

Colyton Grammar School Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2012

Company Registration Number 07445493

Colyton Grammar School Academy Trust

Financial Statements

Year Ended 31 August 2012

Contents	Page
Reference and Administrative Details	1
Governors' Report	2
Governance Statement	16
Statement on Regularity, Propriety and Compliance	20
Statement of Governors' Responsibilities	21
Independent Auditor's Report	22
Independent Auditor's Report on Regularity	24
Statement of Financial Activities incorporating Income & Expenditure Account	25
Balance Sheet	26
Cash Flow Statement	28
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	29
Other Notes to the Financial Statements	33

Colyton Grammar School Academy Trust

Reference and Administrative Details

Year Ended 31 August 2012

Governors (Trustees)

C J Bastin (Chairman) *
S Burns-Price (Staff Governor) *
G Davis (Staff Governor) *
P W Evans (Headteacher and Accounting Officer) *
G Hayne
S Hopkins (Responsible Officer)
M Jackson (from 1 Jan 2012)
L Linnell
T F Lyddon (Vice Chairman to 12 Dec 2011) *
M R Marsh *
B Merrett *
W Robinson
B Salter *
R Scott *
V Wells
F H Wilkinson (Vice Chairman from 12 Dec 2011) *
M Williams *

* members of the Finance and Resources
Committee

Company Secretary

S R Cook

Senior Leadership Team:

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

J Wainwright
R Bush
A Gregson
R Stidwell
S R Cook

Principal and Registered Office

Colyton Grammar School
Whitwell Lane
Colyford
Colyton
EX24 6HN

Company Registration Number

07445493 (England and Wales)

Charity Registration Number

306672 (for Educational Foundation only)

Statutory Auditor

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

Bankers

Lloyds TSB Bank plc
Market Square
Colyton
EX24 6JS

Solicitors

Foot Anstey LLP
Senate Court
Southernhay Gardens
Exeter
EX1 1NT

Colyton Grammar School Academy Trust

Governors' Report

Year Ended 31 August 2012

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2012.

Structure, Governance and Management

Constitution

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

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

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

Members' Liability

There are five members of the Charitable Company: C J Bastin, L Linnell (replaced M R Marsh from 12 December 2011), B Salter, F H Wilkinson (replaced T F Lyddon from 12 December 2011) and M Williams. Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities

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

Principal Activities

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

Method of Recruitment and Appointment or Election of Governors

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

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

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

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

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

Policies and Procedures Adopted for the Induction and Training of Governors

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

The Staffing Committee, in liaison with other Committees, is responsible for arranging a programme of governor training. During the period under review, five Governor Training Evenings were held. Prior to the re-structuring of the committees in December 2011, the Staffing Committee also held a Focus Evening with a single training focus applicable to the work of that Committee. Focus Evenings were replaced with wider Training Evenings for all governors from January 2012.

Organisational Structure

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

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

The Committee structure was revised in December 2011. The former Admissions Committee was combined with the Curriculum and Pastoral Committee to form the Admissions, Learning and Standards Committee. The former Grounds, Buildings and Services Committee was also merged with the Finance and Resources Committee.

Following the re-structuring, there are four Committees as follows:

- The Committee of Chairs which meets once a term to discuss consider strategic matters relating to the development of the Academy Trust, in preparation for discussion and presentation for approval by the Board.
- The Admissions, Learning and Standards Committee, which meets once a term to:
 - (i) deal with all matters relating to Admissions, including the provision of effective liaison with Year 6 parents, the annual admissions process, arrangements for the Independent Appeals Panel and setting admissions limits for Years 7 and 12.

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

- (ii) to monitor, evaluate and review school policy and practice in relation to curriculum planning, communications and publications, target-setting and performance data, assessment, recording and reporting, examinations, literacy and numeracy policies and all pastoral issues. This includes arrangements for Special Educational Needs, behaviour and discipline, collective worship and religious education.
- The Finance and Resources Committee, which meets five times a year to:
 - (i) monitor, evaluate and review school policy and practice in relation to financial planning and monitoring; to decide how to spend the General Annual Grant and other funds under the control of governors for the purposes of the Academy Trust; to monitor and ensure compliance with DfE, YPLA/EFA, Charity Commission and other relevant bodies and all relevant legal requirements in relation to the proper financial management of the Academy Trust; to agree limits of financial delegation; to ensure that full accounts are kept; to arrange appropriate insurance cover; to receive the termly report of the Responsible Officer; to report the Academy Trust's financial position to the Governing Body at least once a term.
 - (ii) develop, monitor and review the Premises Development Plan, to plan and approve specific capital projects (including the consideration and approval of tenders); to ensure the effective security, development and maintenance of the Academy Trust's land, buildings, equipment and vehicles; to develop, monitor and review the Academy Trust's Health and Safety Policy; to make arrangements for the effective provision of services such as catering; to develop and monitor the Sustainable School Policy.
- The Staffing Committee which meets once a term to review the staffing structure of the Academy Trust and decide, within the resources available, how many teaching and support staff should be employed; to advise the Governing Body on the procedures for the selection of the Headteacher; to select for appointment Deputy Headteachers, Assistant Headteachers and the Business Manager; to determine pay and conditions for all staff; to monitor performance management policies for all staff; to approve salary increases linked to performance reviews for the Senior Leadership Team; to make arrangements for the Headteacher's Performance Management review; to review safeguarding checks as part of the employment of new staff; to ensure effective arrangements are in place for succession planning for all staff; to make arrangements for Governor induction and training.

The Headteacher is the Accounting Officer as required by the Funding Agreement with the Department for Education. The responsibilities of the Accounting Officer are defined in the Statement on Regularity, Propriety and Compliance on page 20.

Risk Management

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

- Formal agendas for Governors' meeting
- Detailed terms of reference for all committees
- A clear Development Plan identifying key strategic planning objectives and the resources required to achieve them
- Comprehensive budget planning, monitoring and review
- Clear financial delegation levels
- Formal written policies reviewed on a regular basis

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

- Clear safeguarding and vetting procedures as required by law to protect children and young people
- Rigorous review of educational achievement to ensure continuing high standards
- Comprehensive planning and review of admissions processes
- A clear succession planning policy

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

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

Connected Organisations, including Related Party Relationships

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

Objectives and Activities

Objects and Aims

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

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

Further aims are as follows:

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

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

Objectives, Strategies and Activities

Key influences on the Academy Trust's Development Plan for the period under review were the continuing uncertainty regarding medium and long term funding. The main focus, nevertheless, was on teaching and learning, recognising the need to maintain the breadth and quality of future work in the context of diminishing budgets. Other influences included the opportunity for further development of partnership working through the South West Academic Trust and the hosting of the Middle Leadership Development Programme; the changes to Ofsted and accountability structures; and the revised Admissions Codes.

Key activities and targets have included the following:

- Implementing the major changes resulting from the revised arrangements for admissions for the 2012 and 2013 rounds
- The further development and refinement of accountability structures in the light of changes to Ofsted
- A review of in-school variation
- Further development of the use of SIMS and reporting
- Work on preparation for university applications and pre-university learning
- Reviews of provision for the Gifted and Talented, effective feedback by teaching staff to students and a review of schemes of work to promote independent learning and a specific Year 7 Independent Learning Project
- The further development of student leadership
- Handwriting support to promote learning
- The further development of blended learning to promote skills for life-long learning
- An audit of participation in educational visit and extra-curricular provision
- A major re-writing of the school prospectus
- A review of school funding in the light of the various national consultations over the period
- An evaluation and review of the delivery of Continuing Professional Development
- The development of middle and aspiring leadership, both internally and through hosting the Middle Leadership Development Programme (MLDP)
- The development of peer observations and mentoring for teaching staff
- Further partnership work within the South West Academic Trust
- The development of outreach programmes covering primary science, music, the school library and the School Sports Partnership programme
- A range of initiatives relating to Support Staff development
- An acoustic and lighting review of the whole school
- Development of potential bids for the Academies Capital Maintenance Fund programme, including the refurbishment of the Cottrill Hall and East Wing, the replacement of all the windows in the Main School and the improvement of the heating controls in this area, and initial work on plans for a major redevelopment of staff accommodation
- Further development work on an integrated Five Year Capital Plan
- Internal improvements including the refurbishment of two Science Laboratories and a number of sustainability issues

Public Benefit

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

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

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

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

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

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

Achievements and Performance

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

Results in public examinations have been maintained at a very high level throughout the introduction of these changes. In preparation for university and employment, students study a broad curriculum with opportunities for extension work, while continuing to achieve results which place the school at the top end of national performance tables e.g. the school was ranked 10th nationally (all schools) in the most recent (2010/11) Department for Education tables for average total A Level points per candidate.

DfE National Performance Tables rate the school very highly.

- 2011 Key Stage 4 tables ranked the school 6th in the table of state secondary schools.
- 2011 Key Stage 5 tables ranked the school as 6th in the table of state schools and colleges

National Performance Table data for 2012 is not currently available, but at both A Level and GCSE The Times ranked the school as 4th state mixed school.

Key Stage 5: GCE 'A' Level - Results

In the period under review, the A*/A rate was maintained at a high level.

Year	A*	A	B	C	D	E	A*/A	A*/A/B %
2012	28.4%	36.5%	24.9%	8.1%	2.1%	0%	64.9%	89.8%
2011	33.9%	38.7%	20.2%	5.1%	2.1%	0%	72.6%	92.8%
2010	34.6%	38.5%	18.7%	6.0%	1.9%	0.2%	73.1%	91.8%
2009	N/A	66.9%	20.9%	8.0%	2.7%	1.5%	66.9%	87.8%

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

Key Stage 4: Year 11 Results

	2012	2011	2010	2009
% gaining 5+ A*-C including English and Maths	100%	100%	100%	100%
% gaining English Baccalaureate	86%	87%	88%	N/A

Key Stage 4: GCSE 2011 Results (Year 10)

Grade Distribution	A*	A	A*-A
Y10 2012	45.2%	35.4%	80.6%
Y10 2011	47.2%	33.5%	80.7%
Y10 2010	47.9%	36.8%	84.7%
Y10 2009	40.2%	39.6%	79.8%

Year 13 Leaver Destinations

	Number	Notes
Number of students	100	
Progressing to University	84	(including 6 to Oxford, 9 to Cambridge) 67 to the Russell Group
Art Foundation Course	1	
Employment with training	5	
Employment	1	
Gap Year	13	

National Recognition

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

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

Review of Activities

Middle Leadership Development Programme

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

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

Capital Developments

During the period under review, the school has replaced windows in the main 1927 building of the school and upgraded the heating control system to make the building more efficient and more comfortable for students and staff. This was funded by a grant from the Academies Capital Maintenance Programme. Preliminary work has been completed in preparation for the next round of bidding for this fund, where funds will be sought to refurbish facilities for staff, including a new lecture theatre and the main school assembly hall and community venue. Other significant projects funded from the school's reserves include major upgrades to the IT network (part-funded by a £10,000 donation from the Parents' Association) and a major refurbishment of the School Library.

South West Academic Trust

While the legal status of the Trust will change with the continuing conversion of member schools to academies, Directors and Headteachers remain committed to a formal partnership to support and develop the selective schools in the South West peninsula. The formation of a new Company is expected before the next annual report. The Trust also expects to admit up to five new member schools.

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

Science College Specialism

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

Student Achievement and Activities

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

- Participation in a number of major national competitions including the English Speaking Union Public Speaking Competition, a Political Studies Association competition, the BBC Off By Heart Shakespeare competition, the Faraday Challenge, the Young Geographer of the Year Award, the British U16 Tennis Tour, Luke Coleridge Memorial Prize, Biology Olympiad, Maths Challenge, RSC School Analyst Competition, Magistrates Mock Trial Competition, Young Enterprise Best Business Award and Best Presentation Award, National Surfing Team, National Biology Challenge, Christopher Tower Poetry Competition, National Short Story Week Competition
- Fundraising activities for charities including the Poppy Collection, Children in Need, Sport Relief, Exeter Food Bank, Link Ethiopia, Readathon, HCPT Pilgrimage Trust, British Red Cross East Africa Food Crisis Appeal, Force Cancer Charity and Chernobyl Children's Lifeline
- A student production of Sweeney Todd
- Sporting achievements including champions and/or runners up for East Devon and Devon Girls' Netball, Devon Girls' Hockey, Devon U13 Rugby, East Devon Badminton and East Devon Hockey, East Devon Rounders, East Devon Tennis; and participation in the SW Regional Athletics Championships and Aegon Tennis National Schools Final

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

- Individual sporting achievements include selection for the National School Tennis Competition, the National Surfing Team, the Barclays ATP World Tennis Finals
- Three teams in the Ten Tors Competition
- 'Life in the Vines' - Royal Society grant supported continuing work with the University of Exeter' Biosciences department on a biodiversity project
- History Ambassadors coordinated the work of Year 7 and 8 tutor groups to compile a time capsule to commemorate the Diamond Jubilee
- An Olympic Torch Relay for the Axe Valley Learning Community
- The Choir sang in Bristol, Durham and Exeter Cathedrals
- Student support of a family Science Day at the Norman Lockyer Observatory, The Sidmouth Festival of Science and an Institute of Physics stand at the Devon County Show

Review of Investments

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

Going Concern

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

Key Financial Performance Indicators

Comparative information for periods prior to 1 January 2011 is based on data from the previous Colyton Grammar School. It should be noted that the figures for 2011 cover only eight months following the conversion to academy status in January 2011.

For details of examination results, please refer to the Achievements and Performance section on pages 7 to 8.

Staffing Costs as a % of Public/GAG income

	2012	2011 (8 months only)	2010	2009
Teaching Staff	56.8%	56.2%	60.1%	59.8%
Support Staff	8.2%	8.0%	7.6%	6.8%
Administrative Staff	5.9%	5.5%	5.5%	5.2%
Site Staff	5.4%	5.4%	5.7%	5.8%

Teaching Staff

	2012	2011	2010	2009
Full Time Equivalents	45.89	45.29	45.11	44.9
Pupil Teacher Ratio	17.7	17.9	17.8	17.9

Admissions for Year 7 Entry

2012		2011		2010		2009	
Applications	Accepted	Applications	Accepted	Applications	Accepted	Applications	Accepted
348	121	351	120	379	122	377	120

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

Financial Review

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

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

During the period under review, the principal source of income has been the General Annual Grant and other grant related income received from the YPLA/EFA and Devon Local Authority. These funds have been applied to the Academy's Educational Operations (see Note 8),

In addition a sum of £511,531 has been used to purchase Fixed Assets to support the Academy's Educational Operations, This sum includes £84,687 Capital Grant funding from the EFA, a transfer of £157,339 from the Bradbeer Bursary Fund for the purchase of large photovoltaic array, £247,985 from GAG funding and £21,520 capital donations. These purchases have included the following major items:

- Replacement of the windows in the Main School building and improvements to heating controls - £67,170 (funded by EFA Capital Grant)
- Major refurbishment of the School Library - £22,508
- Major improvements to the IT infrastructure and replacement IT equipment - £119,871 (part funded by a donation of £10,000 from the Parents' Association)
- Large photovoltaic array - £157,339 funded by the Bradbeer Bursary Fund, to generate income of c£20,000 per annum for the Bradbeer Bursary Fund
- The refurbishment of the Reception and Admin area roofs - £21,890
- All Weather Pitch fencing - £28,349 (part funded by a donation of £5,000 from Leisure East Devon)

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

Governors have also designated £100,000 of the Bradbeer Fund for anticipated capital repairs to the school's All Weather Pitch, and an additional £200,000 from the Bradbeer Fund for future capital projects.

During the period under review, governors undertook feasibility studies relating to the refurbishment and extension of the Cottrill Hall and the replacement of existing staff accommodation. The latter study also includes investigation of flexible delivery methods for 6th form courses, in response to growing A Level group sizes. Both projects will be included in bids for Academies Capital Maintenance Fund (ACMF) funding for 2013/14.

Key financial policies reviewed during the year include the Finance Policy which establishes the framework for financial management, including the key financial responsibilities of the Board, its committees and the key officers of the academy, as well as delegated authority for spending decisions. This policy is supported by additional policies including the following: Asset Management, Audit, Best

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

Value, Budget Monitoring, Charges for School Activities, Income and Lettings, Insurance, Payroll Organisation and Supervision and Remissions.

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

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

Financial and Risk Management Objectives and Policies

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

The Governing Body acknowledges the defined benefit scheme deficit which is set out at Note 29 to the annual report. It considers that the Academy Trust is able to meet its known contribution commitments for the foreseeable future.

Principal Risks and Uncertainties

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

Financial Risk

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

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

Failures in Governance and/or Management

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

Reputational Risk

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

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

Safeguarding and Child Protection Risks

Governors continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection policies in school and in training and support, in order to protect the vulnerable young people in its care. Governors regularly review arrangements for safeguarding to ensure compliance with legislation and current guidance.

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

Significant Changes in Staff

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

Reserves Policy

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

- General Annual Grant - £163,100 (2011: £17,062)
- General Non-GAG Restricted Fund - £59,022 (2011: £78,934)
- General Unrestricted Fund - £415,012 (2011: £323,161)

A significant legacy from a former member of staff, shown in the financial statements as the Bradbeer Fund was transferred to the Academy from the previous school at the date of transfer (1 January 2011). At the end of the period under review, this fund amounted to £403,053 (2011: £520,846). Governors have made the following designations for these funds:

Future capital projects - £200,000	(plans for this year include the completion of feasibility studies on the refurbishment and extension of the Cottrill Hall and the Staff House)
All Weather Pitch - £100,000	Major costs in the next ten years include the replacement of the All Weather Pitch surface

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

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

Investment Policy

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

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

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

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

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

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

- What level of risk does the investment represent? The governors' approach to risk is cautious – typical investments will include corporate bonds and fixed interest funds.
- The historical performance of the investment or fund
- The anticipated level of return
- Management fees and associated costs
- Any penalties e.g. for early redemption
- Ease of access should governors wish to realise the investment

Plans for Future Periods

The school plans to maintain a clear focus on learning and the teaching that promotes it, including continuing to raise achievement and student skills. A particular focus is to improve the proportion of 'outstanding' lessons delivered, to share the good practice already in the school and to seek out innovative ways to improve.

Changes to middle leadership structures are intended to distribute leadership and improve communication. The formation of 'Teaching and Learning' cross-curricular teams, should play an important role in empowering leaders to further improve the quality and consistency of teaching and learning.

The changes to structures of leadership along with the closer alignment of the calendar of meetings and staff development time to the development plan priorities, should aid the sharing of good practice, provide a focus for our work and lead to improved experiences and outcomes for learners.

National changes in funding and examination systems will start to impact on the work of the school. Significant changes to the curriculum may be required in response to external influences.

Specific plans include the following:

- Further work on reducing 'In School Variation'
- A strong focus on sustaining high achievement, including targeted staff development work on increasing the proportion of 'outstanding' lessons
- A full curriculum review
- A focus on developing thinking skills pre-16
- Leadership skill development including support for the new middle leadership structure
- Further work on departmental supported self-review and monitoring and evaluation
- The implementation of the new Teachers' Standards and changes to teachers' Performance Development
- A review of support staff structure, with a particular focus on succession planning
- The exploration and evaluation of innovative uses of new technology to support learning
- A strategic review of funding in the light of national developments

Colyton Grammar School Academy Trust

Governors' Report (continued)

Year Ended 31 August 2012

- The development of further bids under the Academies Capital Maintenance Programme
- A review of heating systems across the school site
- Further work on admissions and marketing
- A review of safeguarding procedures
- Work on the effective engagement of boys

Funds held as Custodian Trustee on behalf of others

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

The objects of Colyton Educational Foundation are to:

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

The trustees are Dr Christopher Bastin and Mr P Evans.


Auditor

In so far as the governors are aware:

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

The Governors have appointed Francis Clark LLP as auditors.

Approved by order of the members of the Governing Body on 12 December 2012 and signed on its behalf by:



.....

C J Bastin
Chair

Colyton Grammar School Academy Trust

Governance Statement

Year Ended 31 August 2012

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The **governing body** has formally met three times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
C J Bastin (Chairman)	3	3
S Burns-Price (Staff Governor)	1	3
G Davis (Staff Governor)	2	3
P Evans (Headteacher and Accounting Officer)	3	3
G Hayne	2	3
S Hopkins (Responsible Officer)	3	3
M Jackson (Appointed 1 January 2012)	0	2
L Linnell	3	3
T F Lyddon (Vice Chair to 12 December 2011) *	1*	3
M R Marsh	3	3
B Merrett	3	3
W Robinson	1	3
B Salter	3	3
R Scott	2	3
V Wells	2	3
F H Wilkinson (Vice Chair from 12 December 2011)	3	3
M Williams	1	3

* T F Lyddon suffered from severe ill health during the period under review, and died in October 2012.

The **Finance and Resources Committee** is a committee of the main governing body. Its purpose is:

- (i) To monitor, evaluate and review school policy and practice in relation to financial planning and monitoring; to decide how to spend the General Annual Grant and other funds under the control of governors for the purposes of the Academy Trust; to monitor and ensure compliance with DfE, YPLA/EFA, Charity Commission and other relevant bodies and all relevant legal requirements in relation to the proper financial management of the Academy Trust; to agree limits of financial delegation; to ensure that full accounts are kept; to arrange appropriate

Colyton Grammar School Academy Trust

Governance Statement

Year Ended 31 August 2012

insurance cover; to receive the termly report of the Responsible Officer; to report the Academy Trust's financial position to the Governing Body at least once a term.

- (ii) (from January 2012) develop, monitor and review the Premises Development Plan, to plan and approve specific capital projects (including the consideration and approval of tenders); to ensure the effective security, development and maintenance of the Academy Trust's land, buildings, equipment and vehicles; to develop, monitor and review the Academy Trust's Health and Safety Policy; to make arrangements for the effective provision of services such as catering; to develop and monitor the Sustainable School Policy.

In December 2011, the committee structure of the governing body was revised, resulting in the merger of the former Grounds, Buildings and Services Committee with the Finance and Resources Committee. This resulting in the committee taking on the second group of purposes outlined above.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
F H Wilkinson (Chairman)	2	5
C J Bastin	3	5
S Burns-Price (from January 2012)	2	3
G Davis (from January 2012)	2	3
P Evans (Headteacher and Accounting Officer)	4	5
G Hayne (from January 2012)	2	3
T F Lyddon *	1*	5
M R Marsh	3	5
B Merrett	4	5
B Salter	5	5
R Scott (from January 2012)	2	3
M Williams	2	5

* T F Lyddon suffered from severe ill health during the period under review, and died in October 2012.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Colyton Grammar School Trust for the 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 the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August

Colyton Grammar School Academy Trust

Governance Statement

Year Ended 31 August 2012

2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed S Hopkins, a governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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

Review of Effectiveness

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

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

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

Colyton Grammar School Academy Trust

Governance Statement

Year Ended 31 August 2012

Approved by order of the members of the Governing Body on 12 December 2012 and signed on its behalf by:

CHRISTOPHER J BASTIN

Signed



C J Bastin
Chair

PAUL W EVANS

Signed



P W Evans
Accounting Officer

Colyton Grammar School Academy Trust

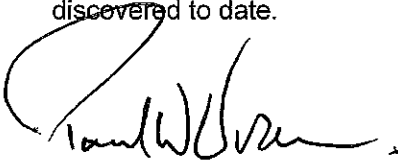
Statement on Regularity, Propriety and Compliance

Year Ended 31 August 2012

As accounting officer of Colyton Grammar School Academy Trust 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.

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.

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



Paul W Evans
Accounting Officer

12 December 2012

Colyton Grammar School Academy Trust

Statement of Governors' Responsibilities

Year Ended 31 August 2012

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

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

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

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

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

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

Approved by order of the members of the Governing Body on 12 December 2012 and signed on its behalf by:



Signed
C J Bastin

Colyton Grammar School Academy Trust

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

Year Ended 31 August 2012

Chair

We have audited the financial statements of Colyton Grammar School Academy Trust for the year ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities Of Governors And Auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 21, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 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 the Annual Accounts Direction issued by the Education Funding Agency;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Colyton Grammar School Academy Trust

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

Year Ended 31 August 2012

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



CHRISTOPHER BUSH

(Senior Statutory Auditor)

For and on behalf of

FRANCIS CLARK LLP

Chartered Accountants and Statutory Auditor

Vantage Point

Woodwater Park

Pynes Hill

Exeter

EX2 5FD

18.12.2012

.....

Colyton Grammar School Academy Trust

Independent Auditor's Report on Regularity to the Governing Body of Colyton Grammar School Academy Trust and the Education Funding Agency

Year Ended 31 August 2012

In accordance with the terms of our engagement letter dated 31 January 2011 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2011 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 the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it 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 the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the governing body and Auditors

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis of opinion

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

Opinion

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 September 2011 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.


CHRISTOPHER BUSH

(Senior Statutory Auditor)

For and on behalf of

FRANCIS CLARK LLP

Chartered Accountants and Statutory Auditor

Vantage Point

Woodwater Park

Pynes Hill

Exeter

EX2 5FD

Date: 18.12.2012

Colyton Grammar School Academy Trust

Statement of Financial Activities for the year ended 31 August 2012

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £	Total Jan-Aug 2011 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Other voluntary income	3	53,198	7,475	21,520	82,193	49,696
Activities for generating funds	4	332,195	263,244	-	595,439	354,348
Investment income	5	9,372	370	-	9,742	3,970
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	6	1,878	4,005,307	84,687	4,091,872	2,690,140
<i>Other incoming resources</i>						
Net transfers on conversion to academy status		-	-	-	-	7,923,891
Total incoming resources		396,643	4,276,396	106,207	4,779,246	11,022,045
Resources expended						
<i>Costs of generating funds:</i>						
Fundraising trading	7	251,363	52,514	-	303,878	171,560
<i>Charitable activities:</i>						
Academy's educational operations	8	20,471	3,902,249	324,774	4,247,495	2,767,144
<i>Governance costs</i>	9	-	6,776	-	6,776	10,826
Total resources expended		271,834	3,961,539	324,775	4,558,149	2,949,530
Net incoming / (outgoing) resources before transfers		124,809	314,855	(218,567)	221,097	8,072,515
Gross transfers between funds	19	(157,339)	(247,985)	405,324	-	-
Net income/(expenditure) for the year		(32,530)	66,870	186,757	221,097	8,072,515
Other recognised gains and losses						
Gains (losses) on investment assets	14	6,588	375	-	6,963	(1,121)
Actuarial (losses) gains on defined benefit pension schemes	29	-	(218,000)	-	(218,000)	(14,000)
Total other recognised gains/(losses)		6,588	(217,625)	-	(211,037)	(15,121)
Net movement in funds		(25,942)	(150,755)	186,757	10,060	8,057,394
Reconciliation of funds						
Total funds b/f at 1 September 2011		844,007	(447,248)	7,660,635	8,057,394	-
Total funds c/f at 31 August 2012		818,065	(598,003)	7,847,392	8,067,454	8,057,394

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

Colyton Grammar School Academy Trust

Balance Sheet as at 31 August 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	13	<u>7,847,392</u>	<u>7,660,635</u>
Current assets			
Investments	14	395,565	65,187
Stock	15	33,930	31,612
Debtors	16	127,844	153,778
Prepayments and Accrued Income	17	77,402	55,111
Cash at bank and in hand		<u>779,326</u>	<u>1,058,666</u>
		<u>1,414,067</u>	<u>1,364,354</u>
Creditors: Amounts falling due within one year			
Creditors	18	(140,345)	(220,458)
Accruals and Deferred Income	18	(169,660)	(119,137)
		<u>(310,005)</u>	<u>(339,595)</u>
Net current assets		<u>1,104,062</u>	<u>1,024,759</u>
Total assets less current liabilities		<u>8,951,454</u>	<u>8,685,394</u>
Creditors: Amounts falling due after more than one year		-	-
Net assets excluding pension liability		<u>8,951,454</u>	<u>8,685,394</u>
Pension scheme liability	29	(884,000)	(628,000)
Net assets including pension liability		<u>8,067,454</u>	<u>8,057,394</u>
Funds of the academy:			
Restricted income funds			
Fixed asset funds	19	7,847,392	7,660,635
General fund – General Annual Grant	19	163,100	17,062
General fund – Non GAG	19	59,022	78,934
Pension Reserve	19	(884,000)	(628,000)
Special Purposes Fund	19	25,406	47,281
Colyton Educational Foundation	19	38,469	37,475
Total restricted funds		<u>7,249,389</u>	<u>7,213,387</u>
Unrestricted funds			
Unrestricted General Fund	19	415,012	323,161
Bradbeer Fund	19	403,053	520,846
Total unrestricted funds		<u>818,065</u>	<u>844,007</u>
Total funds		<u>8,067,454</u>	<u>8,057,394</u>

Colyton Grammar School Academy Trust

Balance Sheet as at 31 August 2012

The financial statements on pages 25 to 49 were approved by the Governors, and authorised for issue on 12 December 2012 and are signed on their behalf by:

Signed..........
C J Bastin
Chair of Governors

Colyton Grammar School Academy Trust

Cash Flow Statement for the year ended 31 August 2012

	Notes	2012 £	2011 £
Net cash inflow from operating activities	23	439,657	432,181
Returns on investments and servicing of finance	24	9,742	3,970
Capital expenditure and financial investment	25	(728,739)	(198,959)
(Decrease) / increase in cash in the year	26	(279,340)	237,192
Reconciliation of net cash flow to movement in net funds			
(Decrease) / increase in cash in the period		(279,340)	237,192
Net funds at 1 September 2011		1,058,666	821,474
Net funds at 31 August 2012		779,326	1,058,666

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the 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.

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

Going Concern

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

Incoming Resources

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

- **Grants receivable**

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

- **Donations**

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

- **Other income**

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

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

1. Statement of Accounting Policies (continued)

- **Resources Expended**

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

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

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

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

1. Statement of Accounting Policies (continued)

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

Freehold buildings:

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

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

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

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

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

Leased Assets

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

Investments

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

Stock

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

Taxation

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

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

1. Statement of Accounting Policies (continued)

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include

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

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

2 General Annual Grant (GAG)

a. Results and Carry Forward for the Year	2012	Jan-Aug 2011
	£	£
GAG brought forward from previous year	17,062	-
GAG allocation for current year	3,901,478	2,592,993
Total GAG available to spend	3,918,540	2,592,993
Recurrent expenditure from GAG	(3,507,455)	(2,376,973)
Fixed assets purchased from GAG	(247,985)	(198,959)
Transfer from unrestricted fund	-	-
GAG carried forward to next year	163,100	17,062
Other restricted GAG funds	-	-
GAG carried forward to next year	163,100	17,062

Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	468,177	311,539
GAG to surrender to DfE	(305,077)	(294,097)
(12% rule breached if result is positive)		

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

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

Recurrent expenditure from GAG in current year	3,507,455	2,376,973
GAG allocation for current year	(3,901,478)	(2,592,993)
GAG allocation for previous year x 2%	(51,860)	-
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(445,883)	(216,021)
(2% rule breached if result is positive)		

3 Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total Jan-Aug 2011 £
Donations – Capital	-	21,520	21,520	21,367
Other Donations	53,198	7,475	60,673	28,329
	<u>53,198</u>	<u>28,995</u>	<u>82,193</u>	<u>49,696</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

4 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total Jan-Aug 2011 £
Hire of Facilities	9,042	-	9,042	12,502
Catering Income	270,894	-	270,894	149,673
Educational Activities Income	2,715	175,550	178,265	124,619
Other Services	49,543	87,695	137,238	67,554
	<u>332,194</u>	<u>263,245</u>	<u>595,439</u>	<u>354,348</u>

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total Jan-Aug 2011 £
Short term deposits	7,956	318	8,274	2,927
Dividends	1,416	52	1,468	1,043
	<u>9,372</u>	<u>370</u>	<u>9,742</u>	<u>3,970</u>

6 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total Jan-Aug 2011 £
DfE/EFA capital grant				
. Devolved Formula Capital allocations	-	17,517	17,517	-
. Academy main building grants	-	67,170	67,170	-
	<u>-</u>	<u>84,687</u>	<u>84,687</u>	<u>-</u>
DfE / EFA revenue grants				
General Annual Grant (GAG) (note 2)	-	3,901,478	3,901,478	2,592,993
Start Up Grants	-	-	-	1,860
16-19 Bursary Fund	-	-	-	7,790
Pupil Premium	-	3,803	3,803	3,165
Other DfE / EFA grants	-	63,545	63,545	-
	<u>-</u>	<u>3,968,826</u>	<u>3,968,826</u>	<u>2,605,808</u>
Other Government grants				
. School Standards Funds	-	-	-	76,684
. Other LA grants	1,878	25,013	26,891	-
. SEN from LA	-	11,467	11,467	7,648
	<u>1,878</u>	<u>36,480</u>	<u>38,358</u>	<u>84,332</u>
	<u>1,878</u>	<u>4,089,994</u>	<u>4,091,872</u>	<u>2,690,140</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

7 Resources Expended

	Staff Costs	Non Pay Premises	Expenditure Other Costs	Total 2012	Total Jan-Aug 2011
	£	£	£	£	£
Costs of generating voluntary income	-	-	-	-	-
Costs of activities for generating funds	129,378	-	174,500	303,878	171,560
Academy's educational operations					
Direct costs	2,532,736	6,039	845,035	3,383,810	2,239,089
Allocated support costs	448,597	214,579	200,509	863,685	528,055
	<u>3,110,711</u>	<u>220,618</u>	<u>1,220,044</u>	<u>4,551,373</u>	<u>2,938,704</u>
Governance costs including allocated support costs	-	-	6,776	6,776	10,826
	<u>3,110,711</u>	<u>220,618</u>	<u>1,226,820</u>	<u>4,558,149</u>	<u>2,949,530</u>

Net incoming / (outgoing) resources for the year include:	2012	Jan-Aug
	£	2011
		£
Operating leases	18,951	12,684
Fees payable to auditor - audit	4,925	4,800
- other services	-	4,500

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

8 Charitable Activities – Academy’s educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total Jan-Aug 2011 £
Direct costs				
Teaching staff costs	-	2,216,837	2,216,837	1,459,235
Educational support staff costs	-	321,510	321,510	208,315
Depreciation	-	277,258	277,258	179,862
Educational supplies	11,843	359,904	371,747	236,280
Examination fees	1,700	110,017	111,717	107,995
Educational furniture (not capitalised)	-	7,227	7,227	2,133
Staff development	367	20,503	20,870	16,805
Educational consultancy	858	19,551	20,409	6,564
Other direct costs	(453)	36,687	36,235	21,900
	14,315	3,369,495	3,383,810	2,239,089
Allocated support costs				
Support staff costs	3,226	445,371	448,597	288,240
Depreciation	-	47,517	47,517	26,342
Recruitment and support	-	7,785	7,785	8,874
Maintenance of premises and equipment	-	99,245	99,245	45,215
Cleaning	-	9,033	9,033	8,186
Rent & rates	-	24,609	24,609	15,464
Water, energy and telephones	-	69,191	69,191	40,494
Insurance	-	33,865	33,865	12,379
Security and transport	25	10,372	10,396	7,977
Bank interest and charges	-	6,027	6,027	3,475
Pension scheme finance charge	-	29,000	29,000	17,000
Other support costs	2,905	75,515	78,420	54,408
	6,156	857,530	863,685	528,054

9 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total Jan-Aug 2011 £
Legal and professional fees	-	1,851	1,851	1,526
Auditor's remuneration				
. Audit of financial statements	-	4,925	4,925	4,800
. Other services	-	-	-	4,500
	-	6,776	6,776	10,826

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

10 Staff costs

Staff costs during the period were:

	2012	Jan-Aug 2011
	£	£
Wages and salaries	2,544,338	1,661,466
Social security costs	186,873	121,518
Pension costs	353,955	230,160
	<u>3,085,166</u>	<u>2,013,144</u>
Supply teacher costs	16,546	16,621
Compensation payments	-	-
	<u>3,101,712</u>	<u>2,029,765</u>

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

	2012 No.	2012 FTE	2011 No.	2011 FTE
Charitable Activities				
Teachers	53	40	59	39
Education support	34	13	39	13
Administration and support	36	23	38	21
Management	6	6	6	6
	<u>129</u>	<u>82</u>	<u>142</u>	<u>79</u>

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

	2012	Jan-Aug 2011
	No.	No
£60,001 - £70,000	2	0
£70,001 - £80,000	0	0
£80,001 - £90,000	1	0
	<u>3</u>	<u>0</u>

Sixty one of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £261,640 (Jan-Aug 2011: £172,713). Thirty three employees participated in the Local Government Pension Scheme. During the year ended 31 August 2012 pension contributions amounted to £94,088 (Jan-Aug 2011: £59,207).

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

11 Governors' remuneration and expenses

The Headteacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy in respect of their role as Governors. The value of governors' remuneration was as follows:

Headteacher (P Evans)	£80,354	(Jan-Aug 2011: £52,232).
Staff Governor (G Davis)	£45,000 - £ 50,000	(Jan-Aug 2011: £30,000 - £35,000)
Staff Governor (S Burns-Price)	£20,000 - £25,000	(Jan-Aug 2011: £10,000 - £15,000)

No expenses were paid to Governors and persons closely connected with them during the year ended 31 August 2012.

Related party transactions involving the Governors are set out in note 30.

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 £1,000,000 on any one claim and the cost for the year ended 31 August 2012 was £630 (Jan-Aug 2011: £420). The cost of this insurance is included in the total insurance cost.

13 Tangible Fixed Assets

	Freehold Land and Buildings £	Plant Machinery and Equipment £	Furniture and Fittings £	IT Equip- ment £	Motor Vehicles £	Under Con- struction £	Total £
Cost							
At 1 Sept. 2011	9,197,282	180,344	339,606	551,009	8,770	82,728	10,359,739
Additions	74,360	11,205	23,908	146,592	-	255,467	511,531
Transfers	105,565	156,239	-	-	-	(261,804)	-
Disposals	-	-	-	-	-	-	-
At 31 August 2012	9,377,207	347,788	363,514	697,601	8,770	76,391	10,871,270
Depreciation							
At 1 Sept. 2011	2,091,636	54,631	148,535	401,385	2,917	-	2,699,104
Charged in year	191,960	18,570	27,794	86,105	346	-	324,775
Disposals	-	-	-	-	-	-	-
At 31 August 2012	2,283,596	73,201	176,329	487,490	3,263	-	3,023,878
Net book values							
At 31 August 2012	7,093,611	274,587	187,185	210,111	5,507	76,391	7,847,392
At 31 August 2011	7,105,646	125,713	191,071	149,624	5,853	82,728	7,660,635

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

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

14 Investments

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

	2012	2011
	£	£
Market value at 1 September	65,187	0
Additions	323,415	66,308
Disposals	0	0
Realised gain/(loss) on investments	0	0
Unrealised gain/(loss) on investments	6,963	(1,121)
Market value at 31 August	<u>395,565</u>	<u>65,187</u>
Historical cost at 31 August	<u>395,761</u>	<u>72,346</u>

Investments comprise the following:

	2012	2011
	£	£
3.5% War Loan (£50)	50	50
COIF Property Fund (10,409.44 units)	10,398	10,914
Henderson Fixed Interest Units (202,182.28 units)	42,964	11,346
Henderson High Yield Units (0 units – transferred to Fixed Interest)	-	28,256
Invesco Perpetual Dist Fund Acc Shares (30,061.93 shares)	26,157	-
JPMF UK Growth and Income Fund (378.489 units)	2,534	2,240
M&G Charifund (Colyton Educational Foundation) (85.216 units)	997	917
M&G Charifund (General) (1,065.19 units)	12,465	11,464
NatWest Fixed Rate Bond (13 months)	100,000	-
Nat West Stepped Fixed Rate Bond (37 months)	200,000	-
	<u>395,565</u>	<u>65,187</u>

15 Stock

	2012	2011
	£	£
Catering	7,663	7,805
Stationery etc.	21,494	19,560
Other (e.g. postage, uniform)	4,773	4,247
	<u>33,930</u>	<u>31,612</u>

16 Debtors

	2012	2011
	£	£
Trade debtors	1,629	608
EFA Grant and other income	39,699	38,728
Other debtors	43,751	49,580
VAT recoverable	42,765	64,862
	<u>127,844</u>	<u>153,778</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

17 Debtors

	2012	2011
	£	£
Prepayments	64,998	54,410
Bank and deposit account accrued interest	12,404	701
	<u>77,402</u>	<u>55,111</u>

18 Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	15,429	17,487
HMRC: PAYE and NIC	56,999	58,359
EFA	-	51,874
Other creditors	6,821	2,651
Retention building costs	500	23,737
Capital expenditure	60,595	66,350
Accruals and deferred income	169,660	119,137
	<u>310,005</u>	<u>339,595</u>

Deferred income

	2012	2011
	£	£
Deferred income at 1 September 2011	103,404	-
Resources deferred in the year	153,380	103,404
Amounts released from previous years	(103,404)	-
Deferred Income at 31 August 2012	<u>153,380</u>	<u>103,404</u>

The deferred income at 31 August 2012 comprises the following:

	£
Catering income received via ParentPay	15,408
Payments for educational visits/activities happening post year-end	92,659
EFA: Pupil Premium for 2012/13	4,100
EFA: 16-19 Bursary Fund for 2012/13	7,271
EFA: 2011/12 Devolved Formula Capital	17,601
EFA: Insurance Grant	16,341
	<u>153,380</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

19 Funds

	Balance at 1 Sept. 2011	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2012
		£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	17,062	3,901,478	(3,507,455)	(247,985)	163,100
Start Up Grant	-	-	-	-	-
Pupil Premium	3,165	3,803	(6,968)	-	-
16-19 Bursary Fund	7,790	-	(6,540)	-	1,251
LA and other grants	66,591	36,480	(103,072)	-	-
Other DfE/EFA Grants	-	63,545	(7,600)	-	55,945
General Non-GAG Fund	1,388	72,222	(71,783)	-	1,827
	95,996	4,077,528	(3,703,417)	(247,985)	222,122
Restricted other funds					
Colyton Educational Foundation	37,475	995	-	-	38,469
Special Purposes Fund	47,281	198,248	(220,122)	-	25,406
Defined Benefit Pension Scheme	(628,000)	-	-	(256,000)	(884,000)
	(543,245)	199,242	(220,122)	(256,000)	(820,125)
Restricted fixed asset funds					
On Incorporation	7,443,630	-	(279,921)	-	7,163,709
DfE/EFA capital grants	-	84,687	-	-	84,687
Capital expenditure from GAG	196,387	-	(34,590)	247,985	409,782
Private sector capital sponsorship	20,618	21,520	(10,264)	157,339	189,213
	7,660,635	106,207	(324,775)	405,324	7,847,392
Total restricted funds	7,213,387	4,382,978	(4,248,314)	(98,661)	7,249,389
Unrestricted funds					
General unrestricted fund	323,161	363,386	(271,535)	-	415,012
Bradbeer Fund	520,846	39,845	(157,639)	-	403,053
Total unrestricted funds	844,008	403,231	(429,174)	-	818,065
Total funds	8,057,394	4,786,209	(4,677,488)	(98,661)	8,067,454

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

General Annual Grant

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

Start Up Grant

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

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

Pupil Premium Fund

Additional funding received from the EFA to target those students from low income families who need it the most.

16-19 Bursary Fund

To support the most vulnerable young people to participate in and benefit from post-16 education and training.

Other DfE/EFA Grants

This line includes two funds as follows:

- (i) School Lunch Grant – to assist schools with providing healthy meals and increasing take-up of school lunches
- (ii) PE Teacher Grant – to support the development of PE and sports activity among children and young people

General Non-GAG Restricted Fund

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

Colyton Educational Foundation

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

Special Purposes Fund

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

Restricted: Other – Pension scheme reserve

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

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

- Future capital projects - £200,000
- All Weather Pitch capital repairs - £100,000

20 Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	7,926,089	7,926,089
Current assets	833,595	501,775	-	1,335,370
Current liabilities	(15,530)	(215,778)	(78,697)	(310,005)
Pension scheme liability	-	(884,000)	-	(884,000)
Total net assets	818,065	(598,003)	7,847,392	8,067,454

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

21 Capital commitments

	2012	2011
	£	£
Contracted for, but not provided in the financial statements	58,178	-

22 Financial commitments

Operating leases

At 31 August 2012 the Academy had no annual commitments under non-cancellable operating leases for land and buildings. Other annual commitments under non-cancellable operating leases were as follows:

	2012	2011
Expiring within one year	10,423	9,529
Expiring within two and five years inclusive	29,287	8,976
Expiring in over five years	-	-
	<u>39,711</u>	<u>18,505</u>

23 Reconciliation of net income to net cash inflow from operating activities

	2012	2011
	£	£
Net income for the year	221,097	8,072,515
Depreciation (note 13)	324,775	206,204
Net assets transferred at conversion	-	(7,923,891)
Capital grants from DfE and other capital income	(106,207)	(21,367)
Interest receivable (note 5)	(8,274)	(2,927)
Returns on investments (note 5)	(1,468)	(1,043)
FRS 17 pension cost less contributions payable (note 29)	9,000	5,000
FRS 17 pension finance income (note 29)	29,000	17,000
(Increase)/decrease in stocks	(2,319)	1,364
(Increase)/decrease in debtors and prepayments	3,644	(70,494)
Increase/(decrease) in creditors	(29,591)	149,820
Net cash inflow from operating activities	<u>439,657</u>	<u>432,181</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

24 Returns on investments and servicing of finance

	2012	2011
	£	£
Interest received	8,274	2,927
Dividends received	1,468	1,043
Net cash inflow from returns on investment and servicing of finance	9,742	3,970

25 Capital expenditure and financial investment

	2012	2011
	£	£
Purchase of tangible fixed assets	(511,531)	(220,326)
Capital grants from DfE/EFA	84,687	-
Capital funding received from sponsors and others	21,520	21,367
Purchase of financial investments	(323,415)	-
Receipts from sale of tangible fixed assets	-	-
Net cash outflow from capital expenditure and financial investment	(728,739)	(198,959)

26 Analysis of changes in net funds

	At 1 Sept. 2011	Cash flows	At 31 August 2012
	£	£	£
Cash in hand and at bank	1,058,666	(279,340)	779,326
	<u>1,058,666</u>	<u>(279,340)</u>	<u>779,326</u>

27 Contingent Liabilities

Since the year end the company has received notification of a clawback claim from its previous insurers, dating back to the early 1990s when the school had grant maintained status. The maximum amount which might arise under the claim is £40,000. However, the Governors consider the claim to be not proven and accordingly no provision has been made in the financial statements.

28 Members' Liability

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

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

29 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

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

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

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

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2011 to 31 August 2012 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period.

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

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

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

29 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £124,000, of which employer's contributions totalled £94,000 and employees' contributions totalled £30,000. The agreed contribution rates for future years are 19.7 per cent for employers and a range of 5.5 per cent to 7.5 per cent depending on full-time equivalent salary for employees.

Principal Actuarial Assumptions	At 31 August 2012	At 31 August 2011
Rate of increase in salaries	4.1%	4.9%
Rate of increase for pensions in payment / inflation	1.9%	2.6%
Discount rate for scheme liabilities	3.9%	5.4%
Inflation assumption (CPI)	1.9%	2.6%
Commutation of pensions to lump sums		50%

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

Sensitivity Analysis	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of Total Obligation	1,489	1,525	1,563
Projected Service Cost	122	126	130
Adjustment to mortality age rating assumption	+1 year	None	-1 Year
Present value of Total Obligation	1,470	1,525	1,582
Projected Service Cost	120	126	132

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	At 31 August 2011
<i>Retiring today</i>		
Males	20.5	20.3
Females	24.5	24.4
<i>Retiring in 20 years</i>		
Males	22.5	22.4
Females	26.4	26.3

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2012	Fair value at 31 August 2012 £000	Expected return at 31 August 2011	Fair value at 31 August 2011 £000
Equities	6.3%	385	7.3%	318
Gilts	2.8%	90	3.8%	90
Other Bonds	3.9%	-	5.4%	-
Property	5.3%	38	6.3%	29
Currency	0.5%	32	3.0%	33
Other assets	4.7%	96	5.0%	5
Total market value of assets		641		475
Present value of scheme liabilities				
- Funded		1,525		1,103
Surplus/(deficit) in the scheme		(884)		(628)

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

The actual return on scheme assets was £42,000 (Jan-Aug 2011: £17,000).

Amounts recognised in the statement of financial activities

	2012 £000	2011 £000
Current service cost (net of employee contributions)	103	64
Past service cost	-	-
Total operating charge	103	64

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	34	19
Interest on pension liabilities	(63)	(36)
Pension finance income / (costs)	(29)	(17)

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £232,000 loss (Jan-Aug 2011: £14,000 loss).

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

	2012	2011
	£000	£000
At 1 Sept. 2011	1,103	972
Current service cost	103	64
Interest cost	63	36
Employee contributions	30	19
Actuarial (gain)/loss	226	12
Benefits paid	-	-
Past Service cost	-	-
Curtailments and settlements	-	-
At 31 August 2012	1,525	1,103

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

	2012	2011
	£000	£'000
At 1 September 2011	475	380
Expected return on assets	34	19
Actuarial gain/(loss)	8	(2)
Employer contributions	94	59
Employee contributions	30	19
Benefits paid	-	-
At 31 August 2012	641	475

The estimated value of employer contributions for the year ended 31 August 2012 is £94,000.

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

	2012	2011	2010	2009	2008
	£'000	£'000	£'000	£'000	£'000
Present value of defined benefit obligations	(1,525)	(1,103)	(972)	-	-
Fair value of share of scheme assets	641	475	380	-	-
Deficit in the scheme	(884)	(628)	(592)	-	-

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2012

**Experience adjustments on share
of scheme assets**

Amount £8,000

**Experience adjustments on
scheme liabilities:**

Amount £0

30 Related Party Transactions

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

There were no related party transactions requiring disclosure.

