



GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Trustees

Deidre Chadwick, Chair of Governors and LA Governor¹
Cheryl Cuthbertson, Head/Staff Governor/Accounting Officer¹
Helen Fisher, Staff Governor (Resignation 1 July 2013)¹
Judith Woodlock
Elizabeth Brazier (Resignation 19 July 2013)
Richard Greasby, Parent Governor (Resignation 19 July 2013)
Martin Soltau (Resignation 1 September 2012)
Claire Storey, Parent Governor
Ian Jordan, Parent Governor (Resignation 28 January 2013)
Alison Silver, Parent Governor
Mark Oliver (Appointed 11 February 2013)
Jacqueline Kelly, Head/Staff Governor (Appointed 1 September 2012)

¹ Member

Company registered number

07836684

Principal and registered office

Gretton Primary School
Gretton
Cheltenham
Gloucestershire
GL54 5EY

Secretary

Sarah Chubb

Co-Headteachers

Cheryl Cuthbertson and Jacqueline Kelly

Senior management team

Cheryl Cuthbertson, Head/Staff Governor/Accounting Officer
Helen Fisher, Staff Governor
Jacqueline Kelly, Head/Staff Governor
Rachael Netting

Independent auditors

Randall & Payne LLP
Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Advisers (continued)

Bankers

Lloyds TSB Bank Plc
Rotunda
Montpellier
Cheltenham
Gloucestershire
GL50 1SH

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Gretton Primary School (the Academy) for the ended 31 August 2013.

Structure, governance and management

a. CONSTITUTION

The Academy 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 of Gretton Primary School (the academy) are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Gretton Primary School.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on pages 1 & 2 above. The Articles of Association state that the members of the academy comprise of: the signatories of the Memorandum, one person appointed by the Secretary of State, the Chairman of the Governors and any person appointed under Article 16. The Articles of Association require at least three Governors to be responsible for the statutory and constitutional affairs of the Academy and its management. The number of governors appointed is not subject to any maximum.

There have been no changes in the objectives since the last annual report.

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

The Academy Trust provides indemnity insurance to cover the liability of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

d. PRINCIPAL ACTIVITIES

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum for pupils aged 4 - 11 years.

e. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Academy Trust shall have the following Governors;

- i - up to 5 Governors appointed by the Members,
- ii - any staff of the Academy as Staff Governors as long as they do not exceed one third of the total number of Governors, appointed by the Members,
- iii – a minimum of 2 Parent Governors as elected by the parental body,

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

- iv – up to one LA Governor appointed by the LA,
- v – The Head Teacher
- vi – Any Governor as appointed by the Secretary of State
- vii – Up to 3 Co-opted Governors appointed by Governors who are not themselves co-opted.

When a Parent Governor position is vacated, nominations for a replacement are invited by the Governing Body. All persons entitled to vote on a replacement are then notified of the nominees and a replacement Governor is chosen by the parental body.

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

Training and induction for Governors will depend on their prior experience and/or knowledge. Most induction is carried out “in house”, but external trainers may be brought in, or governors may attend external training provision as appropriate. All new Governors are expected to attend a training session run by the Local Authority specifically for new Governors. Governors are provided with copies of all the documents that they will need to undertake their role.

g. ORGANISATIONAL STRUCTURE

The full Governing Body meets formally four times per year. Discussions are held and decisions are made or ratified as appropriate. There are three main committees' that meet four- five times per year: Finance & Personnel, Curriculum and Premises. These committees provide the opportunity for detailed discussion and policy development. Interim decisions are reached at committee for ratification at full Governing Body meetings. The meeting timetable is structured such that committees meet shortly before the full Governing Body to ensure discussions at the latter are fully informed and based on up to date information. The day to day running of the Academy is delegated to the senior leadership team who report back to the Governors' committees as appropriate. A Responsible Officer (RO) has been appointed to provide trustees with an independent review of financial processes and systems.

h. RISK MANAGEMENT

The Academy has an on going risk management process, which is due for review shortly. Overall responsibility for risk management rests with the Governing Body. The Finance Committee regularly monitors the type of risk the Academy faces, monitoring any changing levels of risk and identifying newly emerging risks. Current areas for close monitoring include changes to the future funding formula and longer term financial planning, review of financial software to ensure reporting requirements are met and staff training needs are addressed promptly, and succession planning for senior leadership and Governors. A key staff appointment of a part-time School Business Manager was established and embedded during the year to reduce the risk exposure of the academy.

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

During the period the Academy did not have any connected organisations. There was one related party relationship which was acknowledged at the Governors' meetings through the Declaration of Business Interests folder. There is one occasion of a governor being employed by the school to manage a Premises project and this is acknowledged in the Declaration of Business Interests folder. There are no other financial transactions to be disclosed.

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

Objectives and Activities

a. OBJECTS AND AIMS

The main aim of Gretton Primary School Academy Trust over the year was to create a stable environment within which the main focus was to ensure that high standards across the curriculum were maintained. Our aim was also to use the changes required by academy status to improve our financial processes and management. The freedoms brought by academy status are important in beginning to lay down the foundations of new initiatives to further enhance the quality of teaching and learning in the school, thereby maximising the opportunities for all children to realise their full potential, and also in beginning to focus on new initiatives to drive efficiency in the academy business functions.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The School Development Plan for 2012/13 has focussed on consolidating the work done in the 2011/12 Development Plan. Raising the aspirations, access and achievements for all pupils has continued to be the theme, but this year embedding it across the whole curriculum and ensuring it is a constant focus has been at the forefront of the work of the academy. This also includes a review of how all spaces in school are used. The theme for the 2012/13 Development Plan has been: Consistency, Consistency, Consistency.

c. PUBLIC BENEFIT

In setting the objectives, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Achievements and performance

ACTIVITIES FOR ACHIEVING OBJECTIVES

Key achievements have been focusing on:

- setting and managing a viable school budget.
- developing the finance team to be effective managers of the school resources. This includes employing a School Business Manager and funding external financial training for the Senior Administrator.
- developing the buildings/premises in ways to enrich the pupils' learning. This includes continuing a programme of refurbishing communal areas in school which this year focussed on the staff room. Plans were also begun for a major improvement of the outside space scheduled for 2014.

Throughout the academic year there was an emphasis on developing higher standards through effective teaching and learning in each area of the curriculum, driven by the work of subject leaders who were actively involved in monitoring the impact of any work or strategies they had introduced. The school continued to focus on personalising learning to enable all children to achieve their potential and, to this end, the provision for pupils with Special Educational Needs was reviewed. Eco work continued and 'pupil voice' and 'parent voice' were given a high profile.

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

Attainment at end of KS2 2013:

% Pupils at Level 4+		% Pupils at Level 5+	
English		English	
Reading	92	Reading L5	42
Writing	100	Writing L5	50
Maths	92	Maths L5	25
		Maths L6	8

2012 Targets (KS2)	Target	Actual
Percentage making 2 levels progress in Reading	100%	83%
Writing	100%	100%
Percentage making 2 levels progress in Maths	100%	92%
Percentage achieving L4 English and Maths	92%	92%
Percentage achieving L5 or above in Reading, Writing and Maths	Reading 75%	Reading 42%
	Writing 67%	Writing 50%
	Maths 50%	Maths 33%

a. GOING CONCERN

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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 Accounting Policies note of the financial statements.

b. KEY PERFORMANCE INDICATORS

The Academy has a stringent School Improvement Plan, which details out how it will set and measure Key Performance Indicators.

In EYFS (Early Years Foundation Stage) baseline measurements are taken on entry using Development Matters 40-60 months, determining whether children are below, show some or are secure in the areas; predictions are made for expected progress. Comparisons are made with Local Authority data at the end of the school year to show whether children have achieved a Good Level of Development; awarded Expected or Exceeding grade in all 'Prime and Literacy' and all 'Literacy and Mathematics' elements.

In KS1 (Key Stage 1) baseline measurements are taken at the start of Year 1. Targets are set, of between 10 and 12 APS (Average Points Score), 2 levels of progress over KS1. Teacher Assessment and test results from KS1 SATs (Statutory Assessment Tests) (Year 2) are compared with both local and national data.

In KS2 (Key Stage 2) targets are set at the start of each year of 4APS progress over the year for every child (apart from some SEN children who may be cognitively unable to meet such expectations and then 3APS will be set). Teacher Assessment and test results from KS2 SATs (Year 6) are compared with both local and national data.

In all key stages, Pupil Progress Meetings are held three times a year to check that the above progress is being achieved and outcomes are linked to teacher appraisal procedures.

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

Financial review

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

To support the conversion to an Academy external advice was obtained to assist in the conversion process. A new risk management strategy was adopted by the Governors and a risk register compiled following a thorough review of all risks perceived by the Governors and SLT to the Academy. This is reviewed at each meeting of the finance committee. The Academy quickly identified the need to recruit a School Business Manager to oversee the increased reporting requirements and to develop and maintain appropriate accounting systems. An independent 'Responsible Officer' was appointed to undertake quarterly checks on the systems of internal control and report to the Governing Body. The Finance Policy is under review to ensure its appropriateness for the new Academy. External auditors were also appointed.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to manage the financial risks. Systems and procedures to minimise these are constantly being reviewed and updated.

c. RESERVES POLICY

The board of governors recognise the need to hold a reserve to protect against possible reductions in future funding and therefore its ability to deliver the Academy's longer term objectives. The reserves will be held in line with the DfE guidelines. The policy aim is to carry forward a sufficient reserve whilst ensuring that this does not affect the Academy's current operational activities.

d. PRINCIPAL FUNDING

The accounting period runs from 1 September 2012 to 31 August 2013. The majority of the Academy's income is obtained from the EFA in the form of recurrent grants and the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2013 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The Governing Body would like to thank the 'Friends of Gretton School' committee for their hard work in raising funds that have been used to support various school activities, and in particular school trips. These funds are shown as restricted funds in the statement of financial activities.

e. INVESTMENT POLICY

The Business Manager together with the Finance Committee acknowledge the need to determine a policy for the investment of surplus funds and to ensure that they are deposited to maximise interest whilst maintaining a safe and secure investment strategy. The Accounting Officer and Business Manager will monitor the final policy on a regular basis and report to the Finance Committee as required.

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

Plans for future periods

a. FUTURE DEVELOPMENTS

For the coming year, the theme of excellence in the classroom has been key, with staff focusing on core subjects of English and Maths and sharing understanding. Other curriculum areas that are being developed in line with government approaches are IT and PE. The school also plans to continue developing 'Spiritual, Moral, Social and Cultural' themes. There is a joint school/FOGS project to improve the playground.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold any funds as custodian Trustee on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are 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.

This report was approved by order of the governing body on 2 December 2013 and signed on its behalf by:

.....
Deirdre Chadwick
Chair

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The governing body has delegated the day-to-day responsibility to the Co-Head, Cheryl Cuthbertson, 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 Gretton Primary School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governor's report and in the Statement of Governors responsibilities. The governing body has formally met four times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
D ChadwickChairman	4	4
C Cuthbertson	4	4
H Fisher	3	4
J Woodlock	2	4
E Brazier	3	4
R Greasby	3	4
M Soltau	0	0
C Storey	4	4
I Jordan	0	2
A Silver	3	4
M Oliver	2	2
J Kelly	4	4

The Governing Body has entered one of the normal cyclic periods of change, as established governors came to the end of their terms of office. Several governors, realizing the benefit of stability and experience as the school made the transition to academy status, extended their term of office in order to provide support to the Governing Body and have therefore over the course of 2013, resigned. However there remains a core of knowledgeable and committed governors and the identification and integration of new governors is underway and a focus for next year.

The **Finance and Personnel Committee** is a sub-committee of the main governing body. Its purpose is to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. It regularly reviews the staffing structure, the procedure for appointing staff, the Pay Policy and Performance Management Policy for all staff, staff well-being and if necessary would also oversee the process leading to staff reductions. It reports to the full governing body with comments and recommendations on all areas outlined above.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
C Cuthbertson	5	5
J Kelly	5	5
D Chadwick	3	5
E Brazier	5	5
R Greasby	3	5
M Oliver	2	2
S Morris (SBM)	5	5

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gretton Primary School for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has delegated the day-to-day responsibility to Cheryl Cuthbertson, one of the Co-Heads, as Accounting Officer, together with the School Business Manager 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 Gretton Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control as well as making recommendations for improvement.

The School Business Manager and finance team together have developed a system of controls and checks and meet with the co-Heads to review finances.

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 Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Finance Committee review and update the Risk Register twice a year and reports on it to the Full Governing Body. The role of the Finance Committee is to challenge the SLT on the identification of risks, the management action taken and the residual risks.

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GOVERNANCE STATEMENT (continued)

The Governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor although this may be reviewed from time to time. However, the Governors have appointed a Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The RO has provided four written reports to the Governing Body during the year to 31 August 2013 on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. In the instances where the RO has made recommendations for improvement, these have been discussed with the School Business Manager and a cycle of review, amendment of process (where appropriate) and check again has been established.

These arrangements can provide only reasonable assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Co-Head, Cheryl Cuthbertson has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- feedback from the Finance Committee;
- feedback from the Business Manager and the Chair of the Finance Committee. During the year the Governing Body appointed a Business Manager, who is a qualified accountant and holder of the Certificate of School Business Management, to assist the Accounting Officer and the administration team. This enables the Academy to have access to informed professional advice when reviewing effectiveness of internal control;
- feedback and reports from the RO, as described above;
- feedback from external advisors;

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 Personnel 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 2 December 2013 and signed on their behalf, by:

.....
Deirdre Chadwick
Chair

.....
Cheryl Cuthbertson
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Gretton Primary School I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the academy trust governing body are able to identify any material, irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook (2013).

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

.....
Cheryl Cuthbertson
Accounting Officer

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

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

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

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

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

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

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

Approved by order of the members of the governing body on 2 December 2013 and signed on its behalf by:

.....
Deidre Chadwick
Chair

GRETTON PRIMARY SCHOOL
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRETTON PRIMARY SCHOOL

We have audited the financial statements of Gretton Primary School for the year ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRETTON PRIMARY SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Robert Stokes FCCA (Senior statutory auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants and Statutory Auditor

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA
Date:

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

In accordance with the terms of our engagement letter dated 30 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gretton Primary School during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Gretton Primary School's funding agreement with the Secretary of State for Education dated 1 February 2012, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

The work undertaken during the audit included:

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity;
- Discussions with and representations from the Accounting Officer and other Key management personnel;

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

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

- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

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 year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Randall & Payne LLP

Chartered Accountants and Statutory Auditor

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Date:

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Note					
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	25	2	-	27	1,134
Activities for generating funds	9	-	-	9	3
Incoming resources from charitable activities	-	419	5	424	251
	<u>34</u>	<u>421</u>	<u>5</u>	<u>460</u>	<u>1,388</u>
TOTAL INCOMING RESOURCES					
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	28	-	-	28	-
Charitable activities	-	435	18	453	222
Governance costs	-	4	-	4	22
	<u>28</u>	<u>439</u>	<u>18</u>	<u>485</u>	<u>244</u>
TOTAL RESOURCES EXPENDED	10 28	439	18	485	244
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS	6	(18)	(13)	(25)	1,144

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Transfers between Funds	20	-	5	(5)	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		6	(13)	(18)	(25)	1,144
Actuarial gains and losses on defined benefit pension schemes		-	1	-	1	3
NET MOVEMENT IN FUNDS FOR THE YEAR		6	(12)	(18)	(24)	1,147
<i>Total funds at 1 September 2012</i>		62	(38)	1,123	1,147	-
TOTAL FUNDS AT 31 AUGUST 2013		68	(50)	1,105	1,123	1,147

All activities relate to continuing operations.

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

The notes on pages 22 to 42 form part of these financial statements.

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07836684

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£000	2013 £000	£000	2012 £000
FIXED ASSETS					
Tangible assets	17		1,105		1,121
CURRENT ASSETS					
Debtors	18	7		70	
Cash at bank		116		44	
		<u>123</u>		<u>114</u>	
CREDITORS: amounts falling due within one year	19	(53)		(36)	
		<u> </u>	<u>70</u>	<u> </u>	<u>78</u>
NET CURRENT ASSETS					78
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,175</u>		<u>1,199</u>
Defined benefit pension scheme liability	25		(52)		(52)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>1,123</u>		<u>1,147</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	2		14	
Restricted fixed asset funds	20	1,105		1,123	
		<u>1,107</u>		<u>1,137</u>	
Restricted funds excluding pension liability				1,137	
Pension reserve		(52)		(52)	
		<u> </u>	<u>1,055</u>	<u> </u>	<u>1,085</u>
Total restricted funds			1,055		1,085
Unrestricted funds	20		68		62
			<u>68</u>		<u>62</u>
TOTAL FUNDS			<u>1,123</u>		<u>1,147</u>

The financial statements were approved by the Trustees, and authorised for issue, on 2 December 2013 and are signed on their behalf, by:

.....
Deidre Chadwick
Chair

.....
Cheryl Cuthbertson
Accounting Officer

The notes on pages 22 to 42 form part of these financial statements.

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	31 August 2013 £000	<i>Period ended 31 August 2012 £000</i>
Net cash flow from operating activities	22	68	33
Capital expenditure and financial investment		4	-
INCREASE IN CASH IN THE YEAR		72	33

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

	31 August 2013 £000	<i>Period ended 31 August 2012 £000</i>
Increase in cash in the year	72	33
MOVEMENT IN NET FUNDS IN THE YEAR	72	33
Net funds at 1 September 2012	44	11
NET FUNDS AT 31 AUGUST 2013	116	44

The notes on pages 22 to 42 form part of these financial statements.

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

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

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

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

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

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

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Academy has a funding agreement in place with the Secretary of State for Education which is for 7 years, with a 7 year notice period.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	50 years
Fixtures and fittings	-	20% straight line

1.7 Operating leases

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

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.8 Taxation

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

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Donations	25	2	27	3
Transfer from predecessor school	-	-	-	1,131
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	25	2	27	1,134
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Music Tuition and school clubs	5	-	5	3
Hire of facilities	4	-	4	-
	<u>9</u>	<u>-</u>	<u>9</u>	<u>3</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Educational Operations	-	424	424	251
	<u>-</u>	<u>424</u>	<u>424</u>	<u>251</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
DfE/EFA grants				
General Annual Grant (GAG)	-	391	391	213
Start Up Grants	-	-	-	25
Other DfE/YPLA/EFA Grants	-	26	26	6
Local Authority Grants	-	2	2	1
Devolved Capital Formula	-	5	5	6
	<u>-</u>	<u>424</u>	<u>424</u>	<u>251</u>

5. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Direct costs - Fundraising	28	-	28	-
	<u>28</u>	<u>-</u>	<u>28</u>	<u>-</u>

GRETTON PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Educational Operations - Direct	-	407	407	222
Educational Operations - Support	-	46	46	-
	<u>-</u>	<u>453</u>	<u>453</u>	<u>222</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000	<i>Total 2012 £000</i>
Educational Operations - Direct	322	14	71	407	222
Educational Operations - Support	21	4	21	46	-
	<u>343</u>	<u>18</u>	<u>92</u>	<u>453</u>	<u>222</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	<i>Total funds 2012 £000</i>
Governance Auditors' remuneration	-	3	3	3
Legal and professional fees	-	-	-	18
Insurance	-	-	-	1
Allocated insurance costs	-	1	1	-
	<u>-</u>	<u>4</u>	<u>4</u>	<u>22</u>

GRETTON PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

8. DIRECT COSTS

	Basis of Allocation	Fundraising costs £000	Governance £000	Educational Operations - direct £000
Educational Supplies	Direct	-	-	14
Staff Development	Direct	-	-	1
Other Direct Costs	% of time	5	-	33
	% of floor			
Maintenance of Premises & Equipment	space	4	-	11
	% of floor			
Cleaning	space	2	-	5
Rent & Rates	Direct	1	-	2
Insurance	Direct	2	1	4
Security & Transport	Direct	-	-	1
Wages and salaries	Direct	14	-	265
National insurance	Direct	-	-	16
Pension cost	Direct	-	-	41
	% of time			
Depreciation	used	-	-	14
		<u>28</u>	<u>1</u>	<u>407</u>
		<u><u>28</u></u>	<u><u>1</u></u>	<u><u>407</u></u>
			Educational Operations - support £000	Total 2013 £000
				Total 2012 £000
Educational Supplies		-	14	8
Staff Development		-	1	1
Other Direct Costs		13	51	30
Maintenance of Premises & Equipment		4	19	-
Cleaning		2	9	-
Rent & Rates		-	3	-
Insurance		-	7	-
Security & Transport		-	1	-
Wages and salaries		-	279	135
National insurance		-	16	7
Pension cost		-	41	18
Depreciation		4	18	10
		<u>23</u>	<u>459</u>	<u>209</u>
		<u><u>23</u></u>	<u><u>459</u></u>	<u><u>209</u></u>

GRETTON PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

9. SUPPORT COSTS

	Basis of Allocation	Educational Operations - support £000	Total 2013 £000	Total 2012 £000
Pension finance cost	Direct	2	2	2
Other Direct Costs	Direct	-	-	1
Wages and salaries	Direct	20	20	9
Pension cost	Direct	1	1	1
		<u>23</u>	<u>23</u>	<u>13</u>

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000	Total 2012 £000
Costs of generating voluntary income	14	-	14	28	-
Costs of generating funds	<u>14</u>	<u>-</u>	<u>14</u>	<u>28</u>	<u>-</u>
Educational Operations - Direct	322	14	71	407	196
Educational Operations - Support	-	4	19	23	2
Support costs - Educational Operations - support	21	-	2	23	22
Charitable activities	<u>343</u>	<u>18</u>	<u>92</u>	<u>453</u>	<u>220</u>
Governance	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>22</u>
	<u>357</u>	<u>18</u>	<u>110</u>	<u>485</u>	<u>242</u>

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

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

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £000	Support costs 2013 £000	Total 2013 £000	<i>Total</i> 2012 £000
Educational Operations - Direct	407	-	407	198
Educational Operations - Support	23	23	46	24
	<u>430</u>	<u>23</u>	<u>453</u>	<u>222</u>

12. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	31 August 2013 £000	<i>Period ended</i> 31 August 2012 £000
Depreciation of tangible fixed assets:		
- owned by the charity	17	10
Auditors' remuneration	3	3
Operating lease rentals	1	1
	<u>21</u>	<u>14</u>

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

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

13. STAFF COSTS

Staff costs were as follows:

	31 August 2013 £000	<i>Period ended 31 August 2012 £000</i>
Wages and salaries	292	138
Social security costs	16	7
Other pension costs (Note 25)	42	19
	<u>350</u>	<u>164</u>
Supply teacher costs	6	6
	<u>356</u>	<u>170</u>

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

	31 August 2013 No.	<i>Period ended 31 August 2012 No.</i>
Teachers	4.13	4.10
Administration and support	4.04	3.20
Management	1.50	1.10
	<u>9.67</u>	<u>8.40</u>

No employee received remuneration amounting to more than £60,000 in either year.

9 (2012: 9) of the above employees participated in the Teacher's Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £32,294 (2012: £14,670). 13 (2012: 13) other employees participated in the Local Government Pension Scheme. Pension contributions amounted to £11,058 (2012: £4,797).

14. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2012 - 3) in respect of defined benefit pension schemes.

GRETTON PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	31 August	<i>Period ended</i>
	2013	<i>31 August</i>
	£000	<i>2012</i>
		<i>£000</i>
Cheryl Cuthbertson, Head/Staff Governor/Accounting Officer	25-30	<i>25-30</i>
Helen Fisher, Staff Governor	30-35	<i>20-25</i>
Jacqueline Kelly, Head/Staff Governor	40-45	

During the year, 1 Trustees received reimbursement of expenses - see note 26 for details (2012 - £NIL).

The above staff salary figures are inclusive of employers pension contributions.

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £250 (2012 - £265).

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

16. OTHER FINANCE INCOME

	31 August	<i>Period ended</i>
	2013	<i>31 August</i>
	£000	<i>2012</i>
		<i>£000</i>
Expected return on pension scheme assets	1	<i>-</i>
Interest on pension scheme liabilities	(3)	<i>(2)</i>
	(2)	<i>(2)</i>
	(2)	<i>(2)</i>

GRETTON PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

17. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £000	Fixtures, fittings and ICT £000	Total £000
Cost			
At 1 September 2012	1,121	10	1,131
Additions	-	1	1
	<u>1,121</u>	<u>11</u>	<u>1,132</u>
At 31 August 2013	1,121	11	1,132
Depreciation			
At 1 September 2012	9	1	10
Charge for the year	15	2	17
	<u>24</u>	<u>3</u>	<u>27</u>
At 31 August 2013	24	3	27
Net book value			
At 31 August 2013	<u>1,097</u>	<u>8</u>	<u>1,105</u>
At 31 August 2012	<u>1,112</u>	<u>9</u>	<u>1,121</u>

18. DEBTORS

	2013 £000	2012 £000
Other debtors	3	4
Prepayments and accrued income	4	66
	<u>7</u>	<u>70</u>

**19. CREDITORS:
Amounts falling due within one year**

	2013 £000	2012 £000
Trade creditors	16	-
Other taxation and social security	6	4
Other creditors	28	21
Accruals and deferred income	3	11
	<u>53</u>	<u>36</u>

GRETTON PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

20. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General Funds - all funds	62	34	(28)	-	-	68
Restricted funds						
Restricted Funds - all funds	14	421	(438)	5	-	2
Pension reserve	(52)	-	(1)	-	1	(52)
	<u>(38)</u>	<u>421</u>	<u>(439)</u>	<u>5</u>	<u>1</u>	<u>(50)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	1,123	5	(18)	(5)	-	1,105
Total restricted funds	<u>1,085</u>	<u>426</u>	<u>(457)</u>	<u>-</u>	<u>1</u>	<u>1,055</u>
Total of funds	<u><u>1,147</u></u>	<u><u>460</u></u>	<u><u>(485)</u></u>	<u><u>-</u></u>	<u><u>1</u></u>	<u><u>1,123</u></u>

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

The restricted general fund includes grants receivable from the EFA/DfE, LA and other government grants towards the operating activities of the Academy administered by the charitable company.

The fixed asset fund includes amount receivable from the EFA and other sponsors in respect of tangible fixed assets held for Academy use.

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

GRETTON PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
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SUMMARY OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
General funds	62	34	(28)	-	-	68
Restricted funds	(38)	421	(439)	5	1	(50)
Restricted fixed asset funds	1,123	5	(18)	(5)	-	1,105
	<u>1,147</u>	<u>460</u>	<u>(485)</u>	<u>-</u>	<u>1</u>	<u>1,123</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Tangible fixed assets	-	-	1,105	1,105	1,121
Current assets	68	54	-	122	114
Creditors due within one year	-	(52)	-	(52)	(35)
Provisions for liabilities and charges	-	(52)	-	(52)	(52)
	<u>68</u>	<u>(50)</u>	<u>1,105</u>	<u>1,123</u>	<u>1,147</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August 2013 £000	Period ended 31 August 2012 £000
Net incoming resources before revaluations	(25)	1,144
Net Assets transferred from predecessor school	-	(1,074)
Depreciation of tangible fixed assets	17	-
Capital grants from DfE	(5)	(6)
Decrease/(increase) in debtors	62	(69)
Increase in creditors	17	35
FRS 17 adjustments	2	3
Net cash inflow from operations	<u>68</u>	<u>33</u>

GRETTON PRIMARY SCHOOL
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FOR THE YEAR ENDED 31 AUGUST 2013**

	31 August 2013 £000	<i>Period ended 31 August 2012 £000</i>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1)	(1,133)
Assets transferred from predecessor school	-	1,127
Capital grants from DfE	5	6
	4	-
Net cash inflow capital expenditure	4	-

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £000	Cash flow £000	Other non-cash changes £000	31 August 2013 £000
Cash at bank and in hand:	44	72	-	116
Net funds	44	72	-	116
	44	72	-	116

24. CONTINGENT LIABILITIES

In the event, during the period of the funding agreement, of the sale or disposal by other means of any asset for which a capital grant of whatever amount was received, the company shall, if it does not reinvest the proceeds, repay to the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the company serving notice, the company shall repay to the Secretary of State sums determined by reference to:

- a. the value at the time of the Academy's site and premises and other assets held for the purposes of the company, and
- b. the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

25. PENSION COMMITMENTS

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

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

Contributions amounting to £6,056 were payable to the scheme at 31 August 2013 (2012 - £2,886) and are included within creditors.

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

25. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

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

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £13,000, of which employer's contributions totalled £11,000 and employees' contributions totalled £2,000. The agreed contribution rates for future years are 24.0% for employers and 6% for employees.

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25. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000	<i>Expected return at 31 August 2012 %</i>	<i>Fair value at 31 August 2012 £000</i>
Equities	6.60	24	<i>5.50</i>	<i>10</i>
Bonds	3.80	7	<i>3.30</i>	<i>5</i>
Property	4.70	2	<i>3.70</i>	<i>1</i>
Cash	3.60	1	<i>2.80</i>	<i>1</i>
Total market value of assets		34		<i>17</i>
Present value of scheme liabilities		(86)		<i>(69)</i>
(Deficit)/surplus in the scheme		(52)		<i>(52)</i>

The expected return on assets is based on the long-term future expected investment return for each asset class, and are net of an assumed net investment expenses. The recommended return assumptions are derived from the Hymans Robertson Asset Model which is a model developed and maintained by Hymans Robertson LLP. The model is used to calculate 5,000 simulations and produce an expected return for which 50% of all possible outcomes will be above and 50% below. The only exception is bond assets which uses the yields applicable at the accounting date of suitable indices.

The amounts recognised in the Balance sheet are as follows:

	31 August 2013 £000	<i>Period ended 31 August 2012 £000</i>
Present value of funded obligations	(86)	<i>(69)</i>
Fair value of scheme assets	34	<i>17</i>
Net liability	(52)	<i>(52)</i>

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

25. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows:

	31 August 2013 £000	<i>Period ended 31 August 2012 £000</i>
Current service cost	(10)	(5)
Interest on obligation	(3)	(2)
Expected return on scheme assets	1	-
	<hr/>	<hr/>
Total	(12)	(7)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	4	-
	<hr/> <hr/>	<hr/> <hr/>

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

	31 August 2013 £000	<i>Period ended 31 August 2012 £000</i>
Opening defined benefit obligation	69	-
Current service cost	10	5
Interest cost	3	2
Contributions by scheme participants	2	1
Actuarial Losses/(gains)	2	(3)
Liabilities assumed in a business combination	-	64
	<hr/>	<hr/>
Closing defined benefit obligation	86	69
	<hr/> <hr/>	<hr/> <hr/>

GRETTON PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

25. PENSION COMMITMENTS (continued)

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

	31 August 2013 £000	<i>Period ended 31 August 2012 £000</i>
Opening fair value of scheme assets	17	-
Expected return on assets	1	-
Actuarial gains and (losses)	3	-
Contributions by employer	11	5
Contributions by employees	2	1
Assets acquired in a business combination	-	11
	<u>34</u>	<u>17</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £4,000 (2012 - £3,000).

The Academy expects to contribute £12,000 to its Defined benefit pension scheme in 2014.

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.10 %
Expected return on scheme assets at 31 August	5.90 %	4.70 %
Rate of increase in salaries	4.60 %	4.00 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %
Inflation assumption (CPI)	2.40 %	2.70 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2013	2012
Retiring today		
Males	21.7	21.7
Females	23.6	23.6
Retiring in 20 years		
Males	23.5	23.5
Females	25.8	25.8

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

25. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2013	<i>2012</i>
	£000	<i>£000</i>
Defined benefit obligation	(86)	<i>(69)</i>
Scheme assets	34	<i>17</i>
	<hr/>	<hr/>
Deficit	(52)	<i>(52)</i>
	<hr/>	<hr/>
Experience adjustments on scheme liabilities	(2)	<i>3</i>
Experience adjustments on scheme assets	3	<i>-</i>
	<hr/>	<hr/>

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

26. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
	2013	<i>2012</i>	2013	<i>2012</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Expiry date:				
Within 1 year	-	-	-	<i>1</i>
	<hr/>	<hr/>	<hr/>	<hr/>

27. RELATED PARTY TRANSACTIONS

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

Reimbursed expenses during the year are as follows

	31 August	<i>Period ended</i>
	2013	<i>31 August</i>
	£	<i>2012</i>
		<i>£</i>
Claire Storey	767	<i>-</i>
Woof Designs - Husband of Claire Storey for website design	744	<i>-</i>
	<hr/>	<hr/>