

**REGISTERED COMPANY NUMBER: 08476253 (England and Wales)**

**Report of the Governors and  
Financial Statements For The Period 5th April 2013 to  
31st August 2014  
for**

**GRAHAM JAMES PRIMARY ACADEMY**

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**Wilkins Kennedy LLP  
Chartered Accountants  
& Registered Auditors  
1 - 5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG**

**GRAHAM JAMES PRIMARY ACADEMY**

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For The Period 5th April 2013 to 31st August 2014**

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# **GRAHAM JAMES PRIMARY ACADEMY**

**Reference and Administrative Details  
For The Period 5th April 2013 to 31st August 2014**

## **MEMBERS**

J Cullen  
H Fonfara  
O Thurbon  
S Khawaja  
D Ward  
P Back  
B Lane  
T Myers  
L Cross  
N Tolan-Wheeler

## **GOVERNORS**

B Lane (Director)  
P Back (Headteacher and Director)  
T Myers (Director)  
N Tolan-Wheeler (Director)  
L Cross (Director)  
H Fonfara (Director)  
J Cullen (Director)  
O Thurbon (Director)  
D Ward (Director)  
S Khawaja (Director)

## **REGISTERED OFFICE**

Graham James Primary Academy  
The Sorrells  
Stanford-le-hope  
Essex  
SS17 7ES

**REGISTERED COMPANY NUMBER** 08476253 (England and Wales)

## **AUDITORS**

Wilkins Kennedy LLP  
Chartered Accountants  
& Registered Auditors  
1 - 5 Nelson Street  
Southend on Sea  
Essex  
SSI 1EG

## **SOLICITORS**

Stone King LLP  
16 St John's Lane  
London  
C1M 4BS

**GRAHAM JAMES PRIMARY ACADEMY**

**Reference and Administrative Details  
For The Period 5th April 2013 to 31st August 2014**

**BANKERS**

Lloyds Bank PLC  
Stanford-le-Hope Branch  
PO Box 1000  
BX1 1LT

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Report of the Governors For The Period 5th April 2013 to 31st August 2014**

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The Governors present their report together with the financial statements and auditor's report of the charitable company for the year 5th April 2013 to 31st August 2014. The annual report serves the purposes of both a trustees' report and a director's report under company law.

The Trust operates an academy for pupils aged 4 to 11 servicing a catchment area in Stanford-le-Hope & Corringham. It has a pupil capacity of 210 and had a roll of 217 in the school census on 8th May 2014.

#### **INCORPORATION**

The charitable company was incorporated on 5th April 2013.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

The Academy Trust is a company limited by guarantee with no share capital (registration no. 8476253) and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Governors act as the Trustees for the charitable activities of Graham James Primary Academy and are also Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Graham James 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.

Graham James Primary Academy was incorporated on 5th April 2013 and obtained Academy status from 1st May 2013.

##### **Members' liability**

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

##### **Principal activities**

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

##### **Method of Recruitment and Appointment or Election of Governors**

The members of the Academy Trust shall comprise the signatories to the Memorandum, one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose, the Chairman of the Governors and any person appointed under Article 16.

The number of Governors shall be not less than three, but shall not be subject to a maximum. The first Governors were those named in the initial Memorandum. The Academy Trust shall have the following Governors; up to eleven other Governors; two Staff Governors, one Local Authority Governor; four parent Governors; the Headteacher, any Additional Governors if appointed under Article 62, 62A or 68A; and any Further Governors if appointed under Article 63 or Article 68A. The Academy may also have up to three Co-opted Governors, a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed one third of the total number of Governors (including the Head Teacher).

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Report of the Governors For The Period 5th April 2013 to 31st August 2014**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Policies and Procedures Adopted for the Induction and Training of Governors**

The training and induction provided for new Governors depends on their existing experience. All new Governors are given a tour of the School and the chance to meet with staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction tends to be carried out informally and is tailored specifically to the individual.

During their terms of office all Governors receive additional training, including from external training providers. Governors also undertake Governor visits to the School and meet with staff on a regular basis to keep themselves informed and updated.

##### **Organisational structure**

The Structure consists of four levels: the Governors, the Senior Leadership Team, the Phase Leaders and the Curriculum Team Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting a school development 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. During the year under review the Governors held fourteen meetings. The Governing Body also appointed three standing sub-committees; the Resources Committee, the Achievement & Curriculum Committee and the Pupils, Parents and Community Committee (the functions of which are referred to in the Governance Statement on page 11). The Governing Body also appoints other sub-committees as required. The Governing Body has also appointed a Clerk who attends at Governing Body meetings and who assists and advises Governors as appropriate,

The Senior Leadership Team comprises the Headteacher and the Deputy Headteacher. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for middle and senior leader posts will contain at least one Governor. Some spending control is devolved to Curriculum Team Leaders, with limits above which a Senior Leader must countersign.

##### **Connected Organisations including Related Party Relationships**

Graham James Primary Academy is part of an umbrella trust with Abbots Hall Primary, Giffards Primary School & Hassenbrook Academy. We work together towards mutual support and improved learning outcomes for all the children.

##### **Risk management**

The governors have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Report of the Governors For The Period 5th April 2013 to 31st August 2014**

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#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The Academy is expanding over the next few years to a two form entry primary. We have two classes in Reception and a large Year one cohort. The rest of the school is one class per year group at present. We have a sixty place nursery that takes children from two years.

The principal object of the Academy is specifically restricted to the following, to advance for the public benefit education in the United Kingdom, by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum.

We aim to foster a life-long love of learning, through adopting a highly practical and cross-curricular approach to learning.

Our main curriculum aims are;

1. To provide a broad and balanced education so that every pupil achieves their full potential and makes progress wherever their starting points are.
2. To ensure that all pupils enjoy their learning, are confident enough to take risks and are independent enough to make decisions about their own learning.
3. To promote equality and a love of learning, our motto is 'caring to learn, learning to care'.
4. To ensure all children are equipped with the skills they need to move on to their next phase in education and to value their community and how they can contribute positively to it.

##### **Objectives, Strategies and Activities**

The main priorities of the Academy during the period ended August 2014 were:

- To ensure that every child enjoys the same high quality education in terms of resourcing, teaching and care.
- To raise the standard of educational achievement of all pupils with a continued focus on reading, writing and maths.
- To ensure all pupils in vulnerable groups attain and progress at least in line with or above national expectations for similar groups.
- To continue to raise standards of teaching so that more lessons are outstanding.
- To continue to improve the effectiveness of the Academy by regularly reviewing the curriculum and the organisational structure and to work in partnership with the other Academies in our Umbrella Trust to ensure consistency through moderation and training.
- To ensure staff receive the support they need to develop professionally and to offer support to other local schools and academies where required.
- To provide value for money for the funds expended.
- To comply with the statutory and curriculum requirements.
- To conduct the Academy business in accordance with the highest standards of integrity, probity and openness.

The Academy values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination or prejudice.

Graham James is an important part of the community. Our aim is for each individual, regardless of gender, race, culture and background, to reach their full potential in an inclusive environment. We have the support to try, the confidence to fail and the encouragement and challenge to reach our potential in a safe, stimulating and happy atmosphere. We believe in parents/carers as partners in education, value their knowledge of their child and recognise their role in the decision-making process. We are a team that work together to achieve high standards of learning, of moral and social behaviour and to develop a sense of value and high self esteem.

Governors will contribute to the life of the school on a wider scale, acting as a critical friend to support the school in its drive towards outstanding.

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Report of the Governors For The Period 5th April 2013 to 31st August 2014**

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#### **OBJECTIVES AND ACTIVITIES**

##### **Equal opportunities policy**

The Governors believe that equality at our school should permeate all aspects of school life and is the responsibility of every member of the school and wider community. Every member of the school community should feel safe, secure, valued and of equal worth. At Graham James Primary Academy equality is a key principle for treating all people the same irrespective of their gender, ethnicity, disability, religious beliefs/faitih tradition, sexual orientation, age or any other of the protected characteristics (Equality Scheme 2012- 2015).

##### **Public benefit**

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy admits sixty pupils into two Reception classes on the basis of the following criteria in priority order:

1. Looked After Children and previously looked after children
2. Special reasons
3. Catchment area siblings
4. Catchment area children
5. Non-catchment area siblings
6. Non-catchment area children

The school is heavily oversubscribed and in 2013 there were fifty nine applicants for thirty places. From September 2014 the Academy is admitting sixty pupils in two Reception classes. This expansion of the school will meet local needs.

##### **Disabled persons**

The Academy complies fully with DDA regulations and is equipped to welcome and/or teach any child or adult with a disability. Reasonable adjustments will be made to ensure access for pupils, staff and visitors (including parents, carers) with disabilities (this not only includes physical access, but takes account wider access to school information and activities).

## GRAHAM JAMES PRIMARY ACADEMY

### Report of the Governors For The Period 5th April 2013 to 31st August 2014

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#### STRATEGIC REPORT

##### Achievement and performance

##### *Charitable activities*

Pupil achievement at The Academy is 1 above national averages

##### Early Years Foundation Stage

Most children start at the school with skills that are below expectations for their age. Pupils attain standards that are broadly in line with National expectations by the end of the Foundation Stage (Reception Year).

##### Key Stage 1

Overall level 2b+(expected level) and Level 3 (well above) results were broadly in line with National in reading, writing and maths.

##### Key Stage 2

The school's end of Year 6 results in reading writing and maths at Level 4+ and Levels 5 and 6 were higher overall than 2012 and above national. Progress from the end of Key Stage 1 to the end of Key Stage 2 was good.

Other achievements at the school during the 2013-2014 academic year include:

- a) Series of extremely well received performances/presentations throughout the year which included:-
  - o Harvest and Easter services
  - o KS1 & KS2 Christmas performances/ KS1/2 carol concerts, Year 6 Leavers assembly. Class assemblies across all Year groups
- b) Participation and success in events and competitions beyond the school
  - o Sporting successes- e.g. football, athletics, cross country
  - o Music- Choir, 2nd in local competition
- c) Significant improvement in the quality of school meals since the Academy has adopted their own menu
- d) Successful bids to the EFA which secured grants of £404k and £123k for work to the external fabric of the building and Fire Precautions project.
- e) Strong support given to local schools by Head Teacher (J.E).

To ensure that standards are continually improving the Academy undertakes regular internal reviews of the curriculum and of teaching and learning which includes classroom observation, pupil work scrutiny and the analysis of pupil achievement data. The Academy is part of an umbrella Trust & Thurrock Teaching School Alliance.

o Pupils attend regularly and behave well both in lessons and around the school. They say they feel safe in school.

o The Headteacher, leadership team and governors work closely and very effectively together to make sure that teaching and achievement continue to improve.

o Parents and carers are positive about the school. They believe that their children are happy in school and are being taught well.

##### *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.

## GRAHAM JAMES PRIMARY ACADEMY

### Report of the Governors For The Period 5th April 2013 to 31st August 2014

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#### STRATEGIC REPORT

##### Achievement and performance

##### *Key financial performance indicators*

The main KPI is the Ofsted Framework for Inspection and the school evaluates each area on a regular basis.

Inspectors use four key judgements. These are:

the achievement of pupils at the school  
the quality of teaching in the school  
the behaviour and safety of pupils at the school.  
the quality of leadership in and management of the school

In addition, inspectors must also consider:

the spiritual, moral, social and cultural development of pupils at the school  
the extent to which the education provided by the school meets the needs of the range of pupils at the school, and in particular the needs of:  
pupils who have a disability for the purposes of the Equality Act 2010  
pupils who have special educational needs.

The school is currently addressing the two aspects which are required for it to be outstanding. They are:

- Use of writing across the curriculum
- Improve attainment for less able pupils.

#### Financial review

##### *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. The Governors have determined that the appropriate level of free reserves should whenever possible be equivalent to four weeks' expenditure, approximately £102k.

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. The Academy's current level of free reserves is £91k (total funds less the amount held in fixed assets and restricted funds). The Academy will review the reserves policy on an annual basis.

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#### Investment policy

Under the Memorandum and Articles of Association, the Academy has the power to invest in the name of the Academy Trust such part of the funds as they may see fit. The Academy aims to have a positive cash balance to cover eventualities and unforeseen expenses not budgeted for and hence not included in the cash flow. It is the responsibility of the School Management to generate as much bank interest as possible from any cash balances that the school may have. Investments though must guarantee complete integrity of funds and be consistent with the ethos, aims and objectives of the school. Investments other than bank deposits must be approved by the Governing body before being entered into.

#### Financial position

The Academy held fund balances at 31st August 2014 of £1,618k comprising £81k of restricted funds and £10k of unrestricted general funds. Of the restricted funds, £1,842k is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £303k in deficit.

## GRAHAM JAMES PRIMARY ACADEMY

### Report of the Governors For The Period 5th April 2013 to 31st August 2014

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#### STRATEGIC REPORT

##### Financial review

##### *Financial report for the year*

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the year ended 31st August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2014, total expenditure of £1,359k was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds, transfers to restricted fixed asset funds and £303k LGPS pension fund deficit transferred from predecessor school) was £91k.

At 31st August 2014 the net book value of fixed assets was £1,801k. 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.

The Essex Pension Fund, in which the Academy participates, The Academy's share of the fund's assets and liabilities shows a deficit of £303k at 31st August 2014. Of this sum, £303k was inherited by Graham James Primary Academy from Thurrock Council on 1st May 2013, the date the local authority's staff transferred to employment with the Academy.

The Statement of Financial Activities includes the assets and liabilities from the predecessor school.

##### Principal risks and uncertainties

The principal risks and uncertainties that Graham James Primary Academy faces are mitigated by the risk management process that the Academy Trust has in place reviewing the school's risk register on a regular basis.

##### Financial and risk management objectives and policies

The financial risks to which Graham James Primary Academy is exposed to relate primarily to a shortfall in pupil numbers, cash flow, government funding changes and policy.

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £303k.

##### Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. By creating and maintaining a Risk Register that covers operations, governance, reputation, finance, IT and staffing risk, the Governors have introduced systems including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

## GRAHAM JAMES PRIMARY ACADEMY

### Report of the Governors For The Period 5th April 2013 to 31st August 2014

#### STRATEGIC REPORT

##### Future developments

The Academy will continue striving to improve the levels of performance of its pupil at all levels and will continue its efforts to ensure its pupils are well prepared for secondary school when they leave..

The Academy has a very clear understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning combined with its recent Ofsted inspection. The School Development plan (SDP) has all the correct areas identified for improvement and is based on regular analysis of data which is carefully analysed by the Headteacher and the senior staff. The SDP is regularly monitored and amended annually by the SLT and Governors. It is underpinned by appropriate budget links. The priorities for the 2013-2014 academic year are:

1. To raise attainment & achievement in Maths and close the gap between English & Maths
2. To raise attainment & achievement in Writing taking into account gender differences
3. To develop effective tracking & Assessment systems
4. To embed effective Assessment For Learning Strategies
5. To develop Leadership and Management structures
6. To introduce and develop a creative approach to planning the curriculum
7. To ensure improvements to disability access continue
8. To carpet classrooms
9. External Repair and Painting
10. Internal Decoration

#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

#### AUDITORS

The auditors, Wilkins Kennedy LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

Report of the governors, incorporating a strategic report, approved by order of the board of governors, as the company directors, on ..... 21/11/14 ..... and signed on the board's behalf by:



Governor

MR B.T. LANE. C. of G.

## GRAHAM JAMES PRIMARY ACADEMY

### Governance Statement For The Period 5th April 2013 to 31st August 2014

#### Scope of Responsibility

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

#### Governance

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

Governor	Meetings attended	Out of a possible
Bradley Lane	13	14
Petra Back	12	14
Terry Myers	10	14
Nicola Tolan-Wheeler	10	10
Linda Cross	8	10
Helga Fonfara	10	10
Jacqueline Cullen	13	14
Owen Thurbon	8	10
David Ward	4	5
Sajid Khawaja	0	4

The Finance & Premises & Personnel Committee is a sub-committee of the main Governing Body. Its purposes include: - to present to the governing body for approval an annual budget; to ensure budget monitoring; to make appropriate recommendations to the governing body as to the appointment or removal of the external auditors and to consider the engagement of the external auditors in respect of any non-audit services; and to oversee the systems of internal control including measures for the safeguarding of assets, prevention of financial crime and consideration of the approval of the statement of internal control.

The Finance & Premises & Personnel Committee also considers HR and other resourcing issues and also Health & Safety issues. Attendances at meetings in the year were as follows.

Governor	Meetings attended	Out of a possible
Bradley Lane	3	4
Petra Back	3	4
Terry Myers	3	4
Jacqueline Cullen	4	4
David Ward	2	2

After the year end an audit committee is being established to review the reports produced by the responsible officer and discuss any further issues raised at the annual audit.

The Pupil and Curriculum Committee is a sub-committee of the main governing body. Its purposes include to monitor and evaluate pupil achievement, to review the curriculum and associated policies, including RE and to monitor teaching and learning in the school.

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Governance Statement For The Period 5th April 2013 to 31st August 2014**

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The Pupils, Parents and Community Committee is a sub-committee of the main governing body. Its purposes include the monitoring of the school's engagement with parents, carers and the wider community, its compliance with the Single Equalities Act, the school's behaviour policy and its procedures for safeguarding pupils.

#### **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 Graham James Primary Academy for the year ended 31st August 2014 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 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

#### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance & Premises & Personnel 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 an auditor from Essex County Council as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

All planned work was carried out and no material control issues were discovered.

#### **Review of Effectiveness**

As Accounting Officer, Petra Baek 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;

**GRAHAM JAMES PRIMARY ACADEMY**

**Governance Statement  
For The Period 5th April 2013 to 31st August 2014**

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**Review of Effectiveness**

- 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 & Premises & Personnel Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 17/11/14 and signed on its behalf by:



..... MR B.T. LANE C. of G.

- Governor



.....  
Petra Back - Accounting Officer

**GRAHAM JAMES PRIMARY ACADEMY**

**Statement on Regularity, Propriety and Compliance  
For The Period 5th April 2013 to 31st August 2014**

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As accounting officer of Graham James Primary Academy I have considered my responsibility to notify the charitable company board of governors 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 charitable company 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 charitable company board of governors are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.

*P. Back.1*  
.....  
Petra Back - Accounting Officer

Date: *11/12/14* .....

## GRAHAM JAMES PRIMARY ACADEMY

### Statement of Governors Responsibilities For The Period 5th April 2013 to 31st August 2014

The Governors (who act as Trustees for charitable activities of Graham James 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 Directions issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 board of governors on 13/11/14 and signed on it's behalf by:

  
MR B.T. LANE C. of G.  
Governor

## **Report of the Independent Auditors to the Members of Graham James Primary Academy**

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We have audited the financial statements of Graham James Primary Academy for the period ended 31st August 2014 on pages nineteen to thirty six. The financial reporting framework that has been applied in their preparation is applicable law, the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency (EFA).

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of governors and auditors**

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

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Governors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 charitable company's affairs as at 31st August 2014 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

### **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 year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of  
GRAHAM JAMES PRIMARY ACADEMY**

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**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; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.



Daniel Garside (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy LLP  
Chartered Accountants  
& Registered Auditors  
1 - 5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

Date: 17.1.14

**Independent Reporting Auditor's Assurance Report on Regularity to  
Graham James Primary Academy and the Education Funding Agency**

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In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Graham James Primary Academy during the period 5th April 2013 to 31st August 2014 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 Graham James 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 Graham James 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 Graham James Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Graham James Primary Academy's accounting officer and the reporting auditor**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 5th April 2013 to 31st August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 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 charitable company's income and expenditure.

**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 5th April 2013 to 31st August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Daniel Garside (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy LLP  
Chartered Accountants  
& Registered Auditors  
1 - 5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

Date: 27.11.14

**GRAHAM JAMES PRIMARY ACADEMY**

**Statement of Financial Activities  
For The Period 5th April 2013 to 31st August 2014**

	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	Total funds £'000
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Voluntary income	2	25	27	-	52
Voluntary income - Transfer from Local Authority on conversion		10	(227)	1,446	1,229
Activities for generating funds	3	30	-	-	30
Incoming resources from charitable activities					
Academy's educational operations	4	-	1,282	467	1,749
<b>Total incoming resources</b>		<u>65</u>	<u>1,082</u>	<u>1,913</u>	<u>3,060</u>
<b>RESOURCES EXPENDED</b>					
Charitable activities					
Academy's educational operations		55	1,300	71	1,426
Governance costs	7	-	4	-	4
<b>Total resources expended</b>	5	<u>55</u>	<u>1,304</u>	<u>71</u>	<u>1,430</u>
<b>NET INCOMING RESOURCES</b>		<u>10</u>	<u>(222)</u>	<u>1,842</u>	<u>1,630</u>
Other recognised gains/losses					
Gains/losses on defined benefit schemes		-	(12)	-	(12)
<b>Net movement in funds</b>		<u>10</u>	<u>(234)</u>	<u>1,842</u>	<u>1,618</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>10</u></u>	<u><u>(234)</u></u>	<u><u>1,842</u></u>	<u><u>1,618</u></u>

The notes form part of these financial statements


# GRAHAM JAMES PRIMARY ACADEMY

## Balance Sheet At 31st August 2014

	Notes	£'000
<b>FIXED ASSETS</b>		
Tangible assets	11	1,801
<b>CURRENT ASSETS</b>		
Debtors	12	38
Cash at bank		166
		<u>204</u>
<b>CREDITORS</b>		
Amounts falling due within one year	13	(72)
<b>NET CURRENT ASSETS</b>		<u>132</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,933
<b>PENSION LIABILITY</b>	17	(315)
<b>NET ASSETS</b>		<u>1,618</u>
<b>FUNDS</b>	16	
Unrestricted funds:		
General fund		10
Restricted funds:		
General Restricted Fund		81
Pension fund		(315)
Fixed asset fund		1,842
		<u>1,608</u>
<b>TOTAL FUNDS</b>		<u>1,618</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Governors on 17/11/14 and were signed on its behalf by:

  
MR B.T. LANE C of G.  
Governor

The notes form part of these financial statements

**GRAHAM JAMES PRIMARY ACADEMY**

**Cash Flow Statement  
For The Period 5th April 2013 to 31st August 2014**

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	Notes	£'000
Net cash inflow from operating activities	1	40
Cash transferred on conversion to an academy		85
Capital expenditure and financial investment	2	41
		<hr/>
Increase in cash in the period		<u>166</u>

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Reconciliation of net cash flow to movement in net funds	3	
Increase in cash in the period		<u>166</u>
Change in net funds resulting from cash flows		<u>166</u>
Movement in net funds in the period		166
Net funds at 5th April		<hr/>
Net funds at 31st August		<u>166</u>

The notes form part of these financial statements

**GRAHAM JAMES PRIMARY ACADEMY**

**Notes to the Cash Flow Statement  
For The Period 5th April 2013 to 31st August 2014**

**1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	£'000
Net incoming resources	1,630
Depreciation charges	71
Capital grants from DfE/EFA	(466)
Transfer from Local Authority on conversion	(1,229)
Increase in debtors	(38)
Increase in creditors	<u>72</u>
<b>Net cash inflow from operating activities</b>	<b><u>40</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	£'000
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(426)
Capital grants from DfE/EFA	<u>467</u>
<b>Net cash inflow for capital expenditure and financial investment</b>	<b><u>41</u></b>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 5/4/13 £'000	Cash flow £'000	At 31/8/14 £'000
Net cash:			
Cash at bank	-	166	166
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	<b><u>-</u></b>	<b><u>166</u></b>	<b><u>166</u></b>

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Notes to the Financial Statements For The Period 5th April 2013 to 31st August 2014**

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#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, The Charity Commission Statement of Recommended Practice, Accounting and Reporting by Charities (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, is set out below.

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

##### **Going concern**

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

##### **Incoming resources**

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

##### **Grants receivable**

Grants, where conditions have been met to establish entitlement, are included in the statement of financial activities on a receivable basis. Where grants are received but conditions establishing entitlement have not been met, these are deferred. The balance of income receivable for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

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

##### **Interest receivable**

Interest receivable is included within the statement of financial activities on a receivable basis.

##### **Donations**

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

##### **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.

## GRAHAM JAMES PRIMARY ACADEMY

### Notes to the Financial Statements - continued For The Period 5th April 2013 to 31st August 2014

#### 1. ACCOUNTING POLICIES - continued

##### Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lie substantially with the Academy, a reasonable estimate of the gross value is included within fixed assets and, with an appropriate credit to voluntary income (gift in kind), within the restricted fixed asset fund. The valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

##### Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

##### Governance costs

Governance costs include the costs attributable to the Academy's compliance and constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

##### Allocation and apportionment of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs and depreciation are directly attributable to the one principle activity of the Academy.

##### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 20% on cost

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £1,000 are written off in the period of acquisition. All other assets 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 carried forward in the balance sheet). The depreciation on such assets is charged to the restricted fund in the Statement of Financial Activities.

##### 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.

## GRAHAM JAMES PRIMARY ACADEMY

### Notes to the Financial Statements - continued For The Period 5th April 2013 to 31st August 2014

#### 1. ACCOUNTING POLICIES - continued

##### Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy 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 DfE where the asset acquired or created is held for a specific purpose. Restricted funds comprise all other restricted funds received and include grants from the EFA and DfE.

##### Pensions

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 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 17, 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 the 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.

##### Hire purchase and leasing commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### 2. VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Trip Income	24	-	24
Donations	1	19	20
Misc Income	-	8	8
	<u>25</u>	<u>27</u>	<u>52</u>

# GRAHAM JAMES PRIMARY ACADEMY

Notes to the Financial Statements - continued  
For The Period 5th April 2013 to 31st August 2014

## 3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Music Income	1	-	1
Catering income	29	-	29
	<u>30</u>	<u>-</u>	<u>30</u>

## 4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
DfE/EFA revenue grant			
General Annual Grant(GAG)	1	1,227	1,228
Other DfE/EFA Grants	-	7	7
	<u>1</u>	<u>1,234</u>	<u>1,235</u>
DfE/EFA capital grant			
Devolved formula capital allocations	-	467	467
Other government grant			
Local authority grant	-	22	22
	<u>1</u>	<u>1,723</u>	<u>1,724</u>

## 5. RESOURCES EXPENDED

	Staff costs £'000	Non-pay expenditure		Total £'000
		Premises £'000	Other costs £'000	
Charitable activities				
Academies educational operations				
Direct costs	887	71	33	991
Allocated support costs	201	61	173	435
	<u>1,088</u>	<u>132</u>	<u>206</u>	<u>1,426</u>
Governance costs including allocated support costs	-	-	4	4
	<u>1,088</u>	<u>132</u>	<u>210</u>	<u>1,430</u>

**GRAHAM JAMES PRIMARY ACADEMY**

**Notes to the Financial Statements - continued  
For The Period 5th April 2013 to 31st August 2014**

**5. RESOURCES EXPENDED - continued**

Net resources are stated after charging/(crediting):

	<b>£'000</b>
Auditors' remuneration	4
Depreciation - owned assets	72
	<u>72</u>

**6. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
<b>Direct costs - academy's educational operations</b>			
Teaching and educational support staff	-	887	887
Depreciation	-	71	71
Educational supplies	-	25	25
Examination fees	-	1	1
Staff development	-	7	7
	<u>-</u>	<u>991</u>	<u>991</u>
<b>Allocated support costs - academy's educational operations</b>			
Support staff costs	-	201	201
Recruitment and support	-	2	2
Maintenance of premises and equipment	-	33	33
Cleaning	-	7	7
Rent and rates	-	21	21
Insurance	-	33	33
Security and transport	-	1	1
Catering	29	16	45
Other support costs	26	66	92
	<u>55</u>	<u>380</u>	<u>435</u>
	<u>55</u>	<u>1,371</u>	<u>1,426</u>

**7. GOVERNANCE COSTS**

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Auditors' remuneration	<u>-</u>	<u>4</u>	<u>4</u>

## GRAHAM JAMES PRIMARY ACADEMY

Notes to the Financial Statements - continued  
For The Period 5th April 2013 to 31st August 2014

### 8. GOVERNORS' REMUNERATION AND BENEFITS

There were no governors' remuneration or other benefits for the period ended 31st August 2014.

Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy in respect of their role as Governors.

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board.

#### Governors' expenses

During the period ended 31st August 2014, expenses totalling £126 were reimbursed to Governors.

### 9. STAFF COSTS

	£'000
Wages and salaries	870
Social security costs	67
Other pension costs	121
	<u>1,058</u>
Supply teacher costs	30
	<u>1,088</u>

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

Teachers	12
Admin and Support	17
	<u>29</u>

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

£60,001 - £70,000	1
-------------------	---

### 10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31st August 2014 was £298.

**GRAHAM JAMES PRIMARY ACADEMY**

**Notes to the Financial Statements - continued  
For The Period 5th April 2013 to 31st August 2014**

**11. TANGIBLE FIXED ASSETS**

	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>				
At 5th April 2013	1,446	4	-	1,450
Additions	-	420	6	426
At 31st August 2014	<u>1,446</u>	<u>424</u>	<u>6</u>	<u>1,876</u>
<b>DEPRECIATION</b>				
At 5th April 2013	-	3	-	3
Charge for year	36	35	1	72
At 31st August 2014	<u>36</u>	<u>38</u>	<u>1</u>	<u>75</u>
<b>NET BOOK VALUE</b>				
At 31st August 2014	<u>1,410</u>	<u>386</u>	<u>5</u>	<u>1,801</u>

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£'000
Trade debtors	1
VAT	32
Prepayments	5
	<u>38</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£'000
Trade creditors	1
Social security and other taxes	24
Accruals and deferred income	47
	<u>72</u>

**14. MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one period 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.

## GRAHAM JAMES PRIMARY ACADEMY

### Notes to the Financial Statements - continued For The Period 5th April 2013 to 31st August 2014

#### 17. PENSION COMMITMENTS - continued

##### Teachers' pension scheme Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part time employment following appointment or a change of contract although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

##### Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

##### Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Notes to the Financial Statements - continued For The Period 5th April 2013 to 31st August 2014**

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#### **17. PENSION COMMITMENTS - continued**

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

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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

# GRAHAM JAMES PRIMARY ACADEMY

Notes to the Financial Statements - continued  
For The Period 5th April 2013 to 31st August 2014

## 17. PENSION COMMITMENTS - continued

### Local government pension scheme

#### Essex Pension Fund

The Academy is one of several employing bodies included within the Essex Pension Fund.

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £52k, of which employer's contributions totalled £40k and employees' contributions totalled £12k.

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

The major assumptions used by the actuary were:

	At 31 August 2014	At May 2013
Rate of increase in salaries	4.5%	4.6%
Rate of increase for pensions in payment / inflation	2.7%	2.8%
Discount rate for scheme liabilities	4.0%	4.3%
RPI increases	3.5%	3.6%
CPI increases	2.7%	2.8%

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

	At 31 August 2014	At 1 May 2013
Retiring in 20 years		
Males	24.9	24.2
Females	27.4	26.9
Retiring today		
Males	22.7	22.7
Females	25.1	25.3

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

	Expected return at 1 Sept 2014	Value at 31 August 14	Expected return at 1 May 2013	Value at 1 May 13
Equities	6.1%	80	6.1%	41
Gilts	3.0%	8	3.0%	4
Other Bonds	3.6%	14	3.5%	5
Property	5.1%	15	5.1%	7
Cash	2.9%	4	2.9%	2
Alternative Assets	3.6%	5	3.5%	3
Total	5.3%	126	5.3%	62

The return on the fund (on a bid value to bid value basis) for the period to 31 August 2014 is estimated to be 13%. This is based on the estimated fund value used at the previous accounting date and the estimated fund value used at this accounting date. The actual return on Scheme assets was £12k.

**GRAHAM JAMES PRIMARY ACADEMY**

**Notes to the Financial Statements - continued  
For The Period 5th April 2013 to 31st August 2014**

**17. PENSION COMMITMENTS - continued**

**Local government pension scheme**

**Changes to the present value of the Scheme liabilities during the period:**

	<b>2014</b>	<b>2013</b>
	<b>£000s</b>	<b>£000s</b>
Value of Scheme liabilities at 1 September 2013	365	-
Current service cost	63	-
Interest cost	22	-
Contributions by Scheme participants	12	-
Actuarial loss / (gain) on Scheme liabilities	(21)	-
Estimated benefits paid (net of transfers in)	-	-
<b>Value of Scheme liabilities at 31 August 2014</b>	<b>441</b>	<b>=</b>

	<b>2014</b>	<b>2013</b>
	<b>£000s</b>	<b>£000s</b>
Fair value Scheme assets at 1 September 2013	62	-
Change in asset valuation	-	-
Expected return on Scheme assets	6	-
Actuarial gain/(loss) on Scheme assets	6	-
Contributions by the employer	40	-
Contributions by Scheme participants	12	-
Estimated benefits paid (net of transfers in)	-	-
<b>Fair value of Scheme assets at 31 August 2014</b>	<b>126</b>	<b>=</b>

**The amounts recognised in net incoming resources are as follows:**

	<b>2014</b>	<b>2013</b>
	<b>£000s</b>	<b>£000s</b>
Current service cost	45	-
Past service cost	-	-
Interest cost	19	-
Expected return on Scheme assets	(8)	-
<b>Expense recognised in net incoming resources</b>	<b>31</b>	<b>=</b>

**Reconciliation of opening and closing balances of the net pension asset**

	<b>2014</b>	<b>2013</b>
	<b>£000s</b>	<b>£000s</b>
Deficit at 1 September 2013	(303)	-
Change in asset valuation	-	-
Service cost	(63)	-
Employer contributions	40	-
Interest cost	(16)	-
Actuarial gain/(loss)	27	-
<b>Deficit at 31 August 2014</b>	<b>(315)</b>	<b>=</b>

**Amounts for the current and previous periods:**

	<b>2014</b>	<b>1 May 2013</b>
	<b>£000s</b>	<b>£000s</b>
Defined Benefit Obligation	(441)	(365)
Scheme assets	126	62
<b>Net liability</b>	<b>(315)</b>	<b>(303)</b>
Experience adjustments on Scheme assets	6	-

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Notes to the Financial Statements - continued For The Period 5th April 2013 to 31st August 2014**

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#### **18. CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families 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 Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

As no such events have occurred during the year nor are likely to occur in the foreseeable future, the accounts do not contain any provision against contingent liabilities.

#### **19. RELATED PARTY DISCLOSURES**

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

There are no related party transactions requiring disclosure within these accounts.