

CHARLTON KINGS INFANTS' SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 1ST AUGUST 2011
TO 31ST AUGUST 2012

**Company Registration Number :
07689749 (England and Wales)**

CHARLTON KINGS INFANTS' SCHOOL

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for the Period ended 31st August 2012

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CHARLTON KINGS INFANTS' SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees)	<p>J Pandazis – Headteacher (appointed 1st July 2011)</p> <p>S Thomas - Chairman (appointed 1st July 2011)</p> <p>W Partridge – Parent Governor (appointed 1st July 2011)</p> <p>A Tonge – Parent Governor (appointed 1st July 2011)</p> <p>V Dirken – Parent Governor (appointed 1st July 2011)</p> <p>L Parry – Parent Governor (appointed 18th May 2012)</p> <p>T Bevan – Parent Governor (appointed 10th May 2012)</p> <p>L Reilly – Parent Governor (appointed 1st July 2011)</p> <p>M Fletcher – Parent Governor (appointed 1st July 2011)</p> <p>N Owens – Staff Governor (appointed 1st July 2011)</p> <p>K Arndtz – Staff Governor (appointed 1st July 2011)</p> <p>L Fulvio-Mason – Staff Governor (appointed 14th November 2011)</p> <p>R Koller – Staff Governor (appointed 21st November 2011)</p> <p>E Dalton – Staff Governor (appointed 8th November 2011)</p> <p>P Smith – Partnership Governor (appointed 1st July 2011)</p> <p>A Jones – Community Governor (appointed 1st July 2011)</p> <p>P Petrie – Community Governor (appointed 1st July 2011)</p> <p>C Daglish – Vice Chairman (appointed 1st July 2011)</p> <p>T Aitken – Community Governor (appointed 1st July 2011 resigned 2nd April 2012)</p> <p>O Laidler – Parent Governor (appointed 1st July 2011 resigned 3rd July 2012)</p> <p>J Kurlbaum – Community Governor (appointed 1st July 2011 resigned 18th November 2011)</p> <p>I Main – Associate Governor (appointed 1st July 2011 resigned 5th July 2011)</p>
Company Secretary	K Marquess
Senior Management Team	<p>Headteacher – J Pandazis</p> <p>Teacher – N Owens</p> <p>Teacher – J Jones</p> <p>Teacher – H Kear</p>
Principal and Registered Office	<p>Lyefield Road East</p> <p>Charlton Kings</p> <p>Cheltenham</p> <p>Gloucestershire GL53 8AY</p>
Company Registration Number	07689749 (England and Wales)
Statutory Auditor	<p>Davies Mayers Barnett LLP</p> <p>Pillar House</p> <p>113/115 Bath Road</p> <p>Cheltenham</p> <p>Gloucestershire</p> <p>GL53 7LS</p>
Bankers	<p>Barclays PLC</p> <p>128 High Street</p> <p>Cheltenham</p> <p>Gloucestershire GL50 1EL</p>
Solicitors	<p>Rickerbys</p> <p>Ellenborough House</p> <p>Wellington Street</p> <p>Cheltenham</p> <p>Gloucestershire GL50 1YD</p>

CHARLTON KINGS INFANTS' SCHOOL**REPORT OF THE GOVERNORS****FOR THE PERIOD ENDED 31ST AUGUST 2012**

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

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Academy was incorporated on 1 July 2011 and commenced as an Academy Trust from 1 August 2011. 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 Charlton Kings Infants' School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Charlton Kings Infants' School.

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

Members' Liability

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

Governors' Indemnities

Charlton Kings Infants' School have Governors Liability insurance in place, note 11 refers.

Principal Activities

The Academy Trust's principal activities are, for the public benefit to:

- a) advance and promote education by, in particular but not limited to, the provision of facilities or property for any educational institution;
- b) advance any other purposes which are exclusively charitable within the laws of England and Wales as may be determined by the Trustees.

Method of Recruitment and Appointment or Election of Governors

The members may appoint Governors as per the Memorandum and Articles. The members may appoint staff Governors provided that the total number of Staff Governors (including the Headteacher) does not exceed one third of the total number of Governors. The Local Authority at the request of the Members may appoint the Local Authority Governor. Parent Governors shall be elected by parents of registered pupils at the Academy by secret ballot and a parent Governor must be a parent of a pupil at the Academy at the time when he is elected. The Governors may appoint up to 3 co-opted Governors. Additional Governors may, if deemed necessary, be appointed by the Secretary of State.

CHARLTON KINGS INFANTS' SCHOOL
REPORT OF THE GOVERNORS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Policies and Procedures Adopted for the Induction and Training of Governors

All Governors are subject to an induction period with training and information given. Ongoing training is given to governors and is provided by the Local Authority or through the school's membership of the Activate group. Recent courses have included Safeguarding, Governors and the Curriculum, Child Protection, Finance, Admissions Code and Academy.

Organisational Structure

On a day-to-day basis the operational running of the Academy has been delegated to the Headteacher. The Headteacher is able to delegate the day to day running of the school to the Leadership Team (N Owens, J Jones & H Kear).

J Pandazis acts as the Accounting Officer.

There are 13 teaching staff, 2 finance/administrative staff and 24 support staff in teaching assistant or mid-day supervisory roles.

The Academy is fortunate to have a well-qualified and dedicated staff. Monies received from GAG income has enabled us to increase the pay of all teaching assistants and to employ a full-time handyman.

The school had 270 pupils on roll and the numbers continue to look healthy into the new school year.

Risk Management

The Governing Body are responsible for the management of risks faced by the Academy. The Governors are assisted in this task by the Finance and Operations Committee, which comprises eight members of the Governing Body including the Chair and a qualified Accountant, and by the Leadership Team.

Health & Safety (incorporating risk management) features as a standing item on the agenda for full Governing Body meetings.

The key controls used by the Academy include:

- Formal agendas for all meetings;
- Detailed terms of reference for all committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Setting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the Academy, the Governing Body are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

CHARLTON KINGS INFANTS' SCHOOL
REPORT OF THE GOVERNORS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's principal activities are, for the public benefit to:

- a) advance and promote education by, in particular but not limited to, the provision of facilities or property for any educational institution;
- b) advance any other purposes which are exclusively charitable within the laws of England and Wales as may be determined by the Trustees.

In addition the aims of the Academy (as set down in section 1(6) of the Academies Act 2010, are that:

- a) the school has a balanced and broadly based curriculum;
- b) the school provides education for pupils of different abilities;
- c) the school provides education for pupils who are wholly or mainly drawn from the area in which the school is situated.

Objectives, Strategies and Activities

To achieve our objects and aims the Academy is governed, led and managed in a way which facilitates self-critical review, ambitious but realistic strategic planning, prudent budgeting and effective development planning. It is also outward-looking since it involves analysis of aspects of a changing world and other political, social and economic factors which may affect the nature and relevance of our provision and the demand for the education we offer. Good communication is vital so that pupils, parents and staff feel engaged and clear about the Academy's values, purpose and direction.

The long term aims, objectives and strategies are reviewed annually during a development planning process. The Headteacher reports on progress in implementing the development plan to Governors on a termly basis. Each Autumn the Leadership Team reviews, with Governors, the Academy's effectiveness using a number of agreed performance indicators, including statistical data relating to academic performance. The Academy also has a well-established programme of staff performance, appraisal and target-setting.

Medium to long term objectives include:

- Provide the best possible outcomes for children through working to achieve the highest standards in teaching and learning, pastoral care and the extra-curricular programme so that each child thrives at the Academy.
- Maintain and further develop our buildings and resources to provide facilities fit for the 21st century.
- Recruit and retain highly effective staff. To provide continuous professional development for our staff so that they are able to respond effectively to the changing demands of their roles.
- Remain financially stable, with strong control on expenditure and obtaining best value in financial decision-making.
- Foster good relations with all our stakeholders.

CHARLTON KINGS INFANTS' SCHOOL**REPORT OF THE GOVERNORS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****OBJECTIVES AND ACTIVITIES – continued****Public Benefit**

All the activities undertaken by the Academy Trust are for the education of its pupils and the good of the wider local community. As such the primary objective of the Academy Trust is to support those objectives and there is no financial return to any shareholders.

The Academy has a defined catchment area and is still a local community school providing education for the local population with pupils admitted in Reception and via in-year transfers through the Local Authority admissions department. These admissions arrangements are available to all regardless of whether they are in catchment or are currently living in the local area (i.e. moving into the area from another part of the country).

ACHIEVEMENTS AND PERFORMANCE**Key Stage 1 SAT Results - 2009-2012**

					Gloucestershire	National
					KS1 2012	KS1 2011
2b+	2009	2010	2011	2012		
Writing	88%	90%	86%	85.4%	68.1%	61%
Reading	84%	92%	89%	88.8%	79.3%	74%
Mathematics	93%	98%	90%	95.5%	79.1%	74%
3+	2009	2010	2011	2012		
Writing	31%	37%	33%	33.7%	13.7%	13%
Reading	55%	51%	48%	55.1%	30.5%	26%
Mathematics	38%	46%	47%	47.2%	23.2%	20%

We are delighted with our 2012 assessments for Y2. Congratulations to our children, staff and parents for their efforts and achievements. Charlton Kings Infants' School has been significantly above the national figure for several years as shown above.

Clubs for Y2 were: Dance; Speech & Drama; ICT; Art; Sport; Cookery; Recorder; Library; Choir; Bug Club. French and Spanish were provided at cost by an outside agency.

The choir came first in their class at the Cheltenham Festival of Performing Arts. Our Choral Speaking entry came 2nd in the under 8's Cup. Individual speaking was very well rewarded and the Music Group also competed.

Dance Club performed at the Cheltenham Feet First Dance Festival, the school's Summer Fair and they took part in the local cluster Country Dance Festival.

A two day workshop, at the local theatre was arranged for 10 talented pupils with 40 other pupils from the cluster schools.

CHARLTON KINGS INFANTS' SCHOOL
REPORT OF THE GOVERNORS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

ACHIEVEMENTS AND PERFORMANCE – continued

Many visitors came to school over the year, including during Health Week and Going for Gold Week. The children were able to try something new and to take risks e.g. on the climbing wall, fencing, amongst others.

The children have undertaken various fundraising events during the year for their chosen charity CLIC Sargent.

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.

FINANCIAL REVIEW

Financial report for the period

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31st August 2012 and the associated expenditure are shown as restricted funds (non-fixed assets) in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Academies Accounts Direction 2011/12, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31st August 2012, total expenditure excluding the pension deficit on conversion of £1,150,861 was less than recurrent grant funding from the EFA, together with other incoming resources. The total excess of income over expenditure for the period was £2,473,201. This excess includes the gift in kind valuation attributed to the long freehold buildings gifted on conversion of £2,489,147.

At 31st August 2012, the net book value of fixed assets was £2,493,677 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Pupil numbers are expected to remain at capacity. We currently have 270 pupils on roll (PAN is 90).

CHARLTON KINGS INFANTS' SCHOOL
REPORT OF THE GOVERNORS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

FINANCIAL REVIEW - continued

Financial and Risk Management Objectives and Policies

The academy has completed a thorough review of its financial and risk management objectives in its risk register document.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme and under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, that is provided to support staff, to the restricted fund. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £281,000. The employer contributions are currently being assessed and it is expected that they will increase to bring a reduction in this pension deficit in the future, although this may not be achieved until stock market investment values start to recover.

Principal risks and uncertainties

The Governors has assessed the major risks to which the Academy is exposed and identified and implemented strategies for addressing these risks. Significant risks and the measures in place to reduce these risks have been formally documented in the Academy's Risk Register, which is subject to continuing review. The Governors have also completed an assessment of internal control for the Education Funding Agency (EFA) which enabled the risk assessment process. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Governors have an effective system of internal financial controls and this is explained in more detail on pages 9-12.

Reserves Policy

The Academy's "free" reserves are its funds after excluding restricted funds. "Reserves" are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy which is to be spent at the trustees' discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

Whilst demands on the Academy's free reserves will therefore vary over the coming years, the Academy's long-term policy is that the appropriate level of free reserves should be equivalent to one month's expenditure, currently estimated to be between £80,000 and £90,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

CHARLTON KINGS INFANTS' SCHOOL**REPORT OF THE GOVERNORS****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****FINANCIAL REVIEW - continued****Investment Policy**

The trustees agree all investments made by the Academy. The Academy does not have any investments at the current time. Future investments will be made with regard to Charity Commission guidance.

Financial Position

The Academy held fund balances at 31st August 2012 of £2,473,201, comprising of £2,655,805 of restricted funds, a pension reserve deficit of £281,000 and £98,396 of unrestricted general funds.

Payments to suppliers

It is the policy of the Academy to agree terms of payment with their suppliers when the order for goods and services is placed and to adhere to these arrangements when making payment.

PLANS FOR FUTURE PERIODS

The Governors are excited about future plans for the Academy i.e. replacement of windows in the old building. A substantial sum has been earmarked for this project due to take place in the summer of 2013.

The Headteacher and Senior Management Team are working to ensure that the quality of teaching and learning will enable the academy to maintain outstanding status under the new Ofsted framework.

The Governors are certain that the Academy will continue to build on its existing strengths and continue to provide the children who attend the Academy education of the highest quality which takes into account individual needs.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

Approved by order of the members of the Governing Body on 10th December 2012 and signed on its behalf by:

.....

S Thomas
Chairman

CHARLTON KINGS INFANTS' SCHOOL

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31ST AUGUST 2012

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:-

<u>Governor</u>	<u>Meetings Attended</u>	<u>Out of a Possible</u>
J Pandazis	4	4
S Thomas	4	4
W Partridge	3	4
A Tonge	4	4
V Dirken	4	4
L Parry (appointed 18.05.12)	1	1
T Bevan (appointed 10.05.12)	1	1
L Reilly	4	4
M Fletcher	1	4
N Owens	4	4
K Arndtz	3	4
L Fulvio-Mason (appointed 14.11.11)	3	3
R Koller (appointed 21.11.11)	3	3
E Dalton (appointed 8.11.11)	3	3
P Smith	4	4
A Jones	4	4
P Petrie	2	4
C DGLISH	3	4
T Aitken (resigned 02.04.12)	2	4
O Laidler (resigned 03.07.12)	2	3

The Finance and Operations Committee is a sub-committee of the main governing body. Its purpose is to oversee the accounting, finances, administration of the school as well as ensuring that the physical fabric of the school is looked after to a high standard. The Committee is also responsible for staffing and pay discussion. For example, in the past year, all TAs have received a pay increase following reasonable discussion and calculation of impact on academy funds in addition to in-service training.

CHARLTON KINGS INFANTS' SCHOOL**GOVERNANCE STATEMENT****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****GOVERNANCE - continued**

The Terms of Reference for the Finance and Operations Committee are as follows:

Finance:

In consultation with the Headteacher & administrator:

- To draft the first formal budget plan of the financial year.
- To establish and maintain an up to date 3 year financial plan.
- To consider a budget position statement including vehement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body.
- To ensure that the school operates within the financial regulations of the relevant statutory body.
- To monitor expenditure of all voluntary funds kept on behalf of the Governing Body.
- To review the charges and remissions policy and the governors expenses policy.
- To make decisions in respect of service agreements.
- To make decisions on expenditure following recommendations from other committees.
- To determine whether sufficient funds are available for pay increments as recommended by the Headteacher in the light of the Headteacher's Performance Management Group's recommendations.
- To monitor and review lettings agreements and to review lettings rental every 3 years.

Health & Safety, buildings and grounds:

- To ensure that Health and Safety issues are appropriately prioritised and then advise the GB on the priorities.
- To oversee arrangements for repairs and maintenance.
- To make recommendations to the GB on premises related expenditure.
- In consultation with the Headteacher, to oversee premises related funding bids.
- To oversee arrangements, including Health and Safety, for the use of school premises by outside users, subject to Governing Body Policy.
- To establish and keep under review an Asset Management Plan (in SDP)
- To establish and keep under review an Accessibility Plan.
- To ensure that the Headteacher maintains and stores documentation relevant to deeds, etc safely and securely.

Personnel:

- To maintain and review Staff Development, Performance Management and Pay Policies.
- To observe all statutory and contractual obligations.
- To advise the Governing Body on:
 - the staffing structure in consultation with the head teacher
 - the award of discretionary payments
 - relevant staff issues in accordance with the Pay Policy.

CHARLTON KINGS INFANTS' SCHOOL**GOVERNANCE STATEMENT****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****GOVERNANCE - continued****Personnel: - continued**

- To ensure the employment of staff as laid down in the Pay Policy.
- To ensure disciplinary rules and procedures are maintained.
- To consider any appeal against a decision on pay grading or pay awards.
- To establish and review a Performance Management Policy for all staff
- To oversee the process leading to staff reductions.
- To keep under review staff work / life balance, working conditions and well-being, including the monitoring of absence
- To make recommendations on personnel related expenditure to the GB.
- Minute clearly the reasons for all decisions and to report these decisions to a full meeting of the Governing Body.

<u>Governor</u>	<u>Meetings Attended</u>	<u>Out of a Possible</u>
J Pandazis	4	4
L Reilly	4	4
N Owens	4	4
V Dirken	4	4
K Arndtz	4	4
L Fulvio-Mason	1	1
S Thomas	4	4
A Jones	3	4

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 Charlton Kings Infants' School for the period ended 31st 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 31st 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.

CHARLTON KINGS INFANTS' SCHOOL**GOVERNANCE STATEMENT****FOR THE PERIOD ENDED 31ST AUGUST 2012****(continued)****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 Operations 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 V Dirken (Governor) as Responsible Officer ('RO'). The RO is a qualified Accountant who trained with a reputable firm. 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 (at least), the RO reports in either written or verbal form to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. Whilst the RO sits on the Finance & Operations Committee and has attended the sub-committee meetings, the RO is not a full member and not entitled to vote. The RO has also attended a number of one to one meetings with the School Finance Officer, K Arndtz.

We confirm that the RO function has been delivered in line with the EFA's requirements. There have been no material control issues arising from the RO reports thus far.

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 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 & Operations 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 10th December 2012 and signed on its behalf by:

.....
S Thomas
Chairman

.....
J Pandazis
Accounting Officer

CHARLTON KINGS INFANTS' SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31ST AUGUST 2012

As Accounting Officer of Charlton Kings Infants' School I have considered my responsibility to notify the Governing Body of Charlton Kings Infants' School 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 Governing Body of Charlton Kings Infants' School 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.

.....
J Pandazis
Accounting Officer

CHARLTON KINGS INFANTS' SCHOOL
STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 31ST AUGUST 2012

The Governors (who act as trustees for charitable activities of Charlton Kings Infants' School 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 Education Funding Agency (EFA), 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 business.

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/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 10th December 2012 and signed on its behalf by:

.....
S Thomas
Chairman

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHARLTON KINGS INFANTS' SCHOOL
FOR THE PERIOD ENDED 31ST AUGUST 2012

We have audited the financial statements of Charlton Kings Infants' School for the period ended 31st 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 and 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 Trust'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 Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities (set out on page 14), the Governors (who are also the directors of the Academy Trust 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 (APB'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 Trust'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 Trust's affairs as at 31st August 2012, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHARLTON KINGS INFANTS' SCHOOL
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors 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 all the information and explanations we require for our audit.

Nicola Smith
Senior Statutory Auditor
For and on behalf of
DAVIES MAYERS BARNETT LLP
Chartered Accountants
Statutory Auditors
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

10th December 2012

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CHARLTON KINGS INFANTS' SCHOOL AND THE EDUCATION FUNDING AGENCY
FOR THE PERIOD ENDED 31ST AUGUST 2012

In accordance with the terms of our engagement letter dated 5th November 2012 and further to the requirements of the EFA as included in the Academies Accounts Direction 2011/12, we have carried out an engagement review to obtain limited assurance about whether, in all material respects, the expenditure disbursed and income received by Charlton Kings Infants' School during the period 1st August 2011 to 31st 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 of Charlton Kings Infants' School and the EFA in accordance with the terms of our engagement letter. 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 Charlton Kings Infants' School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Charlton Kings Infants' School's funding agreement with the Secretary of State for Education dated 1st August 2011 and the Academies Financial Handbook as published by DfE in 2006, 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 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, 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 1st August 2011 to 31st August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CHARLTON KINGS INFANTS' SCHOOL AND THE EDUCATION FUNDING AGENCY
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

Approach (continued)

In this regard we have carried out the following:

- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the EFA regarding Academy governance matters during the period since conversion; and
- a general review and discussion of the Academy's internal processes for establishing and maintaining systems of control and documentation regarding these matters.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1st August 2011 to 31st August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DAVIES MAYERS BARNETT LLP
Chartered Accountants
Reporting Accountants
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

10th December 2012

CHARLTON KINGS INFANTS' SCHOOL**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE PERIOD ENDED 31ST AUGUST 2012****(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Period ended 2012 Total £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	3	9,534	143,885	4,632	158,051
Transfer on conversion	25	83,375	-	2,491,463	2,574,838
Activities for generating funds	4	142,058	17,562	-	159,620
Incoming resources from charitable activities					
Funding for the Academy Trust's educational operations	5	-	1,006,552	-	1,006,552
TOTAL INCOMING RESOURCES		234,967	1,167,999	2,496,095	3,899,061
RESOURCES EXPENDED					
Cost of generating funds					
Costs of generating voluntary income	6	2,775	49,284	-	52,059
Costs of generating funds	6	118,853	21,841	-	140,694
Charitable activities					
Academy Trust's educational operations	7	-	869,760	56,259	926,019
Governance costs					
	8	-	32,088	-	32,088
Other resources expended					
Transfer on conversion	25	-	244,000	-	244,000
TOTAL RESOURCES EXPENDED		121,628	1,216,973	56,259	1,394,860
Net incoming/(outgoing) resources before transfers		113,339	(48,974)	2,439,836	2,504,201
Gross transfers between funds	15	(14,943)	(45,846)	60,789	-
Net income/(expenditure) for the period		98,396	(94,820)	2,500,625	2,504,201
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	15,23	-	(31,000)	-	(31,000)
NET MOVEMENT OF FUNDS		98,396	(125,820)	2,500,625	2,473,201
Reconciliation of funds					
Funds brought forward at 1st August 2011		-	-	-	-
Funds carried forward at 31st August 2012	15	98,396	(125,820)	2,500,625	2,473,201

All of the Academy Trust's activities derive from acquisitions in the current financial period. The movement on funds is shown in note 15 to the accounts.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes on pages 22 to 41 form part of these accounts.

CHARLTON KINGS INFANTS' SCHOOL**COMPANY NUMBER : 07689749****BALANCE SHEET****AT 31ST AUGUST 2012**

		<u>2012</u>	
	<u>Notes</u>	<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible assets	12		2,493,677
CURRENT ASSETS			
Debtors	13	49,689	
Cash at bank and in hand		<u>305,404</u>	
			355,093
CURRENT LIABILITIES			
Creditors : Amounts falling due within one year	14	<u>(94,569)</u>	
			<u>(94,569)</u>
NET CURRENT ASSETS			<u>2,754,201</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,754,201
NET ASSETS EXCLUDING PENSION LIABILITY			2,754,201
Pension scheme liability	23		(281,000)
NET ASSETS INCLUDING PENSION LIABILITY			<u>2,473,201</u>
FUNDS OF THE ACADEMY TRUST			
Restricted Funds			
Fixed asset fund	16		2,500,625
General fund	16		155,180
Pension reserve	16		<u>(281,000)</u>
TOTAL RESTRICTED FUNDS			<u>2,374,805</u>
UNRESTRICTED FUNDS			
General fund	16		<u>98,396</u>
TOTAL UNRESTRICTED FUNDS			<u>98,396</u>
TOTAL FUNDS			<u>2,473,201</u>

The financial statements on pages 19 to 41 were approved by the Governors, and authorised for issue on 10th December 2012 and are signed on their behalf by:-

.....
S Thomas
Chair

CHARLTON KINGS INFANTS' SCHOOL**CASH FLOW STATEMENT****FOR THE PERIOD ENDED 31ST AUGUST 2012**

	<u>Notes</u>	2012
		£
Net cash inflow from operating activities	18	275,870
Capital expenditure	19	(56,157)
Cash transferred on conversion to an Academy Trust		<u>85,691</u>
Increase in cash in the period	20	<u>305,404</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 1st August 2011		-
Net funds at 31st August 2012		<u><u>305,404</u></u>

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

CHARLTON KINGS INFANTS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST 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 EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, are set out below.

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. On review, the Governors have concluded that they are happy to adopt the going concern basis in preparing the annual 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.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

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.

CHARLTON KINGS INFANTS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

1. STATEMENT OF ACCOUNTING POLICIES - continued

Incoming Resources - continued

Donated services and gifts in kind

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

Resources Expended

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

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 Governors' meetings and reimbursed expenses.

All resources expended are exclusive of recoverable VAT.

CHARLTON KINGS INFANTS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

1. STATEMENT OF ACCOUNTING POLICIES - continued

Conversion to an Academy Trust

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

The assets and liabilities transferred on conversion from Charlton Kings Infant School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Charlton Kings Infants' School. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in voluntary income and other resources expended in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

Freehold Buildings

The School owns the property it operates from. The valuation of the Freehold Buildings has been considered by the Governors and included at what they consider a reasonable estimate of the current market value (note 12 refers).

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to the 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.

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 property	2%
Freehold improvements	10%
Furniture, fittings & equipment	25%

Freehold buildings are depreciated over 50 years as this is the assessment of remaining economic life when the assets were acquired from the predecessor school.

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

CHARLTON KINGS INFANTS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

1. STATEMENT OF ACCOUNTING POLICIES - continued

Tangible Fixed Assets - continued

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.

Lease Commitments

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

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.

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 23, 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.

CHARLTON KINGS INFANTS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

1. STATEMENT OF ACCOUNTING POLICIES - continued

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 EFA, and 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 EFA, Department for Education and School Fund accounts.

2.	GENERAL ANNUAL GRANT (GAG)	2012	
		£	
	a. Results and Carry Forward for the Period		
	GAG allocation for current period	974,343	
	Total GAG available to spend	974,343	
	Recurrent expenditure from GAG	(872,641)	
	Fixed assets purchased from GAG	(30,851)	
	GAG carried forward to next year	70,851	
	Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	(116,921)	
	GAG to surrender to DfE (12% rule breached if result is positive)	(46,070)	
		(no breach)	
3.	VOLUNTARY INCOME		
		Unrestricted	Restricted
		Funds	Funds
		£	£
	Capital grants	-	4,632
	School funds	-	143,885
	Other donations	9,534	-
		9,534	148,517
		9,534	148,517
			158,051

CHARLTON KINGS INFANTS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Kindergarten	133,796	-	133,796
Hire of facilities – Facilities and services	8,262	-	8,262
Other income	-	17,562	17,562
	<u>142,058</u>	<u>17,562</u>	<u>159,620</u>

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
DfE/EFA revenue grants			
General Annual Grant (GAG) (note 2)	-	974,343	974,343
Start up grants	-	25,000	25,000
Other DfE/EFA grants	-	7,209	7,209
	<u>-</u>	<u>1,006,552</u>	<u>1,006,552</u>
Other Government grants			
Special educational projects	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,006,552</u>	<u>1,006,552</u>

CHARLTON KINGS INFANTS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

6. RESOURCES EXPENDED

	Staff Costs £	Non-Pay Expenditure		Total 2012 £
		Premises £	Other costs £	
Costs of generating voluntary income	33,961	-	18,098	52,059
Costs of activities for generating funds				
- Kindergarten	110,769	-	8,084	118,853
- Other	2,667	-	19,174	21,841
	<u>113,436</u>	<u>-</u>	<u>27,258</u>	<u>140,694</u>
Academy's education operations:				
- Direct costs	682,854	-	30,807	713,661
- Allocated support costs	51,102	101,686	59,570	212,358
	<u>733,956</u>	<u>101,686</u>	<u>90,377</u>	<u>926,019</u>
Governance costs including allocated support costs	10,934	-	21,154	32,088
	<u>892,287</u>	<u>101,686</u>	<u>156,887</u>	<u>1,150,860</u>
				Total 2012 £
Incoming/outgoing resources for the period include:				
Depreciation – owned assets				56,259
Fees payable to auditor:				
- Audit				<u>4,250</u>

CHARLTON KINGS INFANTS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

7. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
DIRECT COSTS			
Teaching and educational support staff costs	-	680,618	680,618
Educational supplies and services	-	30,807	30,807
Staff development	-	2,236	2,236
	-	713,661	713,661
ALLOCATED SUPPORT COSTS			
Support staff costs	-	51,102	51,102
Depreciation	-	56,259	56,259
Maintenance of premises and equipment	-	14,236	14,236
General administration and reception	-	14,783	14,783
Cleaning	-	27,018	27,018
Rent and rates	-	9,172	9,172
Heat and light	-	11,201	11,201
Insurance	-	10,819	10,819
Security and transport	-	227	227
Catering	-	1,162	1,162
Computer costs	-	15,206	15,206
Other support costs	-	1,173	1,173
	-	212,358	212,358
	-	926,019	926,019

8. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Legal and professional fees	-	16,589	16,589
Auditors' remuneration:			
- Audit of financial statements	-	4,250	4,250
Support costs	-	10,934	10,934
Governor costs	-	315	315
	-	32,088	32,088

CHARLTON KINGS INFANTS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

9. STAFF COSTS

Staff costs during the period were:

	2012
	£
Wages and salaries	698,284
Social security costs	42,999
Pension costs	110,939
Supply teacher costs	24,894
	877,116
	877,116

The average number of persons (including Senior Management Team) employed by the Academy Trust during the period expressed as full time equivalents was as follows:

	2012
	No.
Charitable Activities	
Teachers	11
Administration and support	11
Kindergarten	4
	4
	4

Included within the categories of Teachers and Administration and support are the 3 members of the Senior Management Team who are responsible for the day to day operations of the Academy.

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

	2012
	No.
£60,001 - £70,000	1
	1
	1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31st August 2012 pension contributions amounted to £9,361.

CHARLTON KINGS INFANTS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

10. GOVERNORS' REMUNERATION AND EXPENSES

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

J Pandazis - Headteacher	£75,001-£80,000
K Arndtz – Staff Governor	£20,001-£25,000
E Dalton – Staff Governor	£5,001-£10,000
L Fulvio-Mason – Staff Governor	£10,001-£15,000
R Koller – Staff Governor	£40,001-£45,000
N Owens – Staff Governor	£45,001-£50,000

During the period ended 31st August 2012, no travel and subsistence expenses were reimbursed to Governors.

Where other related party transactions involving the Governors arise, these are set out in note 25.

11. 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 period ended 31st August 2012 was £122.

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

CHARLTON KINGS INFANTS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST AUGUST 2012
(continued)

12. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Freehold Improvements £	Furniture, Fittings & Equipment £	Total £
Cost				
Additions	-	29,938	30,851	60,789
Transfer on conversion	2,489,147	-	-	2,489,147
At 31st August 2012	2,489,147	29,938	30,851	2,549,936
Depreciation				
Charge in year	53,932	-	2,327	56,259
At 31st August 2012	53,932	-	2,327	56,259
Net book value				
At 31st August 2012	2,435,215	29,938	28,524	2,493,677

On conversion the Governors agreed to base their valuation of freehold land and buildings on insurance valuation. This was chosen in favour of having a formal valuation done as the cost of a formal valuation would be onerous compared with the additional benefit derived by the users of the accounts.

Due to the School buildings being deemed specialist in nature and therefore not traded in an open market, insurance valuation was deemed to be a reasonable estimate of depreciated replacement cost for recognition purposes.

13. DEBTORS

	2012
	£
Other debtors	30,156
Prepayments and accrued income	19,533
	49,689

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012
	£
Other creditors	69,125
Accruals and deferred income	25,444
	94,569

Deferred income

Income received during the period ended 31st August 2012 specific to funding for future periods has been deferred accordingly.

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15. FUNDS

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes:-

	Balance at 01.08.11 £	Incoming Resources £	Resources Expended £	Gains, losses & transfers £	Balance at 31.08.12 £
Restricted general funds					
General Annual Grant (GAG)	-	974,343	(878,641)	(24,851)	70,851
Start up Grant	-	25,000	(16,391)	-	8,609
Other DfE/EFA Grants	-	24,771	(28,657)	-	(3,886)
School Fund Account	-	143,885	(49,284)	(14,995)	79,606
Pension reserve	-	-	(244,000)	(37,000)	(281,000)
	-	1,167,999	(1,216,973)	(76,846)	(125,820)
Restricted fixed asset funds					
DfE/EFA Capital Grants	-	6,948	-	-	6,948
Predecessor School Transfer	-	2,489,147	(53,932)	-	2,435,215
Capital expenditure from other funds	-	-	(2,327)	60,789	58,462
	-	2,496,095	(56,259)	60,789	2,500,625
Total restricted funds	-	3,664,094	(1,273,232)	(16,057)	2,374,805
Unrestricted funds					
Unrestricted funds	-	234,967	(121,628)	(14,943)	98,396
Total unrestricted funds	-	234,967	(121,628)	(14,943)	98,396
Total Funds	-	3,899,061	(1,394,860)	(31,000)	2,473,201

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

The Restricted General Fund includes GAG and other grants receivable from the EFA and Local Authority towards the Academy's educational activities. School funds held in respect of education visits and events are also included in the Restricted General Fund.

The Restricted Fixed Asset Fund includes amounts receivable from the EFA in respect of tangible fixed assets held for Academy use.

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

Transfers between the Restricted and Unrestricted Funds and the Restricted Fixed Asset Fund relate to asset purchases from these funds during the period.

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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31st August 2012 are represented by:-

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	2,493,677	2,493,677
Current assets	98,396	242,756	13,941	355,093
Current liabilities	-	(87,576)	(6,993)	(94,569)
Pension scheme liability	-	(281,000)	-	(281,000)
Total net assets	98,396	(125,820)	2,500,625	2,473,201

17. CAPITAL COMMITMENTS

At 31st August 2012, the Academy had capital commitments of £26,479.

18. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012
	£
Net income	2,504,201
Depreciation (note 12)	56,259
Capital grants from DfE and other capital income	(4,632)
Transfers on conversion (note 25)	(2,330,838)
FRS 17 pension cost less contributions payable (note 23)	(7,000)
FRS 17 pension finance cost (note 23)	13,000
Increase in debtors	(49,689)
Increase in creditors	94,569
Net cash inflow from operating activities	275,870

19. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2012
	£
Purchase of tangible fixed assets	(60,789)
Capital grants from DfE and other capital income	4,632
Net cash outflow from capital expenditure and financial investment	(56,157)

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1st August 2011 £	Cash Flows £	At 31st August 2012 £
Cash in hand and at bank	-	305,404	305,404
	-	305,404	305,404

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21. CONTINGENT LIABILITIES

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

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

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

22. MEMBERS' LIABILITY

Each member of the Academy 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.

23. PENSION AND SIMILAR OBLIGATIONS

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

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

Costs incurred in the period relating to TPS were £67,967 and relating to LGPS were £45,680.

Contributions amounting to £8,105 (TPS) and £4,344 (LGPS) were payable to the schemes at 31st August 2012 and are included within creditors.

Teachers' Pension Scheme (TPS)

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.

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23. PENSION AND SIMILAR OBLIGATIONS - continued

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 1st 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 1st April 2001 – 31st 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 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. 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 1st 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.

From 1st April 2012 to 31st 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.

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23. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' Pension Scheme (TPS) - continued

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 Academy Trust is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the Balance Sheet date.

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period 1st August 2011 to 31st August 2012 was £57,074, of which employer's contributions totalled £45,680 and employees' contributions totalled £11,394. The agreed contribution rates for future years are 26.5% for employers and for employees will vary dependent on salary banding between 5.5% and 7.5%.

Initial Funding Position of the New Scheduled Body

As Charlton Kings Infants' School gained academy status with effect from 1st August 2011 and has become a scheduled body, the manager of the LGPS has made allowance for a proportionate transfer of the deficit within the Fund from Gloucestershire County Council to the Academy.

As a result of which the initial deficit allocation for the Academy is the capitalised value of the deficit contributions which it had been due to make over the recovery period for Gloucestershire County Council at the 2010 valuation, i.e. 20 years.

This approach gives a deficit allocated to the Academy at commencement of approximately £244,000.

Employer Contributions

The contribution rate payable is made up of a normal rate for future service plus additional amounts in relation to the deficit taken on. On this basis the contribution rate which applies from 1st August 2011 is a normal future service contribution rate of 17.7% of pensionable pay per annum plus additional contributions in relation to the deficit.

An allowance is included within the above future service contribution rate for the expected costs associated with ill health early retirements and also for the administrative costs of running the Fund. The cost of any non-ill health early retirements, however, should be payable via additional contributions.

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23. PENSION AND SIMILAR OBLIGATIONS - continued

Employer Contributions - continued

To recover the above deficit of £244,000 via additional contributions, based on a recovery period of 20 years, the additional contribution rate required is 4.8% of pensionable pay per annum (the same rate identified for Gloucestershire County Council at the 2010 valuation), leading to an overall employer contribution rate applicable from 1st August 2011 of 22.5% of pensionable pay.

Principal Actuarial Assumptions	At 31st August 2012
Rate of increase in salaries	4.0%
Rate of increase for pensions in payment/inflation	2.2%
Discount rate for scheme liabilities	4.1%
Inflation assumption (CPI)	2.1%
Commutation of pensions to lump sum	50.0%

Sensitivity Analysis

Change in assumptions at period ended 31st August 2012	Approximate increase to employer liability	Approximate monetary amount £'000
0.5% decrease in Real Discount Rate	11%	52
1 year increase in member life expectancy	3%	13
0.5% increase in the Salary Increase Rate	5%	20
0.5% increase in the Pension Increase Rate	7%	30

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

	At 31st August 2012
Retiring today	
Males	21.7
Females	23.6
Retiring in 20 years	
Males	23.5
Females	25.8

CHARLTON KINGS INFANTS' SCHOOL
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23. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Expected Return at 31st August 2012	Fair Value at 31st August 2012 £'000
Equities	5.5%	101
Government Bonds	3.3%	43
Property	3.7%	9
Cash/liquidity	2.8%	5
Total market value of assets		158
Present value of scheme liabilities:		
Funded		(439)
Deficit in the scheme		(281)

The expected return on assets is based on the long term future expected investment for each asset class described above as at the beginning of the period.

The actual return on scheme assets was £4,000.

Amounts recognised in the Statement of Financial Activities

	2012 £'000
Current service cost (net of employee contributions)	38
Past service cost	-
Total operating charge	38

Analysis of pension finance (income)/costs

	2012 £'000
Expected return on pension scheme assets	(8)
Interest on pension liabilities	21
Pension finance costs	13

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 £31,000 loss.

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23. PENSION AND SIMILAR OBLIGATIONS - continued

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

	2012 £'000
At 1st August 2011	341
Current service cost	38
Interest cost	21
Employee contributions	12
Actuarial loss	27
	439
At 31st August 2012	439

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

	2012 £'000
At 1st August 2011	97
Expected return on assets	8
Actuarial loss	(4)
Employer contributions	45
Employee contributions	12
	158
At 31st August 2012	158

The estimated value of employer contributions for the year ended 31st August 2013 is £40,000.

The history of experience adjustments is as follows:-

	2012 £'000
Present value of defined benefit obligations	(439)
Fair value of share of scheme assets	158
	(281)
Deficit in the scheme	(281)
Experience adjustments on share of scheme assets	
Amount £'000	(4)
	-
Experience adjustments on scheme liabilities	
Amount £'000	-
	-

CHARLTON KINGS INFANTS' SCHOOL
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24. 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 likely 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.

25. CONVERSION TO AN ACADEMY TRUST

On 1st August 2011 Charlton Kings Infants' School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Charlton Kings Infants' School from the Gloucestershire Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding amount recognised as income and resources expended in the Statement of Financial Activities as voluntary income and other resources expended.

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

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
- Freehold land and buildings	-	-	2,489,147	2,489,147
- Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	83,375	-	2,316	85,691
LGPS pension deficit	-	(244,000)	-	(244,000)
Net assets/ (liabilities)	<u>83,375</u>	<u>(244,000)</u>	<u>2,491,463</u>	<u>2,330,838</u>

The above net assets/ (liabilities) include £85,691 that were transferred as cash.