

LEVERINGTON PRIMARY ACADEMY

GOVERNORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2012

**Governors
(Directors)**

Rosie Simmonds, Accounting officer²
Andrianna Joannou-Morphew
Wendy Neale, Chair of Governors^{1,2}
Hayley Snow (resigned 3 October 2011)
Doug Pembery
Andrew Davis^{1,2}
John Berry
Mervyn Baker^{1,2}
Jeffrey Townsend, Vice Chair^{1,2}
Sarah Davey
Steven Parkinson
Emma Booty²
Julie Belverstone
Victoria Witheridge Pearce (resigned 3 October 2011)
Elaine Aldrich

¹ Trustee of the Academy

² Member of finance and audit committee

**Company registered
number**

07491215

Registered office

104 Church Road
Leverington
Wisbech
Cambridgeshire
PE13 5DE

Clerk to the governors

Vanessa Baker

Chief executive officer

Rosie Simmonds

Leadership Team

Rosie Simmonds, Headteacher ('Principal')
Elaine Aldrich, Deputy Headteacher
Emma Preston
Caroline Jupp, SENCO
Vanessa Baker, Business Manager

Auditors

Price Bailey LLP
Chartered Accountants
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Bankers

Barclays Bank PLC
12 Old Market
Wisbech
Cambridgeshire
PE13 1NN

LEVERINGTON PRIMARY ACADEMY
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GOVERNORS' REPORT
FOR THE 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

Leverington Primary Academy, which was incorporated on 13 January 2011 and converted on 1 April 2011, is a company limited by guarantee and an exempt charity. The Company's Memorandum and Articles of Association are the main governing documents of the Academy. Members of the Company are appointed by the Governing Body or nominated by the Secretary of State for Education. The Articles of Association require the members of the company to appoint at least 4 governors to be responsible for the statutory and constitutional affairs of the company and the management of the Academy (known as Trust Members).

The Governors also act as trustees for the charitable activities of Leverington Primary Academy and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Leverington Primary Academy.

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

Members' Liability

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

Governors' Indemnities

Academy insurers encompass all relevant insurance including Governor third party indemnity provision.

Principal Activities

The Directors govern the Academy to ensure it meets all of its statutory and financial obligations to provide outstanding education for all the children in its care.

Method of Recruitment and Appointment or Election of Governors

The term of office for Governors is four years. Governors who are appointed or co-opted onto the Governing Body can be re-appointed, if eligible, by the full Governing Body. Parents and Staff vote to elect their representatives on the Governing Body.

The Governing Body has delegated powers of responsibility to the following committees, each with an annually approved Terms of Reference: Finance & Audit; Personnel, Property and Curriculum.

Policies and Procedures Adopted for the Induction and Training of Governors

All Governors have access to all policies, procedures, minutes, accounts, budgets, Academy Development Plan and Self Evaluation and other relevant documents they will require to undertake their role. Induction for Governors is available and all Governors are encouraged to attend relevant training to ensure they can fulfil their role. All new Governors can have a tour round school with a chance to meet staff and pupils.

Organisational Structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. The Leadership Team consists of the Headteacher, Deputy Headteacher, SENCO and TLR experienced Teacher and Business Manager. The team control the Academy at an executive level implementing policies and reporting to the Governing Body. The Leadership Team is responsible for the day to day operation of the Academy, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment process. The Headteacher is the Accounting Officer.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, including provision of facilities and operational areas of the Academy and its finances including the Local Government Pension Scheme deficit.

The Governors have implemented a number of systems to assess risks that the Academy faces, especially in operational areas (e.g. in relation to teaching, health & safety, bullying, school trips) and in relation to the control of finance. They have introduced systems, including operational procedure (e.g. vetting new staff, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

Objectives and Activities

Objects and Aims

The principal object of the company is the operation of Leverington Primary Academy to provide education for pupils of mixed gender and different abilities between the ages of 4 and 11. Children enter and exit the Academy through Cambridgeshire LA Admissions code of practice, having no selection criteria.

The main objectives of the Academy during the year to 31 August 2012 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, teaching and care
- To continue to raise the standard of educational achievement and progress of all our children
- To improve the effectiveness of the Academy, by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with the local Community and the Wisbech Schools' Partnership
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Objectives, Strategies and Activities

The Academy's main strategy is encompassed in its mission statement, which is "Every person has a part to play in shaping the next generation" and in our Academy motto "Caring, Sharing, Thinking, Learning". To this end the activities provide:

- Teaching and learning for all children to ensure they reach their full potential
- Tracking of pupil progress, especially those in receipt of Free School Meals and Looked-After Children
- Continued Professional Development opportunities for all staff in line with Investors in People, along with annual Performance Management
- Extended school provision including Breakfast Club and a range of after-school activities
- Promoting Community Cohesion

Public Benefit

The Governors confirm they have referred to the guidance contained in the Charity Commission's guidance on public benefit.

Equal Opportunities Policy

The Governors recognise that equal opportunities should be an integral part of good practice within the work place. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued, including accessibility and all abilities.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

Achievements and Performance

We pride ourselves on our high standards across all areas including our continued outstanding overall effectiveness.

Pupil outcomes and achievements: Key Stage 2 2012: cohort of 28 Year 6 children

English Target to achieve, set in October 2010: Level 4+: 79 % (Level 5: 14 %)

Test result: Level 4+: 89% (Level 5: 36%) 2 levels progress (Key Stage 1-Key Stage 2) = 96%

Maths Target to achieve: Level 4+: 86% (Level 5: 29 %)

Test result: Level 4+: 89% (Level 5: 43%) 2 levels progress = 92 %

The Academy will continue striving to improve the levels of progress achieved by all the children. The Governing Body monitor the Academy Development Plan and Self Evaluation to ensure Ofsted outstanding criteria is maintained.

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

Analysis of pupil data and test results confirm that the Governing Body has utilised its financial resources, including the Pupil Premium Grant, to ensure that all children meet their full potential.

Financial Review

Most of the Academy's income is obtained from the EFA in the form of recurrent grants.

During the year ended 31 August 2012, total expenditure of £848,118 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income (excluding actuarial gains and losses on defined benefit pension schemes) for the year was £17,198.

At 31 August 2012 the net book value of fixed assets was £1,647,893 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the children of the Academy.

Financial and Risk Management Objectives and Policies

The Academy has continued to embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

The Finance and Audit Committee undertakes a comprehensive review of the risks to which the Academy is exposed, including the Local Government Pension Scheme. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Finance and Audit Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

Principal Risks and Uncertainties

A risk register which is maintained at the Academy is reviewed at least annually by the Finance and Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1. Government funding

The Academy has considerable reliance on continued government funding through the EFA. In 2011/12, 97% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- By ensuring the Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme deficit on the Academy's balance sheet in line with the requirements of FRS17.

Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. This will ensure sufficient funds to cover unexpected emergencies and urgent maintenance. A high percentage of reserve levels will be required for the future building expansion programme due to the deterioration of existing buildings, especially the temporary mobile classroom.

The deficit on the pension fund does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust because of recognising the deficit.

Plans for Future Periods

The Governing Body has agreed future development planning for the Academy to improve teaching and learning facilities and number on roll by applying for funding opportunities from DfE. The Governing Body has employed architectural services to submit plans for:

- Phase 1 – relocation of the school kitchen to the end of the hall
- Phase 2 – two additional classrooms and plant room to the rear of the hall

Funds held as Custodian Trustee on behalf of others

The Academy is the Banker School for the local Cluster of schools, across all phases, known as the Wisbech Schools' Partnership. All schools contribute to these funds which are primarily used for:

- a) Employment costs of an Extended Schools' Co-ordinator who works on behalf of the Wisbech Schools' Partnership and a Social, Emotional and Behaviour Development (SEBD) Consultant
- b) Enriched curriculum activities to raise the aspirations of the children in this area of deprivation
- c) The Wisbech Schools' Partnership works together to address local and national initiatives or staff training needs

The funds for the Wisbech Schools' Partnership are accounted for separately within the Academy's bank account as a liability and reported to the Wisbech Schools' Partnership every half term and the Academy Governors every month. Another school is the employer of the Extended Schools' Co-ordinator and SEBD Consultant and invoices the Academy for their salaries. This ensures transparency across the Partnership.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

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 the information.

Under Section 487(2) of the Companies Act 2006 Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing accounts with the registrar, whichever is earlier.

Approved by order of the members of the Governing Body on 3 December 2012 and signed on its behalf by:

Wendy Neale
Chair

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that Leverington Primary Academy 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 Leverington Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Wendy Neale	6	6
Jeffrey Townsend	4	6
Mervyn Baker	6	6
Andrew Davis	4	6
Rosie Simmonds	6	6
Hayley Snow	0	1
Victoria Witheridge Pearce	0	1
Steven Parkinson	4	6
Elaine Aldrich	5	6
Doug Pembery	5	5
Emma Booty	4	6
Julie Belverstone	3	6
John Berry	5	6
Andrianna Joannou-Morphew	6	6
Sarah Davey	3	6

The **Finance and Audit Committee** is a sub-committee of the main Governing Body. Its purpose is to address financial matters.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Andrew Davis (chairman)	7	7
Mervyn Baker	7	7
Jeffrey Townsend	5	7
Wendy Neale	7	7
Rosie Simmonds (Headteacher & Accounting Officer)	7	7
Emma Booty (Responsible officer with no voting powers)	7	7

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

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GOVERNANCE STATEMENT (continued)

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 Leverington Primary Academy 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 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's significant risks that has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

THE RISK AND CONTROL FRAMEWORK

The academy'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 Audit 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 Mrs Emma Booty, 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'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.

REVIEW OF EFFECTIVENESS

As Accounting officer, the Headteacher 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 RO;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 3 December 2012 and signed on their behalf, by:

Wendy Neale
Chair

Rosie Simmonds
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting officer of Leverington Primary Academy I have considered my responsibility to notify the academy 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 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 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'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.

Rosie Simmonds

Accounting officer

Date: 03/12/12

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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2012

The Governors (who act as trustees for charitable activities of Leverington Primary Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the EFA, United Kingdom Accounting Standards (UKGAAP) 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities Statement of Recommended Practice (SORP);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UKGAAP Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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 EFA/Department for Education 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 3 December 2012 and signed on its behalf by:

Wendy Neale
Chair

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEVERINGTON PRIMARY ACADEMY

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

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEVERINGTON PRIMARY ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Aaron Widdows (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
12 December 2012

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**INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO LEVERINGTON PRIMARY
ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 17 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leverington Primary Academy during the year 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 Leverington Primary Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Leverington Primary Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Leverington Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LEVERINGTON PRIMARY ACADEMY'S ACCOUNTING OFFICER
AND THE AUDITORS**

The Accounting officer is responsible, under the requirements of Leverington Primary Academy's funding agreement with the Secretary of State for Education dated 28 March 2011, and the Academies Financial Handbook as published by DfES in 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

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**INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO LEVERINGTON PRIMARY
ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 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.

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

12 December 2012

LEVERINGTON PRIMARY ACADEMY
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STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2012

	Note	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £	Total funds 2011 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	3	4,909	4,459	-	9,368	1,635,364
Activities for generating funds	4	36,650	-	-	36,650	24,475
Incoming resources from charitable activities		5,306	773,447	6,149	784,902	360,341
TOTAL INCOMING RESOURCES		46,865	777,906	6,149	830,920	2,020,180
RESOURCES EXPENDED						
Charitable activities	6,7	43,619	771,392	24,432	839,443	355,439
Governance costs	9	-	8,675	-	8,675	11,256
TOTAL RESOURCES EXPENDED	8	43,619	780,067	24,432	848,118	366,695
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		3,246	(2,161)	(18,283)	(17,198)	1,653,485
Transfers between Funds	17	6,368	(6,368)	-	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		9,614	(8,529)	(18,283)	(17,198)	1,653,485
Actuarial gains and losses on defined benefit pension schemes		-	(48,000)	-	(48,000)	4,000
NET MOVEMENT IN FUNDS FOR THE YEAR		9,614	(56,529)	(18,283)	(65,198)	1,657,485
Total funds at 1 September 2011		65,097	(75,410)	1,667,798	1,657,485	-
TOTAL FUNDS AT 31 AUGUST 2012		74,711	(131,939)	1,649,515	1,592,287	1,657,485

All activities relate to continuing operations.

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

The notes on pages 18 to 33 form part of these financial statements.

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07491215

BALANCE SHEET
AS AT 31 AUGUST 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	14		1,647,893		1,650,433
CURRENT ASSETS					
Debtors	15	16,627		10,860	
Cash at bank and in hand		125,574		135,341	
		<u>142,201</u>		<u>146,201</u>	
CREDITORS: amounts falling due within one year	16	(63,807)		(56,149)	
NET CURRENT ASSETS			78,394		90,052
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,726,287</u>		<u>1,740,485</u>
Defined benefit pension scheme liability	21		(134,000)		(83,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>1,592,287</u></u>		<u><u>1,657,485</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	(131,939)		(75,410)	
Restricted fixed asset funds	17	1,649,515		1,667,798	
Total restricted funds			1,517,576		1,592,388
Unrestricted funds	17		74,711		65,097
TOTAL FUNDS			<u><u>1,592,287</u></u>		<u><u>1,657,485</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 3 December 2012 and are signed on their behalf, by:

Wendy Neal
Chair

The notes on pages 18 to 33 form part of these financial statements.

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	19	7,639	138,425
Capital expenditure and financial investment	19	(17,406)	(3,084)
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u>(9,767)</u>	<u>135,341</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2012

	2012 £	2011 £
(Decrease)/Increase in cash in the year	<u>(9,767)</u>	<u>135,341</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>(9,767)</u>	<u>135,341</u>
Net funds at 1 September 2011	135,341	-
NET FUNDS AT 31 AUGUST 2012	<u>125,574</u>	<u>135,341</u>

The notes on pages 18 to 33 form part of these financial statements.

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

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

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

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

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

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

Charitable activities are costs incurred in the furtherance of the academy's primary objectives.

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

Where an expense is deemed to be for business purposes i.e. not in relation to the academy's charitable purpose, the expenditure this relates to will include irrecoverable VAT.

1.6 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.

1.7 Tangible fixed assets and depreciation

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

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

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

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

Long term leasehold property	-	Over the term of the lease
Leasehold improvements	-	5% straight line
Fixtures and fittings	-	15% straight line

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases

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

1.9 Taxation

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

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

2. GENERAL ANNUAL GRANT (GAG)

	2012 £	2011 £
Result and carry forward for the year		
GAG allocation for current year	734,667	312,386
Total GAG available to spend	734,667	312,386
Recurrent expenditure from GAG	(734,667)	(309,302)
Fixed assets purchased from GAG	-	(3,084)
GAG carried forward to next year	-	-
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(88,160)	(37,486)
GAG to surrender to DfE	(88,160)	(37,486)
(12% rule breached if result is positive)	No breach	No breach

3. OTHER VOLUNTARY INCOME

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Donations	4,909	4,459	9,368	1,677
Voluntary income on conversion to academy	-	-	-	1,633,687
Voluntary income	4,909	4,459	9,368	1,635,364

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Community ICT income	273	-	273	147
Sale of pupil meals	17,765	-	17,765	4,968
Hire of meeting rooms	480	-	480	257
After school club fees	8,889	-	8,889	3,157
School uniform sales	4,231	-	4,231	-
Miscellaneous income	1,498	-	1,498	3,563
Principal's income	3,514	-	3,514	12,383
	36,650	-	36,650	24,475

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
DfE/EFA revenue grant				
General Annual Grant (GAG)	-	740,816	740,816	312,386
Other DfE / EFA grants	-	15,876	15,876	36,877
Special educational needs (SEN)	-	22,904	22,904	11,078
Other government grants	1,980	-	1,980	-
Staff absence claims	3,326	-	3,326	-
	<u>5,306</u>	<u>779,596</u>	<u>784,902</u>	<u>360,341</u>

6. DIRECT COSTS

	Total 2012 £	Total 2011 £
Educational supplies	47,484	18,417
Staff development	3,322	1,116
Educational consultancy	956	-
Catering	18,662	5,536
Teaching and educational support staff costs	476,857	195,246
National insurance	35,738	14,293
Pension cost	68,562	27,439
Depreciation	18,546	9,835
	<u>670,127</u>	<u>271,882</u>

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

7. SUPPORT COSTS

	Total 2012 £	Total 2011 £
LGPS interest cost	3,000	1,000
Recruitment and support	1,864	782
Maintenance of premises and equipment	14,833	6,054
Cleaning	31,847	5,921
Rent and rates	3,273	1,555
Insurance	5,050	11,674
Security and transport	3,179	1,404
Other costs	20,561	24,392
Light and heat	10,529	3,657
Catering	17,830	4,866
Loss on disposal of fixed assets	1,400	-
Wages and salaries	46,718	18,785
National insurance	2,305	881
Pension cost	6,927	2,586
	<u>169,316</u>	<u>83,557</u>

8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £	Total 2011 £
Direct and support costs	637,107	18,546	183,790	839,443	355,439
Governance	-	-	8,675	8,675	11,256
	<u>637,107</u>	<u>18,546</u>	<u>192,465</u>	<u>848,118</u>	<u>366,695</u>

9. GOVERNANCE COSTS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Governance auditors' remuneration	-	6,175	6,175	5,250
Legal fees	-	-	-	5,856
Bank charges	-	25	25	150
Actuarial fees	-	2,475	2,475	-
	<u>-</u>	<u>8,675</u>	<u>8,675</u>	<u>11,256</u>

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

10. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2012 £	2011 £
Depreciation of tangible fixed assets:		
- owned by the charity	18,546	9,835
Auditors' remuneration	6,175	5,250
	<u> </u>	<u> </u>

During the year, no Governors received any benefits in kind (2011 - £NIL).

During the year, no Governors received any reimbursement of expenses (2011 - £NIL).

11. STAFF COSTS

Staff costs were as follows:

	2012 £	2011 £
Wages and salaries	523,575	214,031
Social security costs	38,043	15,174
Other pension costs (Note 21)	75,489	30,025
	<u> </u>	<u> </u>
	<u>637,107</u>	<u>259,230</u>

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

	2012 No.	2011 No.
Teaching	7	7
Administration and support	9	8
Management	3	3
	<u> </u>	<u> </u>
	<u>19</u>	<u>18</u>

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

	2012 No.	2011 No.
In the band £60,001 - £70,000	1	0
	<u> </u>	<u> </u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for this staff member amounted to £9,051 (2011: £3,065).

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

12. GOVERNORS' REMUNERATION

The academy is following the guidance in the EFA's note 'Disclosure in Academy Trusts 2011/12 Financial Statements of remuneration of Trustees who are Staff Governors – October 2012', where disclosure of the remuneration paid to staff governors who are not trustees is not required.

In the year ended 31 August 2012 the Chief Executive Officer's remuneration was £73,241. Included within this amount are pension contributions of £9,051.

13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2012 was £650 (2011 - £650).

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

14. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 September 2011	1,641,684	18,584	1,660,268
Additions	9,613	7,793	17,406
Disposals	-	(2,600)	(2,600)
At 31 August 2012	1,651,297	23,777	1,675,074
Depreciation			
At 1 September 2011	5,472	4,363	9,835
Charge for the year	13,614	4,932	18,546
On disposals	-	(1,200)	(1,200)
At 31 August 2012	19,086	8,095	27,181
Net book value			
At 31 August 2012	1,632,211	15,682	1,647,893
At 31 August 2011	1,636,212	14,221	1,650,433

The land and buildings have been included in the accounts based on the valuation provided by the local authority at the point of conversion. This valuation has been subsequently depreciated to arrive at the depreciated replacement cost. Governors do not believe that the cost of obtaining a more detailed valuation outweighs the benefit.

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

15. DEBTORS

	2012 £	2011 £
Other debtors	9,434	10,860
Prepayments and accrued income	7,193	-
	<u>16,627</u>	<u>10,860</u>

16. CREDITORS:
Amounts falling due within one year

	2012 £	2011 £
Trade creditors	617	-
Social security and other taxes	12,290	11,810
Wisbech schools partnership funds	46,077	39,939
Accruals	4,823	4,400
	<u>63,807</u>	<u>56,149</u>

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Designated kitchen refurbishment fund	-	4,000	(4,000)	-	-	-
General funds						
Unrestricted funds	65,097	42,865	(39,619)	6,368	-	74,711
Total Unrestricted funds	<u>65,097</u>	<u>46,865</u>	<u>(43,619)</u>	<u>6,368</u>	<u>-</u>	<u>74,711</u>

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

17. STATEMENT OF FUNDS (continued)

Restricted funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	-	734,667	(734,667)	-	-	-
Pension fund	(83,000)	-	(3,000)	-	(48,000)	(134,000)
Restricted start up	6,368	-	-	(6,368)	-	-
Other government grants	1,222	1,169	(330)	-	-	2,061
School trips	-	4,259	(4,259)	-	-	-
Other DfE/EFA grants	-	37,611	(37,611)	-	-	-
Other restricted donations	-	200	(200)	-	-	-
	<u>(75,410)</u>	<u>777,906</u>	<u>(780,067)</u>	<u>(6,368)</u>	<u>(48,000)</u>	<u>(131,939)</u>

Restricted fixed asset funds

Restricted Fixed Asset Fund	1,650,433	-	(19,946)	17,406	-	1,647,893
Devolved Formula Capital Fund	17,365	6,149	(4,486)	(17,406)	-	1,622
	<u>1,667,798</u>	<u>6,149</u>	<u>(24,432)</u>	<u>-</u>	<u>-</u>	<u>1,649,515</u>
Total restricted funds	<u>1,592,388</u>	<u>784,055</u>	<u>(804,499)</u>	<u>(6,368)</u>	<u>(48,000)</u>	<u>1,517,576</u>
Total of funds	<u><u>1,657,485</u></u>	<u><u>830,920</u></u>	<u><u>(848,118)</u></u>	<u><u>-</u></u>	<u><u>(48,000)</u></u>	<u><u>1,592,287</u></u>

Pension fund

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academy on conversion from a state controlled school.

Start up grant

This represents a grant to aid with start up costs for the academy on conversion. All costs have now been incurred and the balance has been transferred to unrestricted reserves to contribute towards the day to day running of the academy.

Other government grants

This represents various small grants from local and national government bodies for the provision of specific services to pupils of the academy.

School Trips

This represents contributions made by parents to the running of educational visits for the pupils of the academy and the associated costs of running the trips.

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

17. STATEMENT OF FUNDS (continued)

Other DfE/EFA grants

This represents allocated funding for special educational needs pupils.

Other restricted donations

This represents a donation received from a local charitable institution for the purpose of improving the school garden.

Devolved Formula Capital (DFC) fund

The Academy is to use the DFC allocation to maintain and improve its buildings and facilities.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	-	4,000	(4,000)	-	-	-
General funds	65,097	42,865	(39,619)	6,368	-	74,711
	<u>65,097</u>	<u>46,865</u>	<u>(43,619)</u>	<u>6,368</u>	<u>-</u>	<u>74,711</u>
Restricted funds	(75,410)	777,906	(780,067)	(6,368)	(48,000)	(131,939)
Restricted fixed asset funds	1,667,798	6,149	(24,432)	-	-	1,649,515
	<u>1,657,485</u>	<u>830,920</u>	<u>(848,118)</u>	<u>-</u>	<u>(48,000)</u>	<u>1,592,287</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £	Total funds 2011 £
Tangible fixed assets	-	-	1,647,893	1,647,893	1,650,433
Current assets	138,517	2,061	1,622	142,200	146,201
Creditors due within one year	(63,806)	-	-	(63,806)	(56,149)
Provisions for liabilities and charges	-	(134,000)	-	(134,000)	(83,000)
	<u>74,711</u>	<u>(131,939)</u>	<u>1,649,515</u>	<u>1,592,287</u>	<u>1,657,485</u>

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Net incoming resources before revaluations	(17,198)	1,653,485
Capital income (donation of assets)	-	(1,657,184)
Depreciation of tangible fixed assets	18,546	9,835
Increase in debtors	(5,767)	(10,860)
Increase in creditors	7,658	56,149
Increase in LGPS deficit	51,000	-
Loss on disposal of fixed assets	1,400	-
FRS 17 adjustments	(48,000)	1,000
Pension liability on transfer to academy	-	86,000
	<u>7,639</u>	<u>138,425</u>
Net cash inflow from operations	<u>7,639</u>	<u>138,425</u>
	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(17,406)</u>	<u>(3,084)</u>

20. ANALYSIS OF CHANGES IN NET DEBT

	1 September 2011 £	Cash flow £	Other non-cash changes £	31 August 2012 £
Cash at bank and in hand:	135,341	(9,767)	-	125,574
Net funds	<u>135,341</u>	<u>(9,767)</u>	<u>-</u>	<u>125,574</u>

LEVERINGTON PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

21. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS 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 Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

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

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

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

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

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £37,000, of which employer's contributions totalled £28,000. The agreed contribution rate for future years are 18.6% for employers and between 5.5% and 6.5% for employees.

The amounts recognised in the Balance Sheet are as follows:

	2012 £	2011 £
Present value of funded obligations	(359,000)	(261,000)
Fair value of scheme assets	225,000	178,000
	<u> </u>	<u> </u>
Net liability	(134,000)	(83,000)
	<u> </u>	<u> </u>

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

	2012 £	2011 £
Current service cost	(28,000)	(11,000)
Interest on obligation	(15,000)	(6,000)
Expected return on scheme assets	12,000	5,000
	<u> </u>	<u> </u>
Total	(31,000)	(12,000)
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

21. PENSION COMMITMENTS (continued)

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

	2012 £	2011 £
Opening defined benefit obligation	261,000	257,000
Current service cost	28,000	11,000
Interest cost	15,000	6,000
Contributions by scheme participants	9,000	4,000
Actuarial Losses/(gains)	46,000	(17,000)
	<u>359,000</u>	<u>261,000</u>
Closing defined benefit obligation	<u>359,000</u>	<u>261,000</u>

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

	2012 £	2011 £
Opening fair value of scheme assets	178,000	171,000
Expected return on assets	12,000	5,000
Actuarial gains and (losses)	(2,000)	(13,000)
Contributions by employer	28,000	11,000
Contributions by employees	9,000	4,000
	<u>225,000</u>	<u>178,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £48,000 loss (2011 - £4,000 gain).

The academy expects to contribute £28,000 to its Defined Benefit Pension Scheme in 2013.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2012	2011
Equities	71.00 %	71.00 %
Bonds	16.00 %	16.00 %
Property	7.00 %	9.00 %
Cash	6.00 %	4.00 %

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

	2012	2011
Rate of increase in salaries	4.50 %	4.90 %
Rate of increase for pensions in payment / inflation	2.20 %	2.60 %
Discount rate	4.10 %	5.40 %
Expected return on assets	4.80 %	6.20 %

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

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

	2012	2011
Retiring today		
Males	21.0	21.0
Females	23.8	23.8
Retiring in 20 years		
Males	22.9	22.9
Females	25.7	25.7

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2012 £	2011 £
Defined benefit obligation	(359,000)	(261,000)
Scheme assets	225,000	178,000
Deficit	<u>(134,000)</u>	<u>(83,000)</u>
Experience adjustments on scheme assets	<u>(2,000)</u>	<u>(13,000)</u>

22. 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 possible 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.

The no material related party transactions took place during the period.