

**Colyton Grammar School Academy Trust**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Period from 19 November 2010 to 31 August 2011**

**Company Registration Number 07445493**

# Colyton Grammar School Academy Trust

## Financial Statements

Period Ended 31 August 2011

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# Colyton Grammar School Academy Trust

## Reference and Administrative Details

Period Ended 31 August 2011

### Governors (Trustees)

C J Bastin (Chairman) \*  
S Burns-Price (Staff Governor)  
J Coop (resigned 31 August 2011)  
G Davis (Staff Governor)  
P W Evans (Headteacher and Accounting Officer) \*  
G Hayne  
S Hopkins (Responsible Officer)  
L Linnell  
T F Lyddon (Vice Chairman) \*  
M R Marsh \*  
B Merrett \*  
W Robinson  
B Salter \*  
R Scott  
V Wells  
F H Wilkinson \*  
M Williams \*

\* members of the Finance and Resources Committee

### Company Secretary

S R Cook

### Senior Leadership Team:

- Deputy Headteacher
- Deputy Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Business Manager

E Coop  
J Wainwright  
R Bush  
R Stidwell  
S R Cook

### Principal and Registered Office

Colyton Grammar School  
Whitwell Lane  
Colyford  
Colyton  
EX24 6HN

### Company Registration Number

07445493 (England and Wales)

### Charity Registration Number

306672 (for Educational Foundation only)

### Independent Auditor

Francis Clark LLP  
Vantage Point  
Woodwater Park  
Pynes Hill  
Exeter  
EX2 5FD

### Bankers

Lloyds TSB plc  
Market Square  
Colyton  
EX24 6JS

### Solicitors

Foot Anstey LLP  
Senate Court  
Southernhay Gardens  
Exeter  
EX1 1NT

# **Colyton Grammar School Academy Trust**

## **Governors' Report**

Period Ended 31 August 2011

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2011. The company was incorporated on 19 November 2010 and commenced operating as an Academy School on 1 January 2011.

### **Structure, Governance and Management**

#### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Colyton Grammar School Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Colyton Grammar School Academy Trust.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

#### Members' Liability

There are five members of the Charitable Company: C J Bastin, J Coop (until 31 August 2011), T F Lyddon, M R Marsh and B Salter. Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

### **Governors' Indemnities**

The Charitable Company has purchased Governors' Liability insurance at a cost of £630, and Fidelity Guarantee cover at a cost of £325 (the latter also covers staff).

### **Principal Activities**

The principal activity of the Academy is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

### **Method of Recruitment and Appointment or Election of Governors**

The Academy's Governing Body comprises the Headteacher, a minimum of four Parent Governors, up to two Staff Governors (providing that the total number of Governors, including the Headteacher, who are employees of the Academy Trust does not exceed one third of the total number of Governors) and up to eleven Other Governors. The Articles of Association require there to be a minimum of three governors.

Parent Governors are elected by the parents of current pupils of the Academy Trust. As provided for in the Articles of Association, the Members appointed the current Parent Governors on the basis that they had been elected to serve as Parent Governors of the former Colyton Grammar School.

Staff Governors are elected by the staff currently employed by the Academy Trust. The Members appointed the current Staff Governors on the basis that they had been elected to serve as Staff Governors of the former Colyton Grammar School.

# **Colyton Grammar School Academy Trust**

## **Governors' Report (continued)**

Period Ended 31 August 2011

With regard to the appointment of Other Governors, the Board will give consideration to the skills mix of the Governors in order to ensure that the Board of Governors has the necessary skills to contribute fully to the Academy's development.

### Policies and Procedures Adopted for the Induction and Training of Governors

All new governors participate in an induction programme, and all governors are issued with a copy of the annual Governors' Handbook giving a wide range of information and guidance relating to the governance of the Academy Trust.

The Staffing Committee is responsible for arranging a programme of governor training. During the period under review, two Governor Training Evenings were held. In addition, each Committee holds an annual Focus Evening, with a single training focus applicable to the work of that Committee.

### Organisational Structure

The Board of Governors normally meets once each academic term. The Board establishes an overall framework for the governance of the Academy and agrees membership of Committees and Statutory and other Panels. It receives reports, and in particular policy documents, from its Committees for ratification. It monitors the activities of the Committees through the Minutes of their meetings. It also establishes the Terms of Reference and Procedures for its Committees. The Board of Governors may also, from time to time, establish Working Groups to perform specific tasks over a limited timescale.

The following decisions are reserved to the Board of Governors: to determine any proposals for the alteration, closure or change of category of the Academy; to amend the constitution of the Governing Body; to appoint or remove the Chairman and/or Vice Chairman; to appoint the Secretary to the Governors; to suspend governors; to determine the ethos of the school; to delegate specific responsibilities to any Governor, Committee, the Headteacher or other holder of an executive office, and to determine and review annually the terms of reference, constitution and membership of all Committees; to publish an annual prospectus; to decide school session times and dates of school terms and holidays; to make arrangement for staff dismissal appeals; to set up panels for the selection of the Headteacher; to develop, monitor and review the Academy Trust's Freedom of Information Act 2000 Publication Scheme; to approve the annual Development Plan and to monitor the annual Register of Interests.

There are six Committees as follows:

- The Committee of Chairs which meets once a term to discuss consider strategic matters relating to the development of the Academy Trust, in preparation for discussion and presentation for approval by the Board.
- The Admissions Committee, which meets twice a year to deal with all matters relating to Admissions, including the provision of effective liaison with Year 6 parents, the annual admissions process, arrangements for the Independent Appeals Panel and setting admissions limits for Years 7 and 12.
- The Curriculum and Pastoral Committee, which meets once a term to monitor, evaluate and review school policy and practice in relation to curriculum planning, communications and publications, target-setting and performance data, assessment, recording and reporting, examinations, literacy and numeracy policies and all pastoral issues. This includes arrangements for Special Educational Needs, behaviour and discipline, collective worship and religious education.
- The Finance and Resources Committee, which meets at least four times a year to monitor, evaluate and review school policy and practice in relation to financial planning and monitoring;

# Colyton Grammar School Academy Trust

## Governors' Report (continued)

Period Ended 31 August 2011

to decide how to spend the General Annual Grant and other funds under the control of governors for the purposes of the Academy Trust; to monitor and ensure compliance with DfE, YPLA, Charity Commission and other relevant bodies and all relevant legal requirements in relation to the proper financial management of the Academy Trust; to agree limits of financial delegation; to ensure that full accounts are kept; to arrange appropriate insurance cover; to receive the termly report of the Responsible Officer; to report the Academy Trust's financial position to the Governing Body at least once a term.

- The Grounds, Buildings and Services Committee, which meets once a term to develop, monitor and review the Premises Development Plan, to plan and approve specific capital projects (including the consideration and approval of tenders); to ensure the effective security, development and maintenance of the Academy Trust's land, buildings, equipment and vehicles; to develop, monitor and review the Academy Trust's Health and Safety Policy; to make arrangements for the effective provision of services such as catering; to develop and monitor the Sustainable School Policy.
- The Staffing Committee which meets once a term to review the staffing structure of the Academy Trust and decide, within the resources available, how many teaching and support staff should be employed; to advise the Governing Body on the procedures for the selection of the Headteacher; to select for appointment Deputy Headteachers, Assistant Headteachers and the Business Manager; to determine pay and conditions for all staff; to monitor performance management policies for all staff; to approve salary increases linked to performance reviews for the Senior Leadership Team; to make arrangements for the Headteacher's Performance Management review; to review safeguarding checks as part of the employment of new staff; to ensure effective arrangements are in place for succession planning for all staff; to make arrangements for Governor induction and training.

The Headteacher is the Accounting Officer as required by the Funding Agreement with the Department for Education. The responsibilities of the Accounting Officer are defined in the Statement of Internal Control on page 15.

### Risk Management

The Governors are responsible for the management of risks to which the Academy Trust is exposed, and have undertaken a review of risks associated with its activities. The key controls used by the Academy Trust include:

- Formal agendas for Governors' meeting
- Detailed terms of reference for all committees
- A clear Development Plan identifying key strategic planning objectives and the resources required to achieve them
- Comprehensive budget planning, monitoring and review
- Clear financial delegation levels
- Formal written policies reviewed on a regular basis
- Clear safeguarding and vetting procedures as required by law to protect children and young people
- Rigorous review of educational achievement to ensure continuing high standards
- Comprehensive planning and review of admissions processes
- A clear succession planning policy

The Board of Governors have reviewed the major risks, focusing on operational, financial, governance, compliance and reputational risk, and have taken steps to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk.

# Colyton Grammar School Academy Trust

## Governors' Report (continued)

Period Ended 31 August 2011

The Board of Governors is satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

### Connected Organisations, including Related Party Relationships

The Academy Trust is an Ordinary Member of the South West Academic Trust, which consists of eight selective schools in the South West of England, plus the University of Exeter. The South West Academic Trust seeks to advance the education of pupils of any member schools through partnership and collaboration, and staff from the Academy Trust have been actively involved in a wide variety of meetings and training events during the period under review.

### **Objectives and Activities**

#### Objects and Aims

The Academy Trust's object is specifically restricted to the advancement, for the public benefit, of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The principal aim of the Academy Trust aims is to provide high quality learning that helps all students to fulfil their intellectual potential and become good and emotionally well-balanced young people.

Further aims are as follows:

- To provide high quality teaching that challenges students and equips them for life by encouraging enquiry, originality, empathy and creativity in a positive atmosphere
- To provide an environment that enables students to learn and teachers to teach effectively
- To promote and recognise high standards of achievement in all spheres of activity
- To help students form successful relationships characterised by understanding others, tolerance, trust and self-respect
- To broaden horizons and to promote an interest in and respect for the local, national and global communities and their cultures
- To develop physical emotional health and a sense of the importance of morality and personal responsibility
- To encourage discernment, good judgement and self-discipline
- To provide equality of opportunity for all
- To develop an understanding of our responsibility as global citizens to live in a sustainable way

#### Objectives, Strategies and Activities

Key influences on the Academy Trust's Development Plan for the period under review were the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to academy status.

Key activities and targets have included the following:

- A review of numeracy, literacy and ICT capability
- A review of school accountability processes, focusing on changes in the relationship with Ofsted and internal supported self-review of subject departments
- A range of activities relating to the Science College programme
- A review of staffing levels in the light of budgetary pressures

# Colyton Grammar School Academy Trust

## Governors' Report (continued)

### Period Ended 31 August 2011

- Further development of the staff intranet to support administration, communication and planning within school
- A range of activities to promote community cohesion, including the development of an international partnership with an Ethiopian school
- Identifying, developing and adopting appropriate innovative learning strategies to support independent learners
- Continued development of systems for tracking and monitoring pupil attainment
- Further development of "online reporting" to ensure timely, appropriate and effective reporting to parents
- A variety of activities to identify the qualities of student leadership, audit opportunities and to develop student leadership skills
- The development and embedding of key financial and administrative procedures arising from the conversion to academy status
- Further development and implementation of the sustainable school policy, including planning for the installation of a second major photovoltaic array, improvements in heating and insulation and reduction of waste
- Monitoring and review of the Devon "in year" admissions process and preparation for the likely outcome of the review of the national consultation on a revised Admissions Code
- A range of activities to support the Gifted and Talented Lead School Programme, including the support of Year 5 and 6 pupils in local primary schools in Mathematics, Science and Music
- A variety of activities to support the Leadership Partner Programme, including the development of a Middle Leadership Development course, inter-visitations to develop leadership skills and the mentoring of new leaders.

#### Public Benefit

The Governors have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The Academy Trust provides education to children and young people that is

- balanced and broadly based
- promotes the spiritual, moral, cultural, mental and physical development of students at the school and of society
- prepares students at the school for the opportunities, responsibilities and experiences of later life
- promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

The Academy Trust is a selective school serving East Devon, West Dorset and South Somerset. It is subject to the current statutory arrangements as laid down in the national Admissions Code. In order to ensure that students at the school can benefit fully from the education provided, the Governors will consider the admission of children who attain the required standards with reference to ability and aptitude. Current arrangements for entry to the school are available in the section of the school website dealing with admissions arrangements:

<http://www.colytongrammar.devon.sch.uk/admissions/index.htm>

# Colyton Grammar School Academy Trust

## Governors' Report (continued)

Period Ended 31 August 2011

### Achievements and Performance

As a co-educational selective school, students represent the top 20-25% of the ability range and go on to achieve outstanding academic results. Students complete Key Stage 3 in two years, and then take GCSE exams at the end of Year 10. The introduction of a three year Sixth Form programme has been welcomed by universities who have been particularly positive about the research elements of the Extended Project completed as part of the AQA Bacculaureate programme.

Results in public examinations have been maintained at a very high level throughout the introduction of these changes. In preparation for university and employment, students study a broad curriculum with opportunities for extension work, while continuing to achieve results which place the school at the top end of national performance tables e.g. the school was ranked 5<sup>th</sup> nationally in the most recent (2009/10) Department for Education tables for average total A Level points per candidate.

DfE National Performance Tables rate the school very highly.

- 2010 Key Stage 4 tables ranked the school 11 / 5332 state secondary schools.
- 2010 Key Stage 5 tables ranked the school as 5 /3126 state schools and colleges

National Performance Table data for 2011 is not currently available but at A Level national press rankings include the following:

- The Telegraph state selective school table - 8th state school (5th mixed school)
- The Times state and independent schools table - 24th (8th state, 4th state mixed)

At GCSE, national press rankings based on Year 11 GCSE A\*/A performance include the following:

- The Times - 12th state school (3rd State Mixed)
- The Telegraph - 13th state selective school (3rd State Mixed)

### Key Stage 5: GCE 'A' Level - Results

In the period under review, the A\*/A rate was maintained at a high level with an increase in the overall proportion of A\*/A/B grades:

Year	A*	A	B	C	D	E	A*/A	A*/A/B %
2011	33.9%	38.7%	20.2%	5.1%	2.1%	0%	72.6%	92.8%
2010	34.6%	38.5%	18.7%	6.0%	1.9%	0.2%	73.1%	91.8%
2009	N/A	66.9%	20.9%	8.0%	2.7%	1.5%	66.9%	87.8%

### Key Stage 4: Year 11 Results

	2011	2010	2009
% gaining 5+ A*-C including English and Maths	100%	100%	100%
Average total uncapped point score	929	718	739
% gaining English Bacculaureate	87%	88%	N/A

# Colyton Grammar School Academy Trust

Governors' Report (continued)

Period Ended 31 August 2011

*Key Stage 4: GCSE 2011 Results (Year 10)*

Grade Distribution	A*	A	A*-A
<b>Y10 2011</b>	<b>47.2%</b>	<b>33.5%</b>	<b>80.7%</b>
Y10 2010	47.9%	36.8%	84.7%
Y10 2009	40.2%	39.6%	79.8%

*Year 13 Leaver Destinations*

	Number	Notes
Number of students	104	
Progressing to University	91	(including 11 to Oxford, 5 to Cambridge) Medicine – 8; Law – 3; Dentistry - 1
Art Foundation Course	2	
Armed Services	1	
Internship	1	
Engineering Apprenticeship	1	
Gap Year	8	

*National Recognition*

At its last inspection, the school was designated 'outstanding' by Ofsted.

During the year, the school successfully achieved the International School Award and is also recognised by the Specialist Schools and Academy Trust as a Leading Edge Partnership School and as a Consultant School.

The school is a member of the South West Academic Trust partnership of selective schools and is licenced to deliver the Middle Leadership Development Programme by the National College for School Leadership. The school is also a National Professional Qualification for Headteachers Development School and is recognised by the Prince's Trust Teaching Initiative for Excellence in Mathematics. The school also holds the Eco-Schools Green Flag Award and is a partner school of the University of Exeter for the delivery of initial teacher training.

Review of Activities

*Middle Leadership Development Programme*

The school has been recognised as a centre of good practice in leadership development by the National College for School Leadership (NCSL) and has been commissioned to deliver middle leadership development training to partner schools as part of the national Middle Leadership Development Programme (MLDP)

*Capital Developments*

During the period under review, the school completed the refurbishment of the West Wing of the main school building, to include a Food Technology area, a Biology lab and two Maths rooms. The

# Colyton Grammar School Academy Trust

## Governors' Report (continued)

### Period Ended 31 August 2011

refurbished building was opened by Michael Marsh, former pupil, teacher and current governor and has been named in his honour.

The major extension to the Music Centre to provide a recital area, additional instrumental teaching rooms, sound recording facilities and office space was also completed.

#### *South West Academic Trust*

While the legal status of the Trust will change with the continuing conversion of member schools to academies, Directors and Headteachers remain committed to a formal partnership to support and develop the selective schools in the South West peninsula.

A number of staff development and student activities have been undertaken successfully during the period under review, including a student Challenge Day and a Student Voice Conference. Most subject areas now hold regular meetings, setting their own agendas and sharing good practice. The Trust partnerships provide costs-effective staff development, targeted at the needs of selective schools, enabling staff to be outward facing while reflecting critically on Colyton's own practice.

#### *Science College Specialism, Leading Edge Partnership Programme and Leadership Partner School Programme*

Academies are expected to maintain a specialism with their core funding, and governors have continued to support science preferentially to facilitate this. One key area has been the continued support for gifted and talented students in the primary schools of the Axe Valley Learning Community.

#### *Student Achievement and Activities*

A large number of students have participated in a very wide range of activities beyond the classroom. Key achievements include the following:

- Fundraising activities for charities including the Roald Dahl Foundation, Breast Cancer Research UK, the Exeter Foodbank, Exeter Leukaemia Fund, Link Ethiopia, Comic Relief
- 'Life in the Vines' - Royal Society grant supported work with the University of Exeter' Biosciences department on a biodiversity project
- Sporting achievements including champions and/or runners up for East Devon Netball, Devon U16 Rugby, East Devon Badminton and East Devon Hockey; and participation in the SW Regional Athletics Championships and National School Tennis Competition
- Participation in a number of major competitions (including some winners and/or runners-up) such as the British Biology and Physics Olympiads, the Junior Magistrates 'Mock Trial' and the Bar 'Mock Trial' competitions
- Six students gained Duke of Edinburgh Gold Awards
- Three teams in the Ten Tors Competition
- Winner of the National Trust's Landlines poetry competition and commendation in the Foyle's Young Poet of the Year Competition
- Student support of a family Science Day at the Norman Lockyer Observatory and an Institute of Physics stand at the Devon County Show

#### Review of Investments

Details of the investments held by the Academy are included in Note 14

# Colyton Grammar School Academy Trust

## Governors' Report (continued)

Period Ended 31 August 2011

### Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### **Key Financial Performance Indicators**

Comparative information for periods prior to 1 January 2011 is based on data from the previous Colyton Grammar School. It should be noted that the figures for the period under review cover only eight months.

For details of examination results, please refer to the Achievements and Performance section on pages 7 to 9.

### Staffing Costs as a % of Public/GAG income

	2011 (8 months only)	2010	2009
Teaching Staff	56.2%	60.1%	59.8%
Support Staff	8.0%	7.6%	6.8%
Administrative Staff	5.5%	5.5%	5.2%
Site Staff	5.4%	5.7%	5.8%

### Teaching Staff

	2011	2010	2009
Full Time Equivalents	45.29	45.11	44.9
Pupil Teacher Ratio	17.9	17.8	17.9

### Admissions

2011		2010		2009	
Applications	Accepted	Applications	Accepted	Applications	Accepted
351	120	379	122	377	120

### **Financial Review**

In the current climate of uncertainty about future funding, Governors have made it a priority to ensure that high standards are maintained within the framework of a budget that is sustainable, and have been rigorous in evaluating any proposals for additional expenditure. Key principles specifically identified in terms of financial planning during the year include:

- Retaining a sharp focus on teaching and learning
- Planning for the long term
- Investing for quality and efficiency
- Ensuring a proactive involvement in national consultations regarding school funding
- Developing a creative response to funding challenges

In addition to the transferred Fixed Assets, the Academy received the following funds from the previous Colyton Grammar School:

#### *General Unrestricted Fund*

- £127,176 (the balance of the former school's School Budget Share)

# Colyton Grammar School Academy Trust

## Governors' Report (continued)

### Period Ended 31 August 2011

- £161,673 (the balance of the former school's Non-Public fund, excluding those amounts received for specific purposes and shown in the Special Purposes Fund (Restricted) below)  
*Special Purposes Fund* – £24,387 (being the balance of the former school's Non-Public Fund received for specific purposes)  
*Bradbeer Fund (Unrestricted)* – £518,681 (a legacy received from a former member of staff)  
*Colyton Educational Foundation (Restricted)* - £37,462 (a separate charity registered with the Charity Commission and under the control of governors)

During the period under review, the principal source of income has been the General Annual Grant and other grant related income received from the YPLA and Devon Local Authority. These funds have been applied to the Academy's Educational Operations (see Note 8), In addition a sum of £219,966 has been used to purchase Fixed Assets to support the Academy's Educational Operations, These purchases have included:

- The completion of a major extension to the Music Centre (including furnishings and equipment) - £71,113
- The refurbishment of two Science laboratories - £85,060
- Major improvements to the IT infrastructure and replacement IT equipment - £31,330

Funds have also been received from students to pay for a wide range of educational visits and activities, and these have been applied to the associated costs.

Governors have recognised the increasing financial challenges faced by many parents, and during the period under review made a decision to invest £145,000 of the Bradbeer Fund in a large photovoltaic array which it is anticipated will generate an annual income in the region of £23-25,000 per annum to be used to fund a Bradbeer Bursary.

Governors have also designated £100,000 of the Bradbeer Fund for anticipated capital repairs to the school's All Weather Pitch, and an additional £200,000 from the Bradbeer Fund for future capital projects. With regard to the latter, governors are currently undertaking feasibility studies relating to the refurbishment and extension of the Cottrill Hall and the replacement of existing staff accommodation. The latter study will also include investigation of flexible delivery methods for 6<sup>th</sup> form courses, in response to growing A Level group sizes.

Key financial policies adopted or reviewed during the year include the Finance Policy which establishes the framework for financial management, including the key financial responsibilities of the Board, its committees and the key officers of the academy, as well as delegated authority for spending decisions. This policy is supported by additional policies including the following: Asset Management, Audit, Budget Monitoring, Charges for School Activities, Income and Lettings, Insurance, Payroll Organisation and Supervision and Remissions.

Governors have adopted a Responsible Officer policy and appointed a governor, who is not a member of the Finance and Resources Committee to undertake a programme of internal checks on financial controls and to report to meetings of the Finance and Resources Committee and the Board.

Governors have also approved an Investment Policy which establishes the framework for the cash management of the school, including bank and deposit accounts, and identifies the key criteria for the selection and evaluation of other forms of investment.

# Colyton Grammar School Academy Trust

Governors' Report (continued)

Period Ended 31 August 2011

## Financial and Risk Management Objectives and Policies

The Academy Trust's activities expose it primarily to cash flow risk. The Governing Body continually monitors cash flows to ensure the Academy Trust has sufficient funds available to meet debts as they fall due. The Governing Body maintains significant cash reserves at all times.

The Governing Body acknowledges the defined benefit scheme deficit which is set out at Note 27 to the annual report. It considers that the Academy Trust is able to meet its known contribution commitments for the foreseeable future.

## Principal Risks and Uncertainties

Governors have identified the following principal risk and uncertainties facing the Academy Trust:

### *Financial Risk*

The Academy Trust is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets.

Governors have also given due consideration to the risks associated with financial mismanagement and/or compliance failures.

### *Failures in Governance and/or Management*

Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

### *Reputational Risk*

The continuing success of the Academy Trust depends on maintaining the highest educational standards in order to continue to attract applicants in sufficient numbers. Governors are clearly focused on monitoring and reviewing the achievement and success of students.

Governors continue to give due consideration to other aspects of the school's activities where there could be a reputational risk, including discipline, safeguarding, Health and Safety etc.

### *Safeguarding and Child Protection Risks*

Governors continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection policies in school and in training and support, in order to protect the vulnerable young people in its care.

### *Significant Changes in Staff*

Governors have put in place a clear succession planning policy, and continue to review and monitor arrangements for recruitment and the development of existing staff to minimise the risk resulting from major changes in key staff.

## Reserves Policy

The Academy Trust aims to carry forward a prudent level of resources from the General Annual Grant, the General Non-GAG Restricted Fund and the General Unrestricted Fund to cover the medium- and long-term needs for renewal and replacement, for major unforeseen contingencies and to contribute to major capital developments. The amount to be carried forward from the General Annual Grant is subject to the current restrictions operated by the Department for Education. At the end of the period under review the balances held in these funds were as follow:

# Colyton Grammar School Academy Trust

## Governors' Report (continued)

Period Ended 31 August 2011

- General Annual Grant - £17,062
- General Non-GAG Restricted Fund - £1,388
- General Unrestricted Fund - £323,161

A significant legacy from a former member of staff, shown in the financial statements as the Bradbeer Fund was transferred to the Academy from the previous school at the date of transfer (1 January 2011). At the end of the period under review, this fund amounted to £520,846. Governors have made the following designations for these funds:

Future capital projects - £200,000	(plans for this year include the completion of feasibility studies on the refurbishment and extension of the Cottrill Hall and the Staff House)
All Weather Pitch - £100,000	Major costs in the next ten years include the replacement of the All Weather Pitch surface
Photovoltaic Installation - £145,000	Installation of a large photovoltaic array in the Autumn of 2011 to generate an income of c.£25,000 per annum to be used as a bursary fund for the support of students.

The funds of the Educational Foundation, which are under the control of the governors, are restricted to the purposes identified in its charitable deed.

The Special Purposes Fund is restricted and represents monies received for specific purposes such as educational visits and activities, and the related expenditure.

### Investment Policy

Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Governors do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Governors' management of cashflow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FSA Approved List included in the Financial Services Compensation Scheme (FSCS).

Governors will seek to ensure that any cash not required for operating expenses is placed on deposit at the most favourable rate. Arrangements for deposits may include, but are not limited to Treasury Bonds and CCLA Deposit Accounts. Deposit account providers must be selected from the FSA Approved List included in the Financial Services Compensation Scheme (FSCS) or from the CCLA.

Where significant funds are have been accumulated that are not required in the short term for operational expenses, or as part of a planned surplus for a specific project, governors may consider the investment of these funds in order to generate a longer term income or capital fund. In addition, the school may at times receive investments as part of a legacy or gift.

The approval of the Finance and Resources Committee is required before any investment is made. The following criteria should be used in selecting an appropriate investment:

- What level of risk does the investment represent? The governors' approach to risk is cautious – typical investments will include corporate bonds and fixed interest funds.
- The historical performance of the investment or fund

# **Colyton Grammar School Academy Trust**

## Governors' Report (continued)

Period Ended 31 August 2011

- The anticipated level of return
- Management fees and associated costs
- Any penalties e.g. for early redemption
- Ease of access should governors wish to realise the investment

### **Plans for Future Periods**

Following the conversion to academy status, the school plans to maintain a clear focus on learning and the teaching that promotes it, including continuing to raise achievement and student skills. A particular focus is the continued development of independent study skills and leadership.

Financial planning will focus on maintaining the breadth and quality of future work in the context of diminishing budgets,

Specific plans include the following:

- A full curriculum review
- A focus on the development of Pre-University learning
- Further work related to the Gifted and Talented
- Development work on the provision of effective feedback to students
- A review of schemes of work to promote independent study
- Further work on the development of student leadership
- Responding to the new Ofsted arrangements
- A review of In-School Variation
- Responding to the new national Admissions Code
- An evaluation of Continuing Professional Development
- The development of peer observations and mentoring
- Senior Leadership Team succession planning
- The completion of feasibility studies on the refurbishment and extension of the Cottrill Hall and Staff House
- Improvements to the Library
- Major upgrades to the IT infrastructure

### **Funds held as Custodian Trustee on behalf of others**

The financial statements include the results of the Colyton Educational Foundation, a registered charity (number 306672) which is under the control of the Governors of the Academy Trust.

The objects of Colyton Educational Foundation are to:

- provide special benefits of any kind not normally provided by the local authority for Colyton Grammar School;
- provide benefits for students at Colyton Grammar School whom are in need of financial assistance.

The trustees are Dr Christopher Bastin and Mr P Evans.

# **Colyton Grammar School Academy Trust**

Governors' Report (continued)

Period Ended 31 August 2011

## **Auditor**

In so far as the governors are aware:

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

The Governors have appointed Francis Clark LLP as auditors.

Approved by order of the members of the Governing Body on 12 December 2011 and signed on its behalf by:

CHRISTOPHER J BASTIN

.....

**C J Bastin**  
**Chair**

# **Colyton Grammar School Academy Trust**

## **Statement on Internal Control**

Period Ended 31 August 2011

### **Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Colyton Grammar School Academy Trust 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 Colyton Grammar School Academy Trust and the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### **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 Colyton Grammar School Trust for the period ended 31 August 2011 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 ending 31 August 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Resources 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.

# **Colyton Grammar School Academy Trust**

Statement on Internal Control (*continued*)

Period Ended 31 August 2011

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 S Hopkins, a governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The RO function has been fully delivered in line with the YPLA's requirements. No material control issues arising as a result of the RO's work have been identified.

## **Review of Effectiveness**

As Accounting Officer, the Headteacher (P Evans), has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 12 December 2011 and signed on its behalf by:

**CHRISTOPHER J BASTIN**

**Signed**  
**C J Bastin**  
**Chair**

**PAUL W EVANS**

**Signed**  
**P W Evans**  
**Accounting Officer**

# **Colyton Grammar School Academy Trust**

## **Statement of Governors' Responsibilities**

**Period Ended 31 August 2011**

The governors (who act as trustees for charitable activities of Colyton Grammar School Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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 YPLA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 12 December 2011 and signed on its behalf by:

C J BASTIN

**Signed**  
**C J Bastin**  
**Chair**

# **Colyton Grammar School Academy Trust**

## **Independent Auditor's Report to the Members of Colyton Grammar School Academy Trust**

Period Ended 31 August 2011

We have audited the financial statements of Colyton Grammar School Academy Trust for the period ended 31 August 2011 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinion we have formed.

### **Respective Responsibilities Of Governors And Auditors**

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

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

### **Scope of the audit of the financial statements**

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

### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and the Annual Accounts Direction issued by the Young People's Learning Agency;
- have been prepared in accordance with the requirements of the Companies Act 2006.

# **Colyton Grammar School Academy Trust**

Independent Auditor's Report to the Members of Colyton Grammar School Academy Trust

Period Ended 31 August 2011

## **Opinion on other matters prescribed by the Academy's Funding Agreement with the Secretary of State for Education**

Grants made by the Young Person's Learning Agency have been applied for the purposes intended.

## **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Matters on which we are required to report by exception**

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

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

CHRISTOPHER BUSH

**(Senior Statutory Auditor)**

For and on behalf of

**FRANCIS CLARK LLP**

Chartered Accountants and Statutory Auditor

Vantage Point

Woodwater Park

Pynes Hill

Exeter

EX2 5FD

CHRISTOPHER BUSH

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# Colyton Grammar School Academy Trust

## Statement of Financial Activities for the period ended 31 August 2011

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2011 £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Other voluntary income	4	10,232	18,097	21,367	<b>49,696</b>
Activities for generating funds	5	182,868	171,480	0	<b>354,348</b>
Investment income	6	3,710	260	0	<b>3,970</b>
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy's educational operations	7	0	2,690,140	0	<b>2,690,140</b>
<i>Other incoming resources</i>					
Net transfers on conversion to academy status	3	807,529	(530,151)	7,646,513	<b>7,923,891</b>
<b>Total incoming resources</b>		<b>1,004,339</b>	<b>2,349,826</b>	<b>7,667,880</b>	<b>11,022,045</b>
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
Fundraising trading	8	143,332	28,228	0	<b>171,560</b>
<i>Charitable activities:</i>					
Academy's educational operations	9	16,126	2,544,814	206,204	<b>2,767,144</b>
<i>Governance costs</i>	10	0	10,826	0	<b>10,826</b>
<b>Total resources expended</b>		<b>159,458</b>	<b>2,583,868</b>	<b>206,204</b>	<b>2,949,530</b>
<b>Net incoming / (outgoing) resources before transfers</b>					
		844,881	(234,042)	7,461,676	<b>8,072,515</b>
Gross transfers between funds	20	0	(198,959)	198,959	<b>0</b>
<b>Net income/(expenditure) for the year</b>		<b>844,881</b>	<b>(433,001)</b>	<b>7,660,635</b>	<b>8,072,515</b>
<b>Other recognised gains and losses</b>					
Gains (losses) on investment assets	15	(874)	(247)	0	<b>(1,121)</b>
Actuarial (losses) gains on defined benefit pension schemes	30	0	(14,000)	0	<b>(14,000)</b>
<b>Total other recognised gains/(losses)</b>		<b>(874)</b>	<b>(14,247)</b>	<b>0</b>	<b>(15,121)</b>
<b>Net movement in funds</b>		<b>844,007</b>	<b>(447,248)</b>	<b>7,660,635</b>	<b>8,057,394</b>
<b>Reconciliation of funds</b>					
<b>Fund brought forward at 1 January 2011</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funds carried forward at 31 August 2011</b>		<b>844,007</b>	<b>(447,248)</b>	<b>7,660,635</b>	<b>8,057,394</b>

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

# Colyton Grammar School Academy Trust

Balance Sheet as at 31 August 2011

	Notes	2011 £	2011 £
<b>Fixed assets</b>			
Tangible assets	14	7,660,635	
Total fixed assets			7,660,635
<b>Current assets</b>			
Investments	15	65,187	
Stock	16	31,612	
Debtors	17	153,778	
Prepayments and Accrued Income	18	55,111	
Cash at bank and in hand		1,058,666	
		<u>1,364,354</u>	
<b>Creditors: Amounts falling due within one year</b>			
Creditors	19	(220,458)	
Accruals and Deferred Income	19	(119,137)	
		<u>(339,595)</u>	
<b>Net current assets</b>			1,024,759
Total assets less current liabilities			<u>8,685,394</u>
<b>Creditors: Amounts falling due after more than one year</b>			
Provisions for liabilities and charges			0
			0
<b>Net assets excluding pension liability</b>			<u>8,685,394</u>
Pension scheme liability	30	(628,000)	
<b>Net assets including pension liability</b>			<u>8,057,394</u>
<b>Funds of the academy:</b>			
<b>Restricted funds</b>			
Fixed asset funds	20	7,660,635	
General fund – General Annual Grant	20	17,062	
General fund – Non GAG	20	78,937	
Pension Reserve	20	(628,000)	
Special Purposes Fund	20	47,281	
Colyton Educational Foundation	20	37,475	
<b>Total restricted funds</b>			<u>7,213,387</u>
<b>Unrestricted funds</b>			
Unrestricted General Fund	20	323,161	
Bradbeer Fund	20	520,846	
<b>Total unrestricted funds</b>			<u>844,007</u>
<b>Total funds</b>			<u>8,057,394</u>

# **Colyton Grammar School Academy Trust**

Balance Sheet as at 31 August 2011

The financial statements on pages 21 to 23 were approved by the Governors, and authorised for issue on 12 December 2011 and are signed on their behalf by:

**CHRISTOPHER J BASTIN**

Signed.....

**C J Bastin**

**Chair of Governors**

# Colyton Grammar School Academy Trust

## Cash Flow Statement for the period ended 31 August 2011

	Notes	2011 £
<b>Net cash inflow from operating activities</b>	24	432,181
Returns on investments and servicing of finance	25	3,970
Capital expenditure	26	(198,959)
<b>Increase in cash in the year</b>	27	<u>237,192</u>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase in cash in the period		237,192
Net funds at 1 January 2011		821,474
<b>Net funds at 31 August 2011</b>		<u>1,058,666</u>

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 1. Statement of Accounting Policies

### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the YPLA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

The financial statements include the results of the Colyton Educational Foundation, a registered charity (number 306672) which is under the control of the Governors of the Academy Trust.

### Going Concern

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

### Incoming Resources

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

- **Grants receivable**

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

- **Donations**

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

- **Other income**

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

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 1. Statement of Accounting Policies (continued)

- **Transfer Of Property Upon Becoming An Academy Trust**  
The value of the property transferred to the Academy Trust from the former Colyton Grammar School on 1 January 2011 (the date of transfer) is shown at the Net Book Value in the December 2010 Financial Statements of the former school.
- **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**  
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable activities**  
These are costs incurred on the Academy Trust's educational operations.
- **Governance Costs**  
These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

### Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Land and buildings held by the former Colyton Grammar School prior to the introduction of fixed asset accounting are stated in the balance sheet at valuation, on the basis of depreciated replacement cost, as the open market value for existing use is not available. Land and buildings acquired by the former Colyton Grammar School after the introduction of fixed asset accounting are included in the balance sheet at cost.

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

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 1. Statement of Accounting Policies (continued)

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

Freehold buildings:

- Freehold buildings included in the financial statements at depreciated replacement cost are depreciated over their remaining useful lives, up to a maximum of 50 years (2% per annum)
- Other freehold buildings are depreciated over 50 years (2% per annum)

Furniture and equipment	10% per year
Plant and machinery	10% per year
ICT equipment	33.3% per year
Motor Vehicles	10% per year

In each case above, where there is a clear indication that the expected useful economic life of a specific asset differs from the standard % for the class of asset, the former will be used.

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

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

### Leased Assets

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

### Investments

Investments are shown at market value as at the period end date.

### Stock

Unsold catering, uniforms, stationery and other stocks are valued at the lower of cost or net realisable value.

### Taxation

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

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 1. Statement of Accounting Policies (continued)

### Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, 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. The Academy's share of the liabilities of the fund was valued at £592,000 at the date of transfer (1 January 2011) as shown at Note 3. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

### Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Young People's Learning Agency where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include

- (i) Grants from the Young People's Learning Agency
- (ii) Other grants from e.g. the Local Authority with a specific restricted educational purpose.
- (iii) The Colyton Educational Foundation, a separate charity registered with the Charity Commission and under the control of the governors
- (iv) The Special Purposes Fund, representing funds received for specific purposes such as educational visits and the related expenditure

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 2 General Annual Grant (GAG)

### a. Results and Carry Forward for the Year

	2011 £
GAG brought forward from previous year	0
GAG allocation for current year	2,592,993
<b>Total GAG available to spend</b>	<b>2,592,993</b>
Recurrent expenditure from GAG	(2,376,973)
Fixed assets purchased from GAG	(198,959)
Transfer from unrestricted fund	0
<b>GAG carried forward to next year</b>	<b>17,062</b>
Other restricted GAG funds	0
<b>GAG carried forward to next year</b>	<b>17,062</b>

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

	311,539
<b>GAG to surrender to DfE</b>	<b>(294,097)</b>

(12% rule breached if result is positive)

### b. Use of GAG brought forward from previous year for recurrent purposes

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

Recurrent expenditure from GAG in current year	2,376,973
GAG allocation for current year	(2,592,993)
GAG allocation for previous year x 2%	0
<b>GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year</b>	<b>(216,021)</b>

(2% rule breached if result is positive)

## 3 Net transfers on conversion to academy status

On 1 January 2011, the following funds were transferred from the previous school:

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Fixed Assets	0	7,646,513	7,646,513
School Budget Share balance	127,176	0	127,176
Non-School Budget Share General Fund	161,673	0	161,673
Special Purposes Fund	0	24,387	24,387
Bradbeer Fund	518,681	0	518,681
Colyton Educational Foundation	0	37,462	37,462
Pension scheme liability	0	(592,000)	(592,000)
	<b>807,530</b>	<b>7,116,361</b>	<b>7,923,891</b>

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 4 Voluntary Income

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Donations – Capital	0	21,367	21,367
Other Donations	10,232	18,097	28,329
	<u>10,232</u>	<u>39,464</u>	<u>49,696</u>

## 5 Activities for Generating Funds

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Hire of Facilities	12,502	0	12,502
Catering Income	149,741	(68)	149,673
Educational Activities Income	716	123,903	124,619
Other Services	19,909	47,645	67,554
	<u>182,868</u>	<u>171,480</u>	<u>354,348</u>

## 6 Investment Income

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Short term deposits	2,702	225	2,927
Dividends	1,008	35	1,043
	<u>3,710</u>	<u>260</u>	<u>3,970</u>

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 7 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
<b>DfE/YPLA capital grant</b>			
. Devolved Formula Capital allocations	0	0	0
. Academy main building grants	0	0	0
	0	0	0
<b>DfE / YPLA revenue grants</b>			
General Annual Grant (GAG) (note 2)	0	2,592,993	2,592,993
Start Up Grants	0	1,860	1,860
16-19 Bursary Fund	0	7,790	7,790
Pupil Premium	0	3,165	0
School Standards Fund	0	0	0
Other DfE / YPLA grants	0	0	0
	0	2,605,808	2,605,808
<b>Other Government grants</b>			
. School Standards Funds	0	76,684	76,684
. SEN from LA	0	7,648	7,648
	0	84,332	84,332
	0	2,690,140	2,690,140

## 8 Resources Expended

	Staff Costs £	Non Pay Expenditure Premises £	Other Costs £	Total 2011 £
Costs of generating voluntary income	0	0	0	0
Costs of activities for generating funds Academy's educational operations	81,015	0	90,545	171,560
Direct costs	1,665,510	3,569	570,010	2,239,089
Allocated support costs	288,240	105,958	133,857	528,055
	2,034,765	109,527	794,412	2,938,704
Governance costs including allocated support costs	0	0	10,826	10,826
	2,034,765	109,527	805,238	2,949,530

### Net incoming / (outgoing) resources for the year include:

	2011 £
Operating leases	12,684
Fees payable to auditor - audit	4,800
- other services	4,500
Profit/(loss) on disposal of fixed assets	0

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 9 Charitable Activities – Academy’s educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
<b>Direct costs</b>			
Teaching staff costs	0	1,459,235	1,459,235
Educational support staff costs	0	208,315	208,315
Depreciation	0	179,862	179,862
Educational supplies	9,484	226,796	236,280
Examination fees	0	107,995	107,995
Educational furniture (not capitalised)	0	2,133	2,133
Staff development	292	16,513	16,805
Educational consultancy	1,268	5,296	6,564
Other direct costs	740	21,160	21,900
	11,784	2,227,305	2,239,089
<b>Allocated support costs</b>			
Support staff costs	0	288,240	288,240
Depreciation	0	26,342	26,342
Recruitment and support	0	8,874	8,874
Maintenance of premises and equipment	0	45,215	45,215
Cleaning	0	8,186	8,186
Rent & rates	0	15,464	15,464
Water, energy and telephones	0	40,494	40,494
Insurance	0	12,379	12,379
Security and transport	308	7,669	7,977
Bank interest and charges	0	3,475	3,475
Pension scheme finance charge	0	17,000	17,000
Other support costs	4,034	50,374	54,408
	4,342	523,712	528,054

## 10 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Legal and professional fees	0	1,526	1,526
Auditor's remuneration			
. Audit of financial statements	0	4,800	4,800
. Other services	0	4,500	4,500
	0	10,826	10,826

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 11 Staff costs

Staff costs during the period were:	<b>2011</b>
	<b>£</b>
Wages and salaries	1,661,466
Social security costs	121,518
Pension costs	230,160
	<hr/> 2,013,144
Supply teacher costs	16,621
Compensation payments	0
	<hr/> 2,029,765

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

	<b>2011</b>	<b>2011</b>
	<b>No.</b>	<b>FTE</b>
<b>Charitable Activities</b>		
Teachers	59	39
Education support	39	13
Administration and support	38	21
Management	6	6
	<hr/> 142	<hr/> 79

There were no employees whose emoluments exceeded £60,000.

Sixty one of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2011, pension contributions for these staff amounted to £172,713. Thirty two employees participated in the Local Government Pension Scheme. During the period ended 31 August 2011 pension contributions amounted to £59,207.

## 12 Governors' remuneration and expenses

The Headteacher and 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 from the Academy in respect of their role as Governors. The value of the Principal's remuneration was £52,232 in the period ended 31 August 2011. The value of the two Staff Governors' remuneration was £44,665.

No expenses were paid to Governors and persons closely connected with them during the period ended 31 August 2011. Related party transactions involving the Governors are set out in note 31.

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 13 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2011 was £630. The cost of this insurance is included in the total insurance cost.

## 14 Tangible Fixed Assets

	Freehold Land and Buildings £	Plant Machinery and Equipment £	Furniture and Fittings £	IT Equip- ment £	Motor Vehicles £	Under Con- struction £	Total £
<b>Cost</b>							
On conversion	8,783,681	171,349	285,944	513,716	8,770	375,953	<b>10,139,413</b>
Additions	37,648	8,995	53,662	37,293	0	82,728	<b>220,326</b>
Transfers	375,953	0	0	0	0	(375,953)	<b>0</b>
Disposals	0	0	0	0	0	0	<b>0</b>
At 31 August 2011	<b>9,197,282</b>	<b>180,344</b>	<b>339,606</b>	<b>551,009</b>	<b>8,770</b>	<b>82,728</b>	<b>10,359,739</b>
<b>Depreciation</b>							
On conversion	1,960,766	46,612	128,532	354,658	2,332	0	<b>2,492,900</b>
Charged in year	130,870	8,019	20,003	46,727	585	0	<b>206,204</b>
Disposals	0	0	0	0	0	0	<b>0</b>
At 31 August 2011	<b>2,091,636</b>	<b>54,631</b>	<b>148,535</b>	<b>401,385</b>	<b>2,917</b>	<b>0</b>	<b>2,699,104</b>
<b>Net book values</b>							
At 31 August 2011	<b>7,105,646</b>	<b>125,713</b>	<b>191,071</b>	<b>149,624</b>	<b>5,853</b>	<b>82,728</b>	<b>7,660,635</b>

\* Assets inherited from the previous school are shown at cost with the associated depreciation – see the Statement of Accounting Policies section on Tangible Fixed Assets

## 15 Investments

The following investments held by the Academy are shown at market value:

	2011 £
3.5% War Loan (£50)	50
JPMF UK Growth and Income Fund (378.489 units)	2,240
COIF Property Fund (10,409.44 units)	10,914
M&G Charifund (General) (1,065.19 units)	11,464
M&G Charifund (Colyton Educational Foundation) (85.216 units)	917
Henderson Fixed Interest Units (52,797.82 units)	11,346
Henderson High Yield Units (59,025.78 units)	28,256
	<b>65,187</b>

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 16 Stock

	<b>2011</b>
	<b>£</b>
Catering	7,805
Stationery etc	19,560
Other (e.g. postage, uniform)	4,247
	<u>31,612</u>

## 17 Debtors

	<b>2011</b>
	<b>£</b>
Trade debtors	608
YPLA Grant and other income	38,728
Other debtors	49,580
VAT recoverable	64,862
	<u>153,778</u>

## 18 Prepayments and Accrued Income

	<b>2011</b>
	<b>£</b>
Prepayments	54,410
Bank and deposit account accrued interest	701
	<u>55,111</u>

## 19 Creditors: amounts falling due within one year

	<b>2011</b>
	<b>£</b>
Trade creditors	17,487
Other taxation and social security	58,359
YPLA	51,874
Other creditors	2,651
Retention building costs	23,738
Capital expenditure	66,350
Accruals and deferred income	119,137
	<u>339,595</u>

### Deferred income

	<b>2011</b>
	<b>£</b>
Deferred income at 1 January 2011	0
Resources deferred in the year	103,404
Amounts released from previous years	0
Deferred Income at 31 August 2011	<u>103,404</u>

# Colyton Grammar School Academy Trust

## Notes to the Financial Statements for the period ended 31 August 2011

The deferred income at 31 August 2011 comprises the following:

	£
Catering income received via ParentPay	12,200
Payments for educational visits/activities happening post year-end	49,720
Axe Valley Learning Community – charges for future periods	3,949
Middle Leadership Partner Programme – charges for future periods	3,600
YPLA: 2011/12 Devolved Formula Capital	17,517
YPLA: Insurance Grant	16,419
	<u>103,404</u>

### 20 Funds

	Balance at 1 January 2011	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2011
		£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	0	2,592,993	(2,376,973)	(198,959)	17,062
Start Up Grant	0	1,860	(1,860)	0	0
Pupil Premium	0	3,165	0	0	3,165
16-19 Bursary Fund	0	7,790	0	0	7,790
LA and other grants	0	84,332	(17,740)	0	66,591
General Non-GAG Fund	0	41,749	((40,361))	0	1,388
	<u>0</u>	<u>2,731,889</u>	<u>(2,436,934)</u>	<u>(198,959)</u>	<u>95,996</u>
<b>Restricted other funds</b>					
Colyton Educational Foundation	0	37,475	0	0	37,475
Special Purposes Fund	0	172,215	(124,935)	0	47,281
Defined Benefit Pension Scheme	0	(592,000)	0	(36,000)	(628,000)
	<u>0</u>	<u>(382,310)</u>	<u>(124,935)</u>	<u>(36,000)</u>	<u>(543,245)</u>
<b>Restricted fixed asset funds</b>					
On Incorporation	0	7,646,513	(202,883)	0	7,443,630
DfE/YPLA capital grants	0	0	0	0	0
Capital expenditure from GAG	0	0	(2,572)	198,959	196,387
Private sector capital sponsorship	0	21,367	(749)	0	20,618
	<u>0</u>	<u>7,667,880</u>	<u>(206,204)</u>	<u>198,959</u>	<u>7,660,635</u>
<b>Total restricted funds</b>	<u><b>0</b></u>	<u><b>10,017,459</b></u>	<u><b>(2,768,072)</b></u>	<u><b>(36,000)</b></u>	<u><b>7,213,387</b></u>
<b>Unrestricted funds</b>					
General unrestricted fund	0	482,619	(159,458)	0	323,161
Bradbeer Fund	0	520,846	0	0	520,846
<b>Total unrestricted funds</b>	<u><b>0</b></u>	<u><b>1,003,465</b></u>	<u><b>(159,458)</b></u>	<u><b>0</b></u>	<u><b>844,007</b></u>
<b>Total funds</b>	<u><b>0</b></u>	<u><b>11,020,924</b></u>	<u><b>(2,927,530)</b></u>	<u><b>(36,000)</b></u>	<u><b>8,057,394</b></u>

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

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

## General Annual Grant

Funds received from the YPLA under the General Annual Grant arrangements for the recurrent expenditure of the Academy as defined in the Funding Agreement.

## Start Up Grant

YPLA grant and associated costs to support the opening of the Academy.

## Other DfE/YPLA Grants

Specific grants received from the DfE and/or YPLA for specified purposes.

## 16-19 Bursary Fund

Funds received from the YPLA for the support of students aged 16-10, and the associated grants and costs.

## General Non-GAG Restricted Fund

General monies received for restricted educational purposes not forming part of General Annual Grant or other DfE/YPLA grants.

## Colyton Educational Foundation

A separate charity registered with the Charity Commission and under the control of governors of the Academy.

## Special Purposes Fund

Funds received for specific purposes such and income for educational visit and activities, and the related expenditure.

## Restricted: Other – Pension scheme reserve

This represents the negative reserve in respect of the LGPS scheme transferred at the conversion date – see Note 30.

In addition, the Bradbeer Fund (Unrestricted) has been designated as follows:

- Future capital projects - £200,000
- All Weather Pitch capital repairs - £100,000
- PV installation to provide income for Bradbeer Bursary Fund - £145,000

## **21 Analysis of net assets between funds**

Fund balances at 31 August 2011 are represented by:

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	0	0	7,750,723	<b>7,750,723</b>
Current assets	857,917	416,350	0	<b>1,274,267</b>
Current liabilities	(13,910)	(235,598)	(90,088)	<b>(339,596)</b>
Pension scheme liability	0	(628,000)	0	<b>(628,000)</b>
<b>Total net assets</b>	<b>844,007</b>	<b>(447,248)</b>	<b>7,660,635</b>	<b>8,057,394</b>

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 22 Capital commitments

	2011
	£
Contracted for, but not provided in the financial statements	0

## 23 Financial commitments

### *Operating leases*

At 31 August 2011 the Academy had annual commitments under non-cancellable operating leases as follows:

	2011
	£
<u>Land and buildings</u>	
Expiring within one year	0
Expiring within two and five years inclusive	0
Expiring in over five years	0
	<hr/> 0
<u>Other</u>	
Expiring within one year	9,529
Expiring within two and five years inclusive	8,976
Expiring in over five years	0
	<hr/> 18,505

## 24 Reconciliation of net income to net cash inflow from operating activities

	2011
	£
Net income for the year	8,072,515
Depreciation (note 16)	206,204
Net assets transferred at conversion	(7,923,891)
Capital grants from DfE and other capital income	(21,367)
Interest receivable (note 5)	(2,927)
Returns on investments (note 5)	(1,043)
FRS 17 pension cost less contributions payable (note 30)	5,000
FRS 17 pension finance income (note 30)	17,000
Decrease in stocks	1,364
(Increase) in debtors and prepayments	(70,494)
Increase in creditors	149,820
<b>Net cash inflow from operating activities</b>	<hr/> <b>432,181</b>

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 25 Returns on investments and servicing of finance

	<b>2011</b>
	<b>£</b>
Interest received	2,927
Dividends received	1,043
<b>Net cash inflow from returns on investment and servicing of finance</b>	<u>3,970</u>

## 26 Capital expenditure and financial investment

	<b>2011</b>
	<b>£</b>
Purchase of tangible fixed assets	(220,326)
Capital grants from DfE/YPLA	0
Capital funding received from sponsors and others	21,367
Receipts from sale of tangible fixed assets	0
<b>Net cash outflow from capital expenditure and financial investment</b>	<u>(198,959)</u>

## 27 Analysis of changes in net funds

	At 1 January	Cash	At 31
	2011	flows	August
	£	£	2011
			£
Cash in hand and at bank	821,474	237,192	<b>1,058,666</b>
	<u>821,474</u>	<u>237,192</u>	<u><b>1,058,666</b></u>

## 28 Contingent Liabilities

The Governors are not aware of any contingent liabilities.

## 29 Members' Liability

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

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 30 Pension and similar obligations

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

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

[There were no outstanding or prepaid contributions at either the beginning or the end of the financial year/Contributions amounting to £xxx were payable to the schemes at 31 August and are included within creditors.]

### Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multiemployer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 30 Pension and similar obligations (continued)

### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2011 was £250,000, of which employer's contributions totalled £201,000 and employees' contributions totalled £49,000. The agreed contribution rates for future years are 19.7 per cent for employers and a range of 5.5 per cent to 7.5 per cent depending on full-time equivalent salary for employees.

### Principal Actuarial Assumptions

**At 31  
August  
2011**

Rate of increase in salaries	4.9%
Rate of increase for pensions in payment / inflation	2.6%
Discount rate for scheme liabilities	5.4%
Inflation assumption (CPI)	2.6%
Commutation of pensions to lump sums	50%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service costs along with a +/- 1 year age rating adjustment to the mortality assumption.

<b>Sensitivity Analysis</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of Total Obligation	1,076	1,103	1,130
Projected Service Cost	97	100	103
Adjustment to mortality age rating assumption	+1 year	None	-1 Year
Present value of Total Obligation	1,067	1,103	1,138
Projected Service Cost	96	100	104

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

**At 31 August  
2011**

#### *Retiring today*

Males	20.3
Females	24.4

#### *Retiring in 20 years*

Males	22.4
Females	26.3

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 30 Pension and similar obligations (continued)

### Local Government Pension Scheme (continued)

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

	<b>Expected return at 31 August 2011</b>	<b>Fair value at 31 August 2011 £000</b>
Equities	7.3%	318
Gilts	3.8%	90
Other Bonds	5.4%	0
Property	6.3%	29
Currency	3.0%	33
Other assets	5.0%	5
<b>Total market value of assets</b>		<u>475</u>
Present value of scheme liabilities		
- Funded		1,103
<b>Surplus/(deficit) in the scheme</b>		<u><u>(628)</u></u>

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 January 2011 for the accounting period to 31 August 2011). The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was (£17,000) (2010: £0).

### Amounts recognised in the statement of financial activities

	<b>2011 £000</b>
Current service cost (net of employee contributions)	64
Past service cost	0
Total operating charge	<u><u>64</u></u>

### Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(19)
Interest on pension liabilities	36
<b>Pension finance income / (costs)</b>	<u><u>17</u></u>

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 30 Pension and similar obligations (continued)

### Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £36,000 loss (2010: £0 loss).

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

	<b>2011</b>
	<b>£000</b>
<b>At 1 January 2011</b>	972
Current service cost	64
Interest cost	36
Employee contributions	19
Actuarial (gain)/loss	12
Benefits paid	0
Past Service cost	0
Curtailments and settlements	0
<b>At 31 August 2011</b>	<u>1,103</u>

# Colyton Grammar School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2011

## 30 Pension and similar obligations (continued)

### Local Government Pension Scheme (continued)

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

	<b>2011</b>
	<b>£'000</b>
<b>At 1 January 2011</b>	380
Expected return on assets	19
Actuarial gain/(loss)	(2)
Employer contributions	59
Employee contributions	19
Benefits paid	0
<b>At 31 August 2011</b>	<u><u>475</u></u>

The estimated value of employer contributions for the year ended 31 August 2012 is £92,000.

#### The five-year history of experience adjustments is as follows:

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Present value of defined benefit obligations</b>	<b>(1,103)</b>	(972)	0	0	0
<b>Fair value of share of scheme assets</b>	<b>475</b>	380	0	0	0
<b>Deficit in the scheme</b>	<u><u><b>(628)</b></u></u>	<u><u>(592)</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

#### Experience adjustments on share of scheme assets

Amount (£2,000)

#### Experience adjustments on scheme liabilities:

Amount £0

# **Colyton Grammar School Academy Trust**

Notes to the Financial Statements for the period ended 31 August 2011

## **31 Related Party Transactions**

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

There were no related party transactions requiring disclosure.