

financial statements

Gillotts School

For the period ended 31 August 2012

Company registration number: 07954417

Gillotts School, Company number 07954417
Company Limited by Guarantee

Financial Statements

Period ended 31 August 2012

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**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Reference and Administrative Details

Governors	Nicholas Walden*	Chairman
*Member of the Finance & Resources Committee	Jonathan Allen	Appointed 26.11.12
	Conrad Bodman	Headteacher and Accounting Officer
	Catharine Darnton	
	Gill Dodds	
	Rosemary Edginton*	
	Tom Espley	
	Jane Fenn*	Staff Governor
	Alison Flett	
	David Gorsuch	
	Roger Grant	
	Steven Miller*	
	John Print*	
	Daniel Poulos	Staff Governor
	Hayley Rogers	Responsible Officer
	Linda Sanderson	Staff Governor
	Caroline Thompson*	Appointed 18.9.12
	Karen Watkins	Appointed 26.11.12
	Christopher Wermann	
	Susan White	
Company Secretary	Glynis Smith	
Responsible Officer	Linda Sanderson	
Senior Leadership Team	Catharine Darnton	Headteacher
	Edward Newbold	Deputy Headteacher
	Elsa Torres	Deputy Headteacher
	Sarah McHugh	Assistant Headteacher
	Leonora Ellerby	Administration Manager
	Glynis Smith	Business Manager
Registered Office	Gillotts School	
	Gillotts Lane	
	Henley-on-Thames	
	Oxon	
	RG9 1PS	

Gillotts School, Company number 07954417
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Reference and Administrative Details *(continued)*

Company Registration Number 07954417 (England & Wales)

Auditors MHA MacIntyre Hudson
Chartered Accountants
& Statutory Auditor
31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

Bankers Lloyds TSB Bank plc
Henley-on-Thames branch
PO Box 1000
BX1 1LT

Gillotts School, Company number 07954417 Company Limited by Guarantee

Governors' Annual Report

Period ended 31 August 2012

The governors present their annual report together with the audited financial statements of Gillotts School for the period ended 31 August 2012. The Charitable Company was incorporated on 17 February 2012, and conversion to Academy status was on 01 March 2012.

Reference and administrative details

Reference and administrative details are shown in the schedule of reference and administrative details on pages 1 to 2 of the financial statements.

The Governors

The Governors who served the academy during the period were as follows:

Nicholas Walden*	
Jonathan Allen	
Edmund Atkinson	Term of Office expired on 24.11.12
Catharine Darnton	
Gill Dodds	
Rosemary Edginton*	
Tom Espley	
Jane Fenn*	
Alison Flett	
David Gorsuch	
Roger Grant	
Roger Haywood*	Resigned 31.08.12
Steven Miller*	
John Print*	
Daniel Poulos	
Hayley Rogers	
Linda Sanderson	
Caroline Thompson*	
Susan White	

Structure, governance and management

Constitution

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

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

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

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.

Gillotts School, Company number 07954417 Company Limited by Guarantee

Governors' Annual Report *(continued)*

Period ended 31 August 2012

Governors' Indemnities

Governors benefit from indemnity insurance to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1,445.

Principal Activities

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 ("the Academy") offering a broad and balanced curriculum;

To promote for the benefit of the inhabitants of Henley-on-Thames and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Method of Recruitment and Appointment or Election of Governors

In accordance with the Articles of Association, the Academy Trust has determined there shall be 20 governors. These comprise the Headteacher, 3 further members of staff (one of whom is a member of the support staff) elected by the staff, 6 parent governors elected by parents and carers (or, in default, appointed by the other governors), and 10 co-opted governors appointed by the Academy Trust.

Nominations for election for Staff and Parent governors are sought by letter to all those eligible to stand. The elections themselves are carried out by private written ballot. In appointing co-opted governors the Academy Trust seeks to appoint persons whose experience and skills will complement the Governing Body as a whole. All co-opted governors are appointed following recommendations to the Academy Trust, an introductory meeting and/or interview conducted by the Chair of Governors and at least one other member of the Trust, a formal recommendation and vote by the members of the Academy Trust.

At 31 August 2012, there was a vacancy for one parent governor.

Policies and Procedures Adopted for the Induction and Training of Governors

Gillotts School currently subscribes to the Governor Training Services provision of Oxfordshire County Council which carries out most governor training for the School.

The induction programme for governors comprises the provision of a comprehensive induction pack, a visit and tour of the School (including a meeting with the Headteacher) and enrolment on the Governance Introductory Course provided by Oxfordshire County Council. Further training of governors is considered regularly by the Governing Body's policy and planning group which makes periodic recommendations to the Governing Body and individual governors. Governors have recently completed an NGA Skills Audit, the results of which will be used to inform governor training over the next 12 months.

**Gillotts School, Company number 07954417
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Governors' Annual Report *(continued)*

Period ended 31 August 2012

Organisational Structure

The governors are responsible for the strategic direction of the School and for the appointment of the Headteacher. They have delegated management of the School to the Headteacher.

Before conversion to academy status on 1 March 2012, Gillotts School was a foundation school, as defined in the School Standards and Framework Act 1998. The relative autonomy of a foundation school meant that the former Governing Body was structured to undertake similar roles to those required of the governors of an academy. Consequently, whilst the extra responsibilities of the Governing Body of the Academy Trust have been recognised, its structure still reflects its very successful predecessor.

At Gillotts School the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of committees, as defined in the terms of reference of the committees.

Risk Management

The major risks of the Academy Trust have been identified and reviewed by the governors and summarised in the internal document 'Organisational Risk Assessment'. The **major** risks identified are:

Category	Risk	Comment	Remedial action identified
Strategic	Obsolescence of ICT hardware and software	Technology moves very quickly and it is very difficult to be confident of requisitioning the most effective and value for money ICT supplies/services to meet current requirements and to future proof for the inevitable developments going forward. This links to the below since having sufficient funding to future proof is key to successfully managing the risk.	ICT upgrade strategy and financial viability regularly reviewed.
Financial	Risk that equipment cannot be fully replaced at the right time when it requires upgrading due to insufficient funding	In addition to ICT, this applies to all assets that would require immediate replacement in the event of failure.	We need to improve the asset registration to develop a realistic and manageable replacement programme for all School assets.

Gillotts School, Company number 07954417 Company Limited by Guarantee

Governors' Annual Report *(continued)*

Period ended 31 August 2012

Connected Organisations, including Related Party Relationships

Gillotts School is a single converter academy and is not part of any federation.

Objectives and activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Gillotts School to provide education for students between the ages of 11 and 16.

Objectives, Strategies and Activities

An initial objective was to ensure a smooth and seamless conversion of the School from foundation to academy status. In doing this the Governing Body determined to maintain the traditional ethos, values, standards and achievements of the School, whilst continuing to work to fulfil the School's medium and long term development plans.

The aims of the School rest on the following ethos and values:

- As individuals, we value everyone as an individual, capable of growth, change and development; self-respect; self-belief; courage, humour; honesty; integrity; dedication; commitment; generosity of spirit; flexibility; vision; initiative; open-mindedness
- In our professional relationships with each other, we value all staff, whatever their role; clarity in determining roles and responsibilities; respect for the unique contribution of different parts of the curriculum; effective communication; transparency; teamwork; good timekeeping; pride in our achievements; professional development; confidence in each other's support
- In our relationships with our students, we value justice; equality; mutual respect; fairness; consistency; courtesy; high expectations; trust; achievement
- In the experience of learning in our School, we value the joy of learning; creativity; a spirit of enquiry; risk-taking; exploration of ideas; challenge; raising aspiration; inclusion; hard work; celebration of achievement; freedom to express ideas and views; opportunities for reflection; sense of purpose; inventiveness; independence; rigour; mistakes as means of learning
- In our capacity as a community school, we value partnership with parents, governors and the wider community; lifelong learning; human rights; preparing young people to become effective, responsible citizens; skills for life and for work
- In our environment, we value an atmosphere conducive to learning; safety; respect for property; healthy living

Gillotts is a high performing school, committed to innovation and development. Students make very good progress and achieve high academic standards as a consequence of the commitment and professionalism of our staff, and of the quality of the overall school experience. We celebrate achievement in the widest sense and see everyone as an individual, capable of growth, change and development. We seek to communicate the joy of learning, fostering creativity, a spirit of enquiry, and an independence of mind. Students and staff form a happy and caring community which takes pride in personal excellence in all spheres. Working in partnership with parents, we support young people to become lifelong learners as well as happy, effective and responsible citizens, equipped with the skills for life and for work. We are proud of the success we achieve together and strive to reach new heights.

Gillotts School, Company number 07954417 Company Limited by Guarantee

Governors' Annual Report (*continued*)

Period ended 31 August 2012

Objectives, Strategies and Activities (*continued*)

The primary function of the School is to serve its students and the local community in the best possible way. Bearing this in mind, together with the overall target of being assessed as an Outstanding School by Ofsted, the Governing Body and the School will work together:

- Aim 1: Primarily, to improve performance through inspiring teaching and learning. Sustain the recent upward trend so that Gillotts is securely within the top 20% of schools, using progress indicators as benchmarks. In order to achieve this target we would expect 90% of the cohort to achieve 5A* - C at GCSE or its equivalent (with 80% achieving this target including English and Maths) and thus be able to access Level 3 training/education.
- Aim 2 : To develop further our distinctive curriculum offer, including specialisms, ensuring that 21st Century technology is used effectively as a learning and communication tool
- Aim 3 : To promote personal development by the provision of outstanding support and guidance
- Aim 4 : To provide a built environment fit for the purpose of 21st. Century Teaching and Learning
- Aim 5 : To promote collaborative working

Development Plan objectives for the Academic Year 2012/13:

At its meeting on 30 November 2010 the Governing Body adopted the School's vision for the medium term. However in view of uncertainty over the effect of government initiatives governors decided not to adopt a new set of shorter term targets but (as a first step towards implementing the vision and also to shape the School Development Plan) to re-adopt as an interim measure an amended version of the original targets. These were readopted on 6 December 2011. Strategies are contained with the full School Development Plan, available from the School.

Public Benefit

The Governing Body has complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The key public benefit delivered by Gillotts School is the maintenance and development of the high quality education provided by the School to the young people of Henley-on-Thames and the surrounding area. In doing this, Gillotts School not only offers a broad based academic education but also aims to educate the whole individual. A very wide range of extra curricular activities, educational trips, visits and exchange programmes are offered and undertaken.

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Governors' Annual Report (*continued*)

Period ended 31 August 2012

Achievements and performance

Sustained performance significantly above national average on all key measures:

- 94% 5A*-C (80% - 2009, 86% - 2010, 86% - 2011)
- 72% 5A*-C (EM) (65% - 2009, 66% - 2010, 68% - 2011)
- 99% 5A*-G (98% - 2009, 100% - 2010, 100% - 2011)
- 29% A*/A (29% - 2009, 28% - 2010, 26% - 2011)
- 371 capped points with equivalences (349 – 2009, 365 – 2010, 361 - 2011)
- 350 capped points without equivalences (343 – 2011)
- 523 average points with equivalences (462 – 2009, 505 – 2010, 505 - 2011)
- 115 students (62%) achieved at least 1 A*/A grade (117, 66% - 2009; 110, 63% - 2010; 114, 63% - 2011)
- 60 students (32%) achieved 5+A*/A (47, 27% - 2009; 52, 30% - 2010; 50, 28% - 2011)
- 37% of students achieved the 'English baccalaureate' (2009 – 22%, 2010 – 35%; 2011 – 31%) in comparison with the national average of only 15% (2011)

Ofsted inspection outcomes:

- Ofsted published its report on Gillotts on 5 July 2012. The School was inspected on 13 and 14 June.
- Ofsted recognised that Gillotts is a good school, in all that we do. The report confirmed that, since the last inspection in March 2007, standards had risen, the quality of teaching had improved, and the quality of leadership of all staff had strengthened.
- We were particularly pleased that the inspectors recognised the commitment that the students show to one another, and to building a safe and cohesive community. As the report says: *'The school's motto, 'non nobis solum' ('not by ourselves alone'), lives strongly in students' good behaviour, their commitment to one another and eagerness to achieve highly together.*
- The report recognised that there is much good practice in the School. Ofsted challenged us to improve further by using this to strengthen the proportion of outstanding teaching and maximise the proportion of A* and A grades at GCSE. We agree that these are the right goals to work towards and we know that all the staff are fully committed to achieving them.
- The full Ofsted Report is available for download at www.ofsted.gov.uk

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that Gillotts School 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.

Gillotts School, Company number 07954417
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Governors' Annual Report *(continued)*

Period ended 31 August 2012

Financial review

Most of the School's income is obtained from the DfE via the EFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The School successfully bid for £55k from the Academies Capital Maintenance Fund (ACMF) round 1, 2011/12 to enable the School to complete a project to replace all aged fan convector heaters on site. No other specific Capital Grants were awarded to the School by the DfE to provide fixed assets apart from the Devolved Formula Capital Grant (DFC). In accordance with the Charities SORP 2005, the DFC received is shown in the Statement of Financial Activities as restricted fixed asset funds.

On conversion on 1 March 2012, all of the fixed assets of the former foundation school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period covered by this report was covered by the GAG received from the DfE and other income such as voluntary income and activities for generating funds.

The Academy Internal Financial Procedures has been drafted and will be discussed at the Finance & Resources meeting on 20 November 2012. If agreed, this will be recommended for adoption by the governors at the meeting on 11 December 2012.

Financial and Risk Management Objectives and Policies

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

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by the School's Leadership Team.

Gillotts School, Company number 07954417 Company Limited by Guarantee

Governors' Annual Report (*continued*)

Period ended 31 August 2012

Principal Risks and Uncertainties

Major risks have been identified earlier in this report.

Other principal risks facing the Academy are:

- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unforeseen increase in costs or major capital repairs due to building/site failures. Mitigated by the fact the Governors and the Leadership team are already considering a range of initiatives to reduce costs in the medium to long term.
- Personnel risk – the principal risks associated with personnel are related to succession planning, recruitment, retention and training. Mitigated by the fact the Leadership Team all have discreet responsibilities so the loss of a member of staff will impact on the rest of the team until a new appointment is made and working effectively. There are very thorough recruitment processes - at least two members of staff/governor are involved with the interview process. All staff matters are referred to/managed by the Headteacher in the first instance who is fully experienced in the need as to how and when to refer to HR professionals.

Reserves Policy

At 31 August 2012 the total funds were in surplus by £14,084,162, comprising:

Unrestricted	15,318
Restricted: fixed asset funds	14,290,313
other	348,531
pension reserve	(570,000)
	<u>£14,084,162</u>

The deficit on the pension reserve relates to the support staff pension scheme (Local Government Pension Scheme (LGPS)) where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 16. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the governors, and represent less than one month's worth of Academy expenditure. The Governors' Finance & Resources Committee has reviewed these reserve levels and believes they should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected situations such as urgent maintenance work. Under normal circumstances the governors would aim to maintain reserves between 5% and 10% of GAG as an appropriate cushion and have allocated a proportion of the anticipated funding over the next 2 years to maintain a minimum unallocated cash balance of £200k. The aim of the governors is to increase this reserve to meet future working capital requirements.

Investment Policy

Apart from the cash held for the operation of the School, Gillotts School has no realisable investments. With respect to its cash holdings the Governing Body has adopted a low risk strategy. In addition to the main current account the School, next financial year the School will maintain an instant access deposit account. Suitable sweeping and transfer procedures will be established with the School's bankers to ensure adequate funds are available in the current account whilst maintaining a balance in the deposit account as high as possible with a view to maximising opportunities to earn interest on excess funds.

Gillotts School, Company number 07954417
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Governors' Annual Report *(continued)*

Period ended 31 August 2012

Plans for future periods

Gillotts School is proud of its successes and proud of its identity. We believe in achievement for all and want to secure the best outcomes for all our learners, without exception. We want to continue to raise students' expectations of themselves and develop them as autonomous learners, ready for the challenges ahead.

We will build on our success by creating a highly inclusive and integrated community by enhancing the opportunities for interaction and engagement with the School beyond the planned curriculum, encompassing students' social time within the School day and enhancing opportunities for the use of the School site by the community. Further we wish to extend our success with vertical integration to create a 3-16 all-through school, with strengthened integration (real and virtual) with Henley College, for 14-19 provision.

Teaching and learning are at the heart of this School. We have had an explicit and visible commitment to personalisation of learning since 2005, when the School re-structured around Hargreaves' personalising learning gateways. As personalisation has become embedded, responsibility for many of these gateways now rests with the Leadership Team, recognising the centrality of the concept. The gateways (Assessment for Learning, Learning to Learn, Student Voice, Curriculum, ICT, Mentoring, Advice and Guidance, Workforce Remodelling, School Organisation) remain core to the School Development Plan. However we see Assessment for Learning as the single most powerful lever for improved teaching and learning, and hence improved attainment and progress. We commit the majority of our time for CPD to the development of Teacher Learning Communities – small groups of staff who work together to develop and share good practice. Teachers tell us of the impact that this new model of CPD has and we are committed to moving forward with this agenda, and sharing our learning with other schools.

We will build on our outstanding curriculum by developing opportunities for authentic learning, incorporating longer blocks of time, facilitating cross-curricular work, integrating the use of ICT. As a first step, in 2011/12 we introduced five Extended Learning Days during which students work in a single subject for half or a whole day, thus releasing them from the constraints of one hour periods and also supporting the potential for cross curricular learning.

We see 21st century learning anchored in student-student collaboration with the teacher as 'the guide by the side not the sage on the stage', with seamless, embedded access to ICT to support interaction, collaboration and feedback. We will break down the artificial boundary of the limits of the school day to support the integration of students' learning in school, at home and on the move. A comprehensive and flexible ICT solution is an essential means to this end. We see every student with permanent access to a handheld device (not necessarily owned by the School) to motivate and support learning.

We have an inspirational site – 40 acres with extensive woodland, on the site of the local manor house, parts of which (including two associated cottages) remain. The School is set on the fringes of the town with extensive views across the Thames valley. We want to use the stunning environment to help excite and inspire and students and staff to move the School's performance to the next level, making it an outstanding place to study and work with results securely in the top 10% of schools nationally. To achieve this vision, we need to design and build a new school – indeed a whole new school environment.

Gillotts School, Company number 07954417 Company Limited by Guarantee

Governors' Annual Report (continued)

Period ended 31 August 2012

Plans for future periods (continued)

Since September 2008, the School has offered the Full Core of Extended Services (ie, a safe place to be, a varied menu of activities, swift and easy referral, community access, parenting support). We are also co-located with Henley Leisure Centre. Building on these successes, we seek to work with the Local Authority in developing the co-location of services, in support of their locality structure and the principle of bringing services closer to the population. We will continue to develop the support we offer to parents to enable them in turn to support us as they work alongside their children.

Building a whole new school will enable us to achieve all this by allowing us to maximise the potential of the site. It will enable us to meet the challenges we face through having buildings that are not fit for purpose (eg, high maintenance and energy bills, subject teams spread across the School) and so allow us to focus on our core priority of continuously improving outcomes for Henley's young people.

Funds Held as Custodian trustee on Behalf of Others

During the period from 1 March 2012 to 31 August 2012, Gillotts School did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

Responsibilities of the Governors

The governors (who are also directors of Gillotts School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the year. 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 judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in operation.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 academy 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 academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the EFA/DfE have been applied for the purposes intended.

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

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Governors' Annual Report *(continued)*

Period ended 31 August 2012

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.

Auditor

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

Approved by order of the members of the Governing Body on 11 December 2012 and signed on its behalf by:

.....
Nicholas Walden
Chair

Gillotts School, Company number 07954417
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Governance Statement

Period ended 31 August 2012

Scope of Responsibility

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

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

Governance

The Governing Body recognised that attendance at meetings can be difficult for working governors and recognises that, notwithstanding attendance, all governors perform their duties to a high standard and contribute effectively to the School.

The information on governance included here supplements that described in the Governors' Annual Report and in the Responsibilities of the Governors statement. The Governing Body has formally met four times. Attendance is as follows:

Director	Meetings attended	Out of a possible
Jonathan Allen	1	4
Edmund Atkinson	1	4
Catharine Darnton	4	4
Gill Dodds	2	4
Rosemary Edginton	4	4
Tom Espley	2	4
Jane Fenn	4	4
Alison Flett	4	4
David Gorsuch	4	4
Roger Grant	2	4
Roger Haywood	3	3
Steven Miller	2	4
John Print	4	4
Daniel Poulos	2	4
Hayley Rogers	4	4
Linda Sanderson	4	4
Caroline Thompson	4	4
Nicholas Walden	3	4
Susan White	4	4

Karen Watkins was appointed as a governor at the meeting held on 18 September 2012.

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Governance Statement *(continued)*

Period ended 31 August 2012

The Finance & Resources Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning monitoring and probity. Attendance at the meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Catharine Darnton	4	4
Rosemary Edginton	3	4
Jane Fenn	4	4
Steve Miller	1	4
John Print	4	4
Caroline Thompson	4	4
Nicholas Walden	4	4
Roger Haywood	2	2

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of School 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 Gillotts School for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which Gillotts School 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 from the School's conversion from foundation school on 1 March 2012 for the remainder of the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

Gillotts School, Company number 07954417 Company Limited by Guarantee

Governance Statement *(continued)*

Period ended 31 August 2012

The Risk and Control Framework

Gillotts School'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 & Resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The School's system of internal financial control was introduced following its conversion to academy status. The system adopted is a natural evolution in that in place of a foundation school (which was compliant with FMSiS) and is in line with the requirements of the Academies Handbook 2012.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed a qualified accountant governor as Responsible Officer (RO). This role is supported by an accountant from MacIntyre Hudson. The RO's role, with support from the accountant from MacIntyre Hudson, includes giving advice on financial matters and undertaking a range of checks on the School's financial systems. These checks are carried out on an approximately quarterly basis. The RO reports to the Finance & Resources Committee of the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of Effectiveness

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

- The work of the Responsible Officer
- The work of the external auditor
- The financial management and governance assessment process
- The work of senior managers within the School who have responsibility for the development and maintenance of the internal control framework

Gillotts School, Company number 07954417
Company Limited by Guarantee

Governance Statement *(continued)*

Period ended 31 August 2012

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

Approved by order of the members of the Governing Body on 11 December 2012 and signed on its behalf by:

.....
Nicholas Walden
Chair

.....
Catharine Darnton
Accounting Officer

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Statement on Regularity, Propriety and Compliance

Period ended 31 August 2012

As Accounting Officer of Gillotts School I have considered my responsibility to notify the Board of Directors and the Education Funding Agency of any material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

.....
Catharine Darnton
Accounting officer

Gillotts School, Company number 07954417
Company Limited by Guarantee

Independent Auditor's Report to the Governing Body of Gillotts School

Period ended 31 August 2012

We have audited the financial statements of Gillotts School for the period ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies: Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditors

As explained more fully in the Responsibilities of the Governors (set out on page 12), 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 academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Independent Auditor's Report to the Governing Body of Gillotts School *(continued)*

Period ended 31 August 2012

Matters on which we are required to report by exception

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

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

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

BIANCA SILVA ACA
(Senior Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Statutory Auditor and Chartered Accountants

20 December 2012

Gillotts School, Company number 07954417
Company Limited by Guarantee

Independent Reporting Accountant's Assurance Report on Regularity to the Governing Body of Gillotts School and the Education Funding Agency

Period ended 31 August 2012

In accordance with the terms of our engagement letter dated November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gillotts School during the period 1 March 2012 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Gillotts School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Gillotts School's funding agreement with the Secretary of State for Education dated 1 March 2012 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 March 2012 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Gillotts School, Company number 07954417
Company Limited by Guarantee

Independent Reporting Accountant's Assurance Report on Regularity to the Governing Body of Gillotts School and the Education Funding Agency *(continued)*

Period ended 31 August 2012

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 March 2012 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

MHA MACINTYRE HUDSON
Chartered Accountants

20 December 2012

Gillotts School, Company number 07954417
Company Limited by Guarantee

Statement of Financial Activities (Incorporating the Income and Expenditure Account)

Period ended 31 August 2012

	Note	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds Period from 1 March 12 to 31 Aug 12 £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	672	176,087	14,372,650	14,549,409
Activities for generating funds	3	14,472	189	–	14,661
Investment income	4	301	28	–	329
Funding for academy's educational operations	5	–	2,363,233	–	2,363,233
Total incoming resources		15,445	2,539,537	14,372,650	16,927,632
Resources expended					
Charitable activities	7	(127)	(2,691,710)	(101,883)	(2,793,720)
Governance costs	8	–	(9,750)	–	(9,750)
Total resources expended		(127)	(2,701,460)	(101,883)	(2,803,470)
Net incoming resources before transfers	9	15,318	(161,923)	14,270,767	14,124,162
Transfer between funds		–	(19,546)	19,546	–
Net income for the period		15,318	(181,469)	14,290,313	14,124,162
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes		–	(40,000)	–	(40,000)
Net movement in funds		15,318	(221,469)	14,290,313	14,084,162
Total funds carried forward		£15,318	£(221,469)	£14,290,313	£14,084,162

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

All of the academy trust's activities derive from acquisitions in the current financial period.

The accounting policies and notes on pages 26 to 44 form part of these financial statements.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Balance Sheet

31 August 2012

	Note	31 Aug 12	
		£	£
Fixed assets			
Tangible assets	13		14,290,313
Current assets			
Debtors	14	131,187	
Cash at bank		665,621	
		<u>796,808</u>	
Creditors: amounts falling due within one year	15	<u>(432,959)</u>	
Net current assets			363,849
Total assets less current liabilities			<u>14,654,162</u>
Provisions for liabilities			
Pensions	16		<u>(570,000)</u>
Net assets			<u><u>£14,084,162</u></u>
Funds	18		
Restricted funds:			
Restricted fixed asset funds		14,290,313	
General funds		348,531	
Pension reserve	16	<u>(570,000)</u>	
Total restricted income funds			14,068,844
Unrestricted income funds			15,318
Total funds			<u><u>£14,084,162</u></u>

These financial statements were approved by the governors, and authorised for issue on 11 December 2012 and are signed on their behalf by:

.....
 Nicholas Walden
 Chair

.....
 Catharine Darnton
 Accounting Officer

The accounting policies and notes on pages 26 to 44 form part of these financial statements.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Cash Flow Statement

Period ended 31 August 2012

	Note	Period from 1 March 12 to 31 Aug 12	
		£	£
Net cash inflow from operating activities	23		684,838
Returns on investments and servicing of finance	24		
Interest received		<u>329</u>	
Net cash inflow from returns on investments and servicing of finance			329
Capital expenditure	25		<u>(19,546)</u>
			665,621
Less: cash transferred on conversion			<u>(192,808)</u>
Increase in cash			<u>£472,813</u>
Analysis of changes in net funds			
		On conversion	Cash flows
		£	£
Cash at bank		<u>£192,808</u>	<u>£472,813</u>
			<u>£665,621</u>

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

The accounting policies and notes on pages 26 to 44 form part of these financial statements.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Accounting Policies

Period ended 31 August 2012

Basis of accounting

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

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.

Donated Services and Gifts in Kind

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

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.

All resources expended are inclusive of irrecoverable VAT.

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.

Gillotts School, Company number 07954417 Company Limited by Guarantee

Accounting Policies *(continued)*

Period ended 31 August 2012

Governance costs

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

Fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. 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.

Assets transferred at inception have been included as an original donation within the Statement of Financial Activities. Land and buildings are stated at their depreciated replacement cost based on a professional valuation and other assets are stated at their depreciated cost as at the date of conversion.

Depreciation on fixed 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.

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.

Depreciation

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

Freehold property	-	2% on cost
Equipment	-	10% to 20% on cost
Computer equipment	-	25% on cost
Motor vehicles	-	20% on cost

Gillotts School, Company number 07954417
Company Limited by Guarantee

Accounting Policies *(continued)*

Period ended 31 August 2012

Operating lease agreements

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

Pension costs

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 16, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits 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.

Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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.

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.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Accounting Policies *(continued)*

Period ended 31 August 2012

Conversion to academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the School for £nil consideration and has been accounted for under the acquisition accounting method.

Freehold land and buildings transferred on conversion have been valued at estimated depreciated replacement cost and other assets and liabilities transferred from the predecessor school to the Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their estimated depreciated replacement cost/fair value is in accordance with the accounting policies set out for the academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income except for the pension liability which is recognised as a cost in the Statement of Financial Activities. The amounts have been analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 20.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Period ended 31 August 2012

1. General annual grant (GAG)

2012
£

a. Results and Carry Forward for the period

GAG allocation for current period	2,166,552
Recurrent expenditure from GAG	(2,026,499)
Fixed assets purchased from GAG	(19,546)
GAG carried forward to next year	120,507
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(259,986)
GAG to surrender to DfE (12% rule breached if result is positive)	£(139,479)
	no breach

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

Note not applicable as first period of academy operation.

2. Voluntary income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds 2012 £
Donations				
Donations	410	–	–	410
Parental contributions	262	–	–	262
Transfer from Local Authority on conversion	–	176,087	14,372,650	14,548,737
	<u>£672</u>	<u>£176,087</u>	<u>£14,372,650</u>	<u>£14,549,409</u>

3. Incoming resources from activities for generating funds

	Unrestricted funds £	Restricted funds £	Total funds 2012 £
Rental income	576	–	576
Other income	13,896	189	14,085
	<u>£14,472</u>	<u>£189</u>	<u>£14,661</u>

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Period ended 31 August 2012

4. Investment income

	Unrestricted funds £	Restricted funds £	Total funds 2012 £
Bank interest receivable	<u>£301</u>	<u>£28</u>	<u>£329</u>

5. Funding for academy's educational operations

	Restricted funds £	Total funds 2012 £
EFA revenue grants		
General Annual Grant (GAG) (note 1)	2,166,552	2,166,552
Other government grants	56,496	56,496
Pupil Premium	16,361	16,361
Devolved formula capital	19,154	19,154
Capital maintenance fund	<u>11,000</u>	<u>11,000</u>
	<u>2,269,563</u>	<u>2,269,563</u>
Other income		
Trip income	93,670	93,670
	<u>93,670</u>	<u>93,670</u>
	<u>£2,363,233</u>	<u>£2,363,233</u>

6. Resources expended

	Staff costs £	Premises £	Other costs £	Total funds 2012 £
Charitable activities:				
Direct costs	1,426,756	101,883	225,388	1,754,027
Support costs	<u>227,037</u>	<u>203,421</u>	<u>609,235</u>	<u>1,039,693</u>
	1,653,793	305,304	834,623	2,793,720
Governance costs including allocated support costs	-	-	9,750	9,750
	<u>£1,653,793</u>	<u>£305,304</u>	<u>£844,373</u>	<u>£2,803,470</u>

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Period ended 31 August 2012

7. Academy's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds 2012 £
<i>Direct costs</i>				
Teaching & educational support staff	–	1,426,756	–	1,426,756
Depreciation	–	–	101,883	101,883
Educational supplies	–	105,332	–	105,332
Examination fees	–	29,630	–	29,630
Staff development	–	4,042	–	4,042
Educational consultancy	–	7,162	–	7,162
Other direct costs	–	77,960	–	77,960
Travel expenses	–	1,262	–	1,262
	<u>–</u>	<u>1,652,144</u>	<u>101,883</u>	<u>1,754,027</u>
<i>Allocated support costs</i>				
Support staff costs	–	227,037	–	227,037
Maintenance of premises & equipment	–	130,411	–	130,411
Light & heat	–	23,483	–	23,483
Cleaning	–	38,295	–	38,295
Rent & rates	–	30,450	–	30,450
Insurance	–	21,973	–	21,973
Security & transport	–	4,101	–	4,101
Catering	–	7,423	–	7,423
Bank charges	127	–	–	127
Other costs	–	221	–	221
Bought in professional services and other ICT consultancy	–	43,172	–	43,172
	<u>127</u>	<u>526,566</u>	<u>–</u>	<u>526,693</u>
Transfer from Local Authority on conversion for LGPS	–	513,000	–	513,000
	<u>127</u>	<u>1,039,566</u>	<u>–</u>	<u>1,039,693</u>
	<u>£127</u>	<u>£2,691,710</u>	<u>£101,883</u>	<u>£2,793,720</u>

8. Governance costs

	Restricted funds £	Total funds 2012 £
Accountancy fees	2,000	2,000
Audit fees	7,750	7,750
	<u>£9,750</u>	<u>£9,750</u>

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Period ended 31 August 2012

9. Net incoming/(outgoing) resources for the year

This is stated after charging:

	2012 £
Staff pension contributions	197,635
Operating leases	
Other	35,795
Fees payable to auditor	
Audit	7,750
Other services	2,000
Depreciation	<u>101,883</u>

10. Staff costs and emoluments

	2012 £
Wages and salaries	1,322,492
Social security costs	94,305
Other pension costs	197,635
	<u>1,614,432</u>
Supply teacher costs	39,361
	<u>£1,653,793</u>

Particulars of employees:

The average number of employees during the period, expressed as full time equivalent numbers were:

	2012
Teachers	49
Administration and support	33
Management	6
	<u>88</u>

The number of employees whose remuneration for the period fell within the following bands on an annualised basis, were:

	2012
£60,000 to £69,999	2
£80,000 to £89,999	1
	<u>3</u>

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £14,910.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Period ended 31 August 2012

11. Governors' remuneration and expenses

Headteacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in 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 governors' remuneration in the period to 31 August 2012 was as follows:

	2012
	£
Headteacher	£40,000 - £45,000

The Academy made pension contributions of 14.1% for the Headteacher.

No expenses were paid to governors for the period to 31 August 2012.

12. 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 £5,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1,445.

13. Tangible fixed assets

	Freehold property £	Equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
Transfer on conversion	14,239,666	45,033	60,145	27,806	14,372,650
Additions since conversion	–	–	19,546	–	19,546
At 31 August 2012	<u>14,239,666</u>	<u>45,033</u>	<u>79,691</u>	<u>27,806</u>	<u>14,392,196</u>
Depreciation					
Charge for the period	88,454	3,130	7,518	2,781	101,883
At 31 August 2012	<u>88,454</u>	<u>3,130</u>	<u>7,518</u>	<u>2,781</u>	<u>101,883</u>
Net book value					
At 31 August 2012	<u>£14,151,212</u>	<u>£41,903</u>	<u>£72,173</u>	<u>£25,025</u>	<u>£14,290,313</u>

Freehold property was valued in accordance with Oxfordshire County Council's rolling 5 year valuation programme. This valuation is adjusted for depreciation, fixed asset additions and estimated changes in value based on general price variations.

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Notes to the Financial Statements

Period ended 31 August 2012

14. Debtors

31 Aug 12
£

Other debtors	39,215
Prepayments	91,972
	<u>£131,187</u>

15. Creditors: amounts falling due within one year

31 Aug 12
£

Trade creditors	85,866
Taxation and social security	105,324
Other creditors	22,085
Accruals and deferred income	219,684
	<u>£432,959</u>

Deferred income

2012
£

Resources deferred in the year	58,938
Deferred income at 31 August 2012	<u>£58,938</u>

Deferred income relates to the EFA insurance reimbursement received relating to insurance cover for the period to February 2013 and monies received during the period for school trips which will take place after the period end.

Gillotts School, Company number 07954417
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Period ended 31 August 2012

16. Pensions 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. Both are defined-benefit schemes.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The 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 was at 31 March 2010.

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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Notes to the Financial Statements

Period ended 31 August 2012

16. Pensions and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

Scheme Changes

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (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.

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Notes to the Financial Statements

Period ended 31 August 2012

16. Pensions 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 period ended 31 August 2012 was £64,000, of which employer's contributions totalled £48,000 and employees' contributions totalled £16,000. The agreed contribution rates for future years are 19.3% per cent for employers. The employers' contributions for 2012-13 are expected to be £95,000. The contribution rate for employees is determined by reference to their full time equivalent pay as follows:-

Band	Whole time pay rate	Contribution rate
1	£0 to £13,500	5.5%
2	£13,501 to £15,800	5.8%
3	£15,801 to £20,400	5.9%
4	£20,401 to £34,400	6.5%
5	£34,401 to £45,500	6.8%
6	£45,501 to £85,300	7.2%
7	More than £85,300	7.5%

Principal actuarial assumptions

	At 31 Aug 2012
Discount rate	3.9
Rate of increase in salaries	4.1
Rate of increase in pensions payment	1.9
CPI increases	1.9
RPI increases	2.7

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Notes to the Financial Statements

Period ended 31 August 2012

16. Pensions and similar obligations (continued)

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 2012
Retiring today	
Males	19.0
Females	23.1
Retiring in 20 years	
Males	21.0
Females	25.0

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

	Employer asset share at 31 Aug 2012	Fair value at 31 Aug 2012
	%	£
Equities	68.0	291,000
Bonds	7.0	30,000
Property	6.0	26,000
Cash	3.0	13,000
Gilts and other (Hedge Funds)	16.0	69,000
Total market value of assets		429,000
Present value of scheme liabilities – funded		(999,000)
Deficit in the scheme		£(570,000)

The expected rate of return is 4% per the actuarial report based on the estimated Fund value used at this accounting date.

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Notes to the Financial Statements

Period ended 31 August 2012

16. Pensions and similar obligations (continued)

Amounts recognised in the Statement of Financial Activities

	2012 £
Current service cost (net of employee contributions)	55,000
Expected return on pension scheme assets	(10,000)
Interest on obligation	20,000
Total operating charge	£65,000

Analysis of pension finance income/(costs)

	2012 £
Expected return on pension scheme assets	10,000
Interest on pension liabilities	(20,000)
Pension finance costs	£(10,000)

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial loss recognised in the Statement of Financial Activities since the adoption of FRS17 is £40,000.

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

	2012 £
On conversion	861,000
Current service cost	55,000
Interest on pension liabilities	20,000
Employee contributions	16,000
Actuarial loss	47,000
At 31 August 2012	£999,000

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

	2012 £
On conversion	348,000
Expected return on pension scheme assets	10,000
Actuarial gain	7,000
Employer contributions	48,000
Employee contributions	16,000
At 31 August 2012	£429,000

Gillotts School, Company number 07954417
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Notes to the Financial Statements

Period ended 31 August 2012

16. Pensions and similar obligations (continued)

Reconciliation of opening and closing deficit:

	2012 £
Pension scheme liability transferred	(513,000)
Current service cost (net of employee contributions)	(55,000)
Employer contributions	48,000
Other finance costs	(10,000)
Actuarial loss	(40,000)
Deficit at 31 August 2012	£(570,000)

The five year history of experience adjustments is as follows:

	2012 £
Present value of defined benefit obligations	(999,000)
Fair value of share of scheme assets	429,000
Deficit in the scheme	£(570,000)

Experience adjustments on share of scheme assets

Amount	£7,000
--------	--------

Sensitivity analysis

	£000's	£000's	£000's
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	972	999	1,026
Projected service cost	112	116	120
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	961	999	1,037
Projected service cost	110	116	122

17. Commitments under operating leases

At 31 August 2012 the academy had annual commitments under non-cancellable operating leases as set out below.

	Assets other than land and buildings £
Operating leases which expire:	
Within 1 year	£1,998

Gillotts School, Company number 07954417
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Notes to the Financial Statements

Period ended 31 August 2012

18. Funds

	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2012 £
Restricted general funds					
General annual grant (GAG)	2,166,552	(2,043,499)	–	(2,546)	120,507
Other DfE/EFA grants	103,011	(51,074)	–	–	51,937
LGPS- defined benefit pension scheme	–	(513,000)	(40,000)	(17,000)	(570,000)
Transfer on conversion	176,087	–	–	–	176,087
Trips and other	93,887	(93,887)	–	–	–
	<u>2,539,537</u>	<u>(2,701,460)</u>	<u>(40,000)</u>	<u>(19,546)</u>	<u>(221,469)</u>
Restricted fixed asset funds					
Capital expenditure from GAG	–	–	–	19,546	19,546
Fixed asset fund	14,372,650	(101,883)	–	–	14,270,767
	<u>14,372,650</u>	<u>(101,883)</u>	<u>–</u>	<u>19,546</u>	<u>14,290,313</u>
Total restricted funds	<u>16,912,187</u>	<u>(2,803,343)</u>	<u>(40,000)</u>	<u>–</u>	<u>14,068,844</u>
Unrestricted funds					
General unrestricted funds	15,445	(127)	–	–	15,318
Total unrestricted funds	<u>15,445</u>	<u>(127)</u>	<u>–</u>	<u>–</u>	<u>15,318</u>
Total funds	<u>£16,927,632</u>	<u>£(2,803,470)</u>	<u>£(40,000)</u>	<u>–</u>	<u>£14,084,162</u>

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

All general funds are held for the purpose of education in line with the academy's objectives.

The Restricted Fixed Asset fund represents the net book value of capitalised fixed assets and unspent capital funds.

Gillotts School, Company number 07954417
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Notes to the Financial Statements

Period ended 31 August 2012

19. Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total £
Tangible fixed assets	–	–	14,290,313	14,290,313
Current assets	15,318	348,531	–	363,849
Pension scheme liability	–	(570,000)	–	(570,000)
	<u>£15,318</u>	<u>£(221,469)</u>	<u>£14,290,313</u>	<u>£14,084,162</u>

20. Conversion to an Academy Trust

On 1 March 2012 the School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Gillotts School from Oxfordshire Local Authority for £nil consideration as described in the accounting policies.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets				
Freehold/leasehold land & buildings	–	–	14,239,666	14,239,666
Other tangible fixed assets	–	–	132,984	132,984
Budget surplus/(deficit) on LA funds	–	142,110	–	142,110
Budget surplus/(deficit) on other school funds	–	50,698	–	50,698
LGPS pension surplus/(deficit)	–	(513,000)	–	(513,000)
Other identified assets & liabilities	–	(16,721)	–	(16,721)
Net assets/(liabilities)	<u>–</u>	<u>£(336,913)</u>	<u>£14,372,650</u>	<u>£14,035,737</u>

The above net assets include £192,808 transferred as cash.

As a foundation school, the predecessor school owned the land prior to conversion to academy trust status.

21. Ultimate controlling party

There is no ultimate controlling party.

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Notes to the Financial Statements

Period ended 31 August 2012

22. Company limited by guarantee

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

23. Reconciliation of net incoming resources before transfers to net cash inflow from operating activities

	2012
	£
Net incoming resources before transfers	14,124,162
Depreciation	101,883
Fixed assets transferred from local authority on conversion	(14,372,650)
Pension liability transferred from local authority on conversion	513,000
Interest receivable	(329)
FRS 17 pension cost less contributions payable	7,000
FRS 17 pension finance income	10,000
Decrease/(increase)in debtors	(131,187)
(Decrease)/increase in creditors	432,959
Net cash inflow from operating activities	£684,838

24. Returns on investments and servicing of finance

	2012
	£
Interest received	£329

25. Capital expenditure

	2012
	£
Purchase of tangible fixed assets	(19,546)
Net cash outflow from capital expenditure and financial investment	£(19,546)

26. 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.