrs Debra Brock, Co-opted Governor & Chair	2	2
Mr Philip Merryman, Co-opted Governor	1	2
Mrs Deborah Orr, Parent Governor	1	2
Mrs Elspeth Tierney, Staff Governor	2	2
Mrs Gillian Peck, Headteacher	2	2
Mrs Jennifer Coast, Co-opted Governor & Vice Chair	2	2
Mrs Katherine Stratford, Parent Governor	2	2
Mrs Amy Lumley-Wood, Parent Governor	2	2
Mrs Suzannah Pinkney, Staff Governor	2	2
Mr Carl Du Plessis, Parent Governor	0	2

During the course of the year the following resignation was received: Mrs Suzannah Pinkney on 31 August 2013 as she relocated to another school. Mr Carl du Plessis joined the Governing Body in July 2013.

There have been no particular challenges for the Governing Body in the period under consideration.

The **Management Committee** is a sub-committee of the main Governing Body. Its purpose is:

- to assist the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity, and
- to make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.

During the course of the year the Management Committee reviewed all the monthly finance reports against budget. The main risk that developed during the year was that two long term sick absences could have caused budget pressures. This was brought to the committee's attention along with a revised budget plan action to curb planned expenditure and ensure the school remained in budget for the year.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the period was as follows

Governor	Meetings attended	Out of a possible
Mrs Jennifer Coast, Co-opted Governor & Vice Chair	2	2
Mr Philip Merryman, Co-opted Governor	2	2
Mrs Elspeth Tierney, Staff Governor	2	2
Mrs Gillian Peck, Headteacher	2	2
Mrs Amy Lumley-Wood, Parent Governor	0	0
Mr Carl Du Plessis, Parent Governor	0	0

Meetings of the Management Committee were also attended by Mrs Allison Llewellyn, School Finance Manager

The **Standards Committee** is also a sub-committee of the main Governing Body. Its purpose is to monitor the standards of teaching and learning in the school.

Attendance at meetings in the period was as follows

Governor	Meetings attended	Out of a possible
Mrs Gillian Peck, Headteacher	2	2
Mrs Debra Brock, Co-opted Governor & Chair	2	2
Mrs Katherine Stratford, Parent Governor	2	2
Mrs Deborah Orr, Parent Governor	2	2
Mrs Suzannah Pinkney, Staff Governor	1	2

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 Putnoe Primary School for the period 7 March 2013 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the period 7 March 2013 to 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.

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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed MHA MacIntyre Hudson, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the auditors 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 timing of the above appointment of MHA MacIntyre Hudson to perform additional checks means that no visits had been carried out by 31 August 2013.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher 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 external auditors,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Management Committee and Standards Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 12/12/13 and signed on their behalf, by


.....
Mrs Debra Brock
Chair of Governors

... 
Gillian Peck
Accounting Officer

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Gillian Peck
Accounting Officer

Date

12-12-13

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Governors (who act as governors of Putnoe Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles 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 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 and signed on its behalf by


.....
Mrs Debra Brock
Chair of Governors

Date: 12/12/13

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF PUTNOE PRIMARY SCHOOL

We have audited the financial statements of Putnoe Primary School 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 Trust'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 Trust's members those matters we are required to state to them in an Auditors' 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 Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the Academy Trust 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 Trust'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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 Trust'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 Governors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF PUTNOE PRIMARY SCHOOL

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



Atul Kariya FCCA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditor
Equipoise House
Grove Place
Bedford
MK40 3LE

Date *18 December 2013*

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PUTNOE
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 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 Putnoe Primary School during the period 7 March 2013 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 Putnoe Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Putnoe Primary School 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 Putnoe Primary School and the EFA, for our work, for this report, or for the conclusion we have formed

**RESPECTIVE RESPONSIBILITIES OF PUTNOE PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Putnoe Primary School's funding agreement with the Secretary of State for Education dated 27 March 2013, 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 March 2013 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 Trust's income and expenditure.

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)


**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PUTNOE
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

The work undertaken to draw to our conclusion includes

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer

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 March 2013 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
Equipoise House
Grove Place
Bedford
MK40 3LE

Date *18 December 2013*

PUTNOE PRIMARY SCHOOL
(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 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	45,522	1,000	6,056,307	6,102,829
Activities for generating funds	3	28,621	160	-	28,781
Investment income	4	396	-	-	396
Incoming resources from charitable activities	5	2,455	849,129	3,476	855,060
TOTAL INCOMING RESOURCES		76,994	850,289	6,059,783	6,987,066
RESOURCES EXPENDED					
Charitable activities	7	26,738	726,869	32,500	786,107
Governance costs	8	-	15,468	-	15,468
Other resources expended	9	1,573	139	-	1,712
Pension scheme liability transferred on conversion		-	216,000	-	216,000
TOTAL RESOURCES EXPENDED	6	28,311	958,476	32,500	1,019,287
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		48,683	(108,187)	6,027,283	5,967,779
Transfers between Funds	17	-	(1,274)	1,274	-
NET INCOME FOR THE YEAR		48,683	(109,461)	6,028,557	5,967,779
Actuarial gains and losses on defined benefit pension schemes		-	13,000	-	13,000
NET MOVEMENT IN FUNDS FOR THE YEAR		48,683	(96,461)	6,028,557	5,980,779
Total funds at 7 March 2013		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		48,683	(96,461)	6,028,557	5,980,779

All of the Academy Trust'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 24 to 44 form part of these financial statements

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08434113

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	14		5,721,774
CURRENT ASSETS			
Debtors	15	418,435	
Cash at bank and in hand		73,899	
		<u>492,334</u>	
CREDITORS amounts falling due within one year	16	(24,329)	
NET CURRENT ASSETS			<u>468,005</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,189,779</u>
Defined benefit pension scheme liability	24		(209,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>5,980,779</u></u>
FUNDS OF THE ACADEMY			
Restricted funds			
Restricted funds	17	112,539	
Restricted fixed asset funds	17	6,028,557	
		<u>6,141,096</u>	
Restricted funds excluding pension liability			
Pension reserve		(209,000)	
		<u></u>	
Total restricted funds			5,932,096
Unrestricted funds	17		48,683
TOTAL FUNDS			<u><u>5,980,779</u></u>

The financial statements were approved by the Governors, and authorised for issue, on
12/12/13 and are signed on their behalf, by


Gillian Peck
Accounting Officer

The notes on pages 24 to 44 form part of these financial statements

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Period ended 31 August 2013 £
Net cash flow from operating activities	20	29,255
Returns on investments and servicing of finance	21	396
Capital expenditure and financial investment	21	(1,274)
Cash transferred on conversion to an academy trust	19	45,522
INCREASE IN CASH IN THE PERIOD		73,899

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

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

	Period ended 31 August 2013 £
Increase in cash in the period	73,899
MOVEMENT IN NET FUNDS IN THE PERIOD	73,899
NET FUNDS AT 31 AUGUST 2013	73,899

The notes on pages 24 to 44 form part of these financial statements

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. 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 Going concern

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

1.3 Incoming resources

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

Grants Receivable

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

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

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

Other income

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

Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

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.

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 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 Trust's depreciation policy.

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.

Tangible fixed assets are stated at cost 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 of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2% per annum on a straight line basis
Freehold land	-	Not depreciated
Motor vehicles	-	20% per annum on a straight line basis
Fixtures and fittings	-	25% per annum on a straight line basis

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Taxation

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

1.7 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 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 schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, 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 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.

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.9 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency, Department for Education or other funders

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

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 £NIL consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from Putnoe Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Putnoe Primary School. 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 19

2 VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Transfer from Local Authority on conversion	45,522	6,057,307	6,102,829

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Hire of facilities	4,317	-	4,317
Other income	1,727	160	1,887
School shop	1,573	-	1,573
School clubs	21,004	-	21,004
	<u>28,621</u>	<u>160</u>	<u>28,781</u>

4 INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank interest receivable	396	-	396
	<u>396</u>	<u>-</u>	<u>396</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
General Annual Grant (GAG)	-	720,139	720,139
Pupil Premium	-	74,250	74,250
Capital grants	-	3,476	3,476
	<u>-</u>	<u>797,865</u>	<u>797,865</u>
Other government grants			
Local authority grants	-	49,665	49,665
	<u>-</u>	<u>49,665</u>	<u>49,665</u>
Other funding			
Other income	2,456	5,075	7,531
	<u>2,456</u>	<u>5,075</u>	<u>7,531</u>
Total	<u>2,456</u>	<u>852,605</u>	<u>855,061</u>

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Direct costs - Educational operations	494,117	-	93,524	587,641
Support costs - Educational operations	79,700	32,500	86,266	198,466
Charitable activities	573,817	32,500	179,790	786,107
Governance	-	-	15,468	15,468
Other resources expended	-	-	217,712	217,712
	573,817	32,500	412,970	1,019,287

PUTNOE PRIMARY SCHOOL
(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 £	Restricted funds 2013 £	Total funds 2013 £
DIRECT COSTS			
Wages and salaries	7,648	402,965	410,613
National insurance	-	25,449	25,449
Pension cost	-	58,055	58,055
Agency staff costs	-	23,469	23,469
Educational supplies	12,118	19,553	31,671
Staff development	-	13,211	13,211
Staff related insurance	-	4,986	4,986
Technology costs	-	3,667	3,667
Travel and subsistence	-	236	236
Other direct costs	312	15,972	16,284
	<u>20,078</u>	<u>567,563</u>	<u>587,641</u>
SUPPORT COSTS			
Wages and salaries	4,081	59,085	63,166
National insurance	-	2,780	2,780
Pension cost	-	13,754	13,754
Depreciation	-	32,500	32,500
FRS 17 net finance cost	-	4,000	4,000
Technology costs	-	4,305	4,305
Maintenance of premises and equipment	2,200	12,232	14,432
Operating lease rentals	-	3,015	3,015
Rent and rates	-	2,927	2,927
Energy	300	10,039	10,339
Insurance	-	8,140	8,140
Catering	79	29,388	29,467
Other occupancy costs	-	1,008	1,008
Other support costs	-	8,633	8,633
	<u>6,660</u>	<u>191,806</u>	<u>198,466</u>
	<u><u>26,738</u></u>	<u><u>759,369</u></u>	<u><u>786,107</u></u>

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

8 GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Auditors' remuneration	-	6,000	6,000
Auditors' non audit costs	-	1,000	1,000
Legal and professional	-	8,468	8,468
	<u>-</u>	<u>15,468</u>	<u>15,468</u>

9 OTHER RESOURCES EXPENDED

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Pension scheme liability transferred on conversion	-	216,000	216,000
School uniform	1,573	139	1,712
	<u>1,573</u>	<u>216,139</u>	<u>217,712</u>

10. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	Period ended 31 August 2013 £
Depreciation of tangible fixed assets	
- owned by the charity	32,500
Auditors' remuneration	6,000
	<u>38,500</u>

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

11. STAFF COSTS

Staff costs were as follows

	Period ended 31 August 2013 £
Wages and salaries	473,779
Social security costs	28,229
Other pension costs (Note 24)	71,809
	<hr/>
	573,817
Supply teacher costs	23,469
	<hr/>
	597,286
	<hr/>

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

	Period ended 31 August 2013 No.
Teaching	20
Administration and support	35
Management	2
	<hr/>
	57
	<hr/>

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

	Period ended 31 August 2013 No.
In the band £70,001 - £80,000	1
	<hr/>

The above bandings state employee remuneration before employer's pension contributions

The above employee participated in the Teachers' Pension Scheme. During the 5 month period ended 31 August 2013, pension contributions for this employee amounted to £2,988

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FOR THE PERIOD ENDED 31 AUGUST 2013

12. GOVERNORS' REMUNERATION AND EXPENSES

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, on the Academy Trust in respect of their role as Governors. The value of Governors' remuneration during the five month period ended 31 August 2013 (including employers' pension contributions) fell into the band £30,000 to £35,000 for the Headteacher, Mrs Gillian Peck and into the band £5,000 - £10,000 for the two staff Governors.

During the period, no Governors received any reimbursement of expenses.

13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust 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 £2,000,000 on any one claim and the cost for the period ended 31 August 2013 was £520.

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

14. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
Additions	-	-	1,274	1,274
Transfer on conversion	5,750,000	3,000	-	5,753,000
At 31 August 2013	5,750,000	3,000	1,274	5,754,274
Depreciation				
Charge for the period	31,250	1,250	-	32,500
At 31 August 2013	31,250	1,250	-	32,500
Net book value				
At 31 August 2013	5,718,750	1,750	1,274	5,721,774

Included in freehold property is freehold land at valuation at conversion to Academy status of £2,000,000 which is not depreciated.

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NOTES TO THE FINANCIAL STATEMENTS
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15. DEBTORS

	2013 £
Trade debtors	120
VAT repayable	12,557
Other debtors	303,307
Prepayments and accrued income	102,451
	<hr/> 418,435 <hr/>

The amount in other debtors is the conversion balance settlement due from Bedford Borough Council
This was received after the year end

16. CREDITORS:
Amounts falling due within one year

	2013 £
Trade creditors	640
Accruals and deferred income	23,689
	<hr/> 24,329 <hr/>
	£
Deferred income	
Resources deferred during the year	<hr/> 16,148 <hr/>

At the balance sheet date the Academy Trust was holding funds received in advance for the following purposes Insurance funding £11,282 and Capital funding £4,866

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	-	76,994	(28,311)	-	-	48,683
Restricted funds						
General Annual Grant (GAG)	-	720,139	(639,506)	(1,274)	-	79,359
Other restricted funds	-	130,150	(96,970)	-	-	33,180
Pension reserve	-	-	(222,000)	-	13,000	(209,000)
	-	850,289	(958,476)	(1,274)	13,000	(96,461)
Restricted fixed asset funds						
Capital grants and income	-	6,059,783	(32,500)	-	-	6,027,283
Capital expenditure from GAG	-	-	-	1,274	-	1,274
	-	6,059,783	(32,500)	1,274	-	6,028,557
Total restricted funds	-	6,910,072	(990,976)	-	13,000	5,932,096
Total of funds	-	6,987,066	(1,019,287)	-	13,000	5,980,779

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes pupil premium and other local authority funding for which income received is used to cover costs associated with these activities

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme. An amount of £216,000 was transferred to the Academy Trust in respect of the deficit on this pension scheme at the date of conversion to an Academy

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion from the Bedford Borough local authority following the transfer of the land and buildings

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

17. STATEMENT OF FUNDS (continued)

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	5,721,774	5,721,774
Current assets	48,683	136,867	306,783	492,333
Creditors due within one year	-	(24,328)	-	(24,328)
Provisions for liabilities and charges	-	(209,000)	-	(209,000)
	<u>48,683</u>	<u>(96,461)</u>	<u>6,028,557</u>	<u>5,980,779</u>

19. CONVERSION TO AN ACADEMY TRUST

On 1 April 2013 Putnoe Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Putnoe Primary School from Bedford Borough Local Authority 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 in the Statement of Financial Activities as voluntary income. The transfer of the pension deficit at the date of conversion has been transferred and recognised on the Statement of Financial Activities as other resources expended.

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

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NOTES TO THE FINANCIAL STATEMENTS
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	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	5,750,000	5,750,000
- Other tangible fixed assets	-	-	3,000	3,000
LGPS pension surplus/(deficit)	-	(216,000)	-	(216,000)
Other identified assets and liabilities	45,522	1,000	303,307	349,829
Net assets/(liabilities)	<u>45,522</u>	<u>(215,000)</u>	<u>6,056,307</u>	<u>5,886,829</u>

The above net assets include £45,522 that was transferred as cash

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 31 August 2013 £
Net incoming resources before transfers	5,967,779
Returns on investments and servicing of finance	(396)
Depreciation of tangible fixed assets	32,500
Increase in debtors	(418,433)
Increase in creditors	24,327
Cash transferred from local authority on conversion	(45,522)
Fixed assets transferred from local authority on conversion	(5,753,000)
Pension scheme liability transferred on conversion	216,000
FRS 17 pension cost less contributions payable	2,000
FRS 17 pension finance income	4,000
Net cash inflow from operations	<u><u>29,255</u></u>

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

	Period ended 31 August 2013 £
Returns on investments and servicing of finance	
Interest received	<u><u>396</u></u>

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

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	Period ended 31 August 2013 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(1,274)

22. ANALYSIS OF CHANGES IN NET FUNDS

	7 March 2013 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	-	73,899	-	73,899
Net funds	-	73,899	-	73,899

23. MEMBERS LIABILITY

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

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

24. PENSION COMMITMENTS

The Academy Trust'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 Bedford Borough 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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by

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

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

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

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

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 Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy Trust 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 Trust 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 £45,000, of which employer's contributions totalled £35,000 and employees' contributions totalled £10,000. The agreed contribution rates for future years are 23.9% for employers and between 5.5% and 7.5% 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 19 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

The Academy Trust'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 £
Equities	6.60	231,000
Bonds	4.00	63,000
Property	4.70	26,000
Cash	3.60	10,000
Total market value of assets		<u>330,000</u>
Present value of scheme liabilities		<u>(539,000)</u>
(Deficit)/surplus in the scheme		<u><u>(209,000)</u></u>

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

The amounts recognised in the balance sheet are as follows

	Period ended 31 August 2013 £
Present value of funded obligations	(539,000)
Fair value of scheme assets	<u>330,000</u>
Net liability	<u><u>(209,000)</u></u>

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

	Period ended 31 August 2013 £
Interest on obligation	(10,000)
Expected return on scheme assets	6,000
Current service cost (net of contributions)	<u>(2,000)</u>
Total	<u><u>(6,000)</u></u>
Actual return on scheme assets	<u><u>3,000</u></u>

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

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

	Period ended 31 August 2013 £
Opening defined benefit obligation	498,000
Interest cost	10,000
Contributions by scheme participants	10,000
Actuarial Gains	(16,000)
Current service cost	37,000
	<hr/>
Closing defined benefit obligation	539,000
	<hr/>

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

	Period ended 31 August 2013 £
Opening fair value of scheme assets	282,000
Expected return on assets	6,000
Actuarial gains and (losses)	(3,000)
Contributions by employer	35,000
Contributions by employees	10,000
	<hr/>
	330,000
	<hr/>

The cumulative amount of actuarial gains recognised in the Statement of Total Recognised Gains and Losses was £13,000

The Academy Trust expects to contribute £86,000 to its Defined Benefit Pension Scheme in 2014

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	5.90 %
Rate of increase in salaries	5 10 %
Rate of increase for pensions in payment / inflation	2 80 %

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NOTES TO THE FINANCIAL STATEMENTS
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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	21.6
Females	23.2
Retiring in 20 years	
Males	23.6
Females	25.6

Amounts for the current period are as follows

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(539,000)
Scheme assets	330,000
Deficit	(209,000)
Experience adjustments on scheme liabilities	16,000
Experience adjustments on scheme assets	(3,000)

Sensitivity analysis

	2013
Adjustment to discount rate	-0.5%
Present value of total obligation	£79,000
Adjustment to mortality age rating assumption	+1 year
Present value of total obligation	£16,000

25. OPERATING LEASE COMMITMENTS

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

	2013 £
Expiry date:	
Between 2 and 5 years	6,887

All commitments above relate to assets other than land and buildings

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NOTES TO THE FINANCIAL STATEMENTS
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26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which a Governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

27. OTHER FINANCE INCOME

	Period ended 31 August 2013 £
Expected return on pension scheme assets	6,000
Interest on pension scheme liabilities	(10,000)
	<hr/> (4,000) <hr/>