

Registered number: 07728112

**FOSSE WAY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**



**FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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The following pages do not form part of the statutory financial statements:

**FOSSE WAY SCHOOL  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**Governors**

Marian Bodman, Chair (appointed 3 August 2011)<sup>2</sup>  
Stephen Clements (appointed 1 September 2011)<sup>1</sup>  
Sean Curtis (appointed 1 September 2011)<sup>2</sup>  
David Gregory, Headteacher (appointed 3 August 2011)<sup>2</sup>  
Melissa Grady (appointed 1 September 2011)<sup>1</sup>  
Ian Harvey (appointed 1 September 2011)<sup>2</sup>  
Ben Higgins (appointed 1 September 2011)  
Professor Bruce Hood (appointed 1 September 2011)  
John Hudson (appointed 1 September 2011)<sup>2</sup>  
Jane Kemp (appointed 19 January 2012)<sup>2</sup>  
Pamela Loader (appointed 1 September 2011)<sup>1</sup>  
Mairi Lanyon (appointed 1 September 2011)<sup>2</sup>  
Bea Makin (appointed 1 September 2011)<sup>1</sup>  
Steve Murphy (appointed 3 August 2011)<sup>2</sup>  
Andrea Tate (appointed 19 January 2012)<sup>1</sup>  
Barbara Thatcher (appointed 1 September 2011)<sup>1</sup>  
Lynne Waton (appointed 1 September 2011)<sup>1</sup>  
Gareth Williams (appointed 1 September 2011)<sup>2</sup>

- <sup>1</sup> Learning, Care and Curriculum Committee  
<sup>2</sup> Business Support Committee

**Company registered  
number** 07728112

**Principal and Registered  
office** Longfellow Road  
Radstock  
Bath  
BA3 3AL

**Company secretary** Suzan Dinning

**Senior Management  
Team**

David Gregory, Headteacher  
Mairi Lanyon, Head of School  
Emily Massey, Deputy Headteacher  
Alison Reevey, Assistant Head  
Karen Baker, Primary Co-ordinator  
Tim Carter, KS4 Co-ordinator  
Tom Lovell, KS3 Co-ordinator  
Suzan Dinning, Bursar  
Jason Towells, Residential Education Manager

**Auditors**

Bishop Fleming  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

**Bankers**

National Westminster  
3 High Street  
Midsomer Norton  
Bath  
BA3 2ZY

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**Advisers (continued)**

<b>Solicitors</b>	Stone King Solicitors 13 Queen Square Bath BA1 2HJ
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**FOSSE WAY SCHOOL  
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**GOVERNORS' REPORT  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy (was incorporated on 3 August 2011 and opened as an Academy on 1 September 2011) is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Governors act as the Trustees for the charitable activities of Fosse Way School and are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served throughout the period are included in the Reference and Administration Details on pages 1 to 2.

**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 they cease to be a member.

**Governors' Indemnities**

Governors benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10.

**Principal Activity**

The principal activity of the Academy is to provide free education for pupils of different abilities between the ages of 3 and 19 with Special Educational Needs.

**GOVERNORS**

**Method of recruitment and appointment or election of Governors**

On 1st September 2011 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Governing Body as set out in its Articles of Association and funding agreement comprises of the Headteacher, a minimum of 6 Parent Governors, up to 3 Staff Governors (providing that the total number of Governors, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Governors) and up to 11 other Governors.

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

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

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**Policies and Procedures adopted for the Induction and Training of Governors**

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet 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 done informally and is tailored specifically to the individual.

**Organisational Structure**

The Board of Governors normally meets once each term (6 terms per year). The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 2 committees as follows;

- Business Support Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Learning Care & Community Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

The following decisions are reserved to the Board of Governors; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Governors, to approve the Annual Development Plan and budget.

The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Governors have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Management Team (SMT). The SMT comprises the Headteacher, Deputy Headteacher, Heads of Departments and the Bursar. The SMT implement the policies laid down by the Governors and report back to them on performance.

The Senior Leadership Team (SLT) consists of the Headteacher, Head of School, Deputy Headteacher, Assistant Headteacher, 3 Key Stage Co-ordinators, Residential Education Manager and the Bursar. The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher, Bursar and Business Support Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation.

The Headteacher is the Accounting Officer.

**Risk management**

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health & safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) 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 and this is explained in more detail in the Statement of Internal Control.

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

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The Academy has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

**Connected Organisations, including Related Party**

Westfield School (Radstock) has use of the Academy's swimming pool facilities and there is an informal shared use agreement between them and the Academy.

Fiveways School (Yeovil) has a "job share" with the Academy as a Teaching School.

The Academy has strong collaborative links with local primary/secondary schools which form part of the Norton Radstock Partnership.

Project Search is a "school to work" transition programme for young people with learning difficulties and disabilities. The programme has established relationships with the NHS Trust (Royal United Hospital, Bath) and a supported employment organisation Sirona (formerly B&NES Adult Services and Remploy).

Norton Hill (Radstock) – informal agreement to provide a learning environment for a small group of students who have aspergers to study for GCSE's and A levels.

All transactions involving any connected organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Charitable Company is the operation of Fosse Way School to provide free education and care for pupils with special education needs between the ages of 3 and 19.

The aims of the Academy during the period ended 31 August 2012 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop students as more effective learners.
- to enhance the tertiary provision and outcomes.
- to develop the Academy site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to maintain a focus upon encouraging and enabling aspirational adult outcomes for all pupils.
- to provide value for money for the funds expended.
- to fulfil the role of a Teaching School.
- to fulfil the role of a National Support School.
- to develop leadership of greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with network and alliance schools.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Fosse Way School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

GOVERNORS' REPORT (continued)  
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**Objectives, Strategies and Activities**

- To have high expectations for all;
- To work with others in the education community in mutual support for the improvement of children's learning;
- To equip children with the tools and attitudes that will enable them to become confident individuals, responsible citizens and lifelong learners.

**Achievement of Pupils**

The aims of the Academy during the period ended 31 August 2012 are summarised below:

- endeavour to raise the achievement of learners who are performing at the lower 25th percentile which currently stands at 10.7%.
- raise overall achievement in reading at key stages 3 and 4.

**Teaching**

The aims of the Academy during the period ended 31 August 2014 are summarised below:

- the Academy endeavours to raise overall achievement at all key stages using new technologies to share innovative teaching and learning methodologies across the curriculum.
- this has been enhanced by Teaching staff meeting every Thursday after school to share the use of technologies with each other, as well as training in using the School Blog and Outlook.
- to increase the number and range of accredited specialist qualifications amongst staff.
- to raise aspirations regarding learner economic wellbeing.

**Leadership and Management**

The aims of the Academy during the period ended 31 August 2013 are summarised below:

- develop appropriate administration processes and structures.

**Behaviour and Safety**

The aims of the Academy during the period ended 31 August 2014 are summarised below:

- to improve scores for 'response to curriculum' on PASS survey.

The aims of the Academy during the period ended 31 August 2013 are summarised below:

- to continue to develop student and family voice through person centred approaches across the school
- to plan and build Post 16 accommodation to include vocational and life skills areas, and
- this is an ongoing project dependant on securing funding for design work to go ahead.

**Public Benefit**

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

As an Academy we have a duty to support other schools. We support these schools through use of our premises and specialist skills in special educational needs.

**ACHIEVEMENTS AND PERFORMANCE**

Pupil numbers on roll (NOR) has increased beyond our forecast of 165. The total number of pupils in the year ending August 2012 increased to 184 due to the Academy being heavily oversubscribed.

**PUPIL ATTAINMENT & PROGRESS 2011/12**

The National Progression Guidance encourages schools to set targets in accordance with the results that the top 25% (the Upper Quartile) of pupils nationally, achieve, relative to their starting point. Below can be found the percentage of pupils across the whole ability range achieving results in the upper quartile based on their progress from a baseline at the beginning of a Key Stage compared to their attainment at the end of a Key Stage. An average result would be 25%.



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**Key Stage 1**

We are unable to produce a report with such small numbers as individuals would be easily identified and the results are not statistically significant.

**Key Stage 2**

At the end of KS2 (Y6) there were 18 pupils on roll. Results below are based upon the 7 pupils who were present for at least the last two years of the Key Stage.

SUBJECT	FOSSE WAY SCHOOL KS2 UPPER QUARTILE present for Y5 & Y6 in key stage	NATIONAL AVERAGE KS2 UPPER QUARTILE
ENGLISH	86%	25%
MATHS	58%	25%
SCIENCE	86%	25%

KS2 SATS Results 2012

Results	English	Maths
Working Below	14	14
Level 3		3
Level 4	3	1
Level 5	1	

Of the 5 students who sat SAT tests 2 were present through Y5 & Y6, of these 2 students 1 scored in the upper quartile for both Maths and English and the other student scored in the upper quartile for English and median for Maths.

Percentage of YR 6 pupils within each attainment range

	% P1-P6	%P7 -1	% Level 2+
ENGLISH	16	57	27
MATHS	16	57	27
SCIENCE	21	57	22

**Key Stage 3**

At the end of KS3 there were 10 students all of whom were present for whole key stage.

PROGRESS INDICATOR OVER THE KEY STAGE

SUBJECT	FOSSE WAY SCHOOL KS3 UPPER QUARTILE	NATIONAL AVERAGE KS3 UPPER QUARTILE
ENGLISH	54%	25%
MATHS	64%	25%
SCIENCE	50%	25%

As with KS2, the results are above the national average of 25% with at least twice as many Fosse Way students achieving the upper quartile targets than the national average. Students made more progress in Maths than in English and Science at this Key Stage a trend which continues into KS4 results.

**GOVERNORS' REPORT (continued)  
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Percentage of YR 9 students within each attainment range

	% P1-P6	%P7 -1	% Level 2+
ENGLISH	20	40	40
MATHS	20	30	50
SCIENCE	20	10	70

**Key Stage 4 Results**

There were 28 students at the end of Key Stage 4 in 2011-2012, this was a large cohort for the school with a high percentage of those students accessing at least one Level 2 qualification (75%). The population was stable and all 28 students spent at least 2 years in the key stage.

PROGRESS INDICATOR OVER THE KEY STAGE

SUBJECT	FOSSE WAY SCHOOL KS4 UPPER QUARTILE	NATIONAL AVERAGE KS4 UPPER QUARTILE
ENGLISH	60%	25%
MATHS	80%	25%
SCIENCE	74%	25%

Percentage of YR 11 students within each attainment range

	% P1-P6	%P7 -1	% Level 2+
ENGLISH	4	11	85
MATHS	4	14	82
SCIENCE	4	7	89

**KS4 Exam results**

We were delighted with the success of our students this year;

- 100% of students achieved a nationally accredited qualification at KS4
- A total of 97 GCSE's/ (Level 2 qualifications) were achieved this year which is nearly double the previous highest amount (2011 – 51 exams)  
99% of all students entered for GCSE were successful – (those who were not were absent due to medical issues)
- For the first time Fosse Way offered students up to 6 GCSE's
- In Science, Art, Maths and English and The Project L1 & L2 the vast majority of students achieved as predicted or better.

Number of GCSEs gained	Number of students
8	1
6	7
5	5
4	1
3	1
2	2
1	3

This success reflects the schools ability to flexibly respond to the changing abilities of year on year cohorts of students as well as the willingness of students to learn and the high quality of teaching across the school.

**Key Stage 5 Results**

At KS5, the course followed for most students concentrates on developing independence, social and work skills

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in preparation for further education or employment. However, there are also students taking Level 3 qualifications at the Norton Hill School satellite provision.

For the first time one of our students at Norton Hill achieved 4 A-Levels with an A\*, 2 x Grade C and Grade D in Maths, English Lit, Further Maths and Geography, and another achieved 5 A/S levels in Maths (Grade A), Further Maths (Grade A), ICT (Grade C), Physics (Grade C) and Biology (Grade E)

### **Teaching School**

The Partnership Teaching School (a job share between Fosse Way School and Fiveways School, Yeovil) was established in September 2011. Our successful application to become a Teaching School was one of only a hundred across the country (and only 7 other special schools were successful). Designation as a Teaching School is highly significant and such organisations are increasingly important in the development of education in the UK. It has been a natural extension of Fosse Way's successful history of collaboration with other schools.

Each Teaching School has an Alliance of schools that choose to work with it, and has several prescribed areas of activity. During its first year TPTS has:

- Recruited an Alliance of 67 schools including primary, infant, junior, secondary and special schools and an FE college; the Alliance is spread over a wide geographical area and incorporates and extends existing successful networks
- Has developed a substantial and expanding programme of professional development opportunities for teachers and teaching assistants currently numbering over 55.
- Worked with Initial Teacher Education providers to increase involvement of practising teachers in programmes, deliver SEN aspects of training and develop a pioneering PGCE leading to teachers being trained and qualified to work in mainstream primary and special schools.
- Made successful bids for funding specific projects including modern foreign language projects (1 for mainstream schools and 1 for special schools).  
Run several cohorts of MLDP (Middle Leader Development Programme) having successfully arranged for training of 6 facilitators so that courses could be delivered locally by local colleagues.

Both Fiveways and Fosse Way Schools have appointed Teaching School managers and administrators who work together closely. The governance of TPTS includes an executive groups and several focus groups which are led by and mainly comprise of senior leaders from Alliance schools.

### **ASD Support Service**

The local authority (B&NES) commissions Fosse Way School to provide the ASD Support Service for all B&NES schools and academies (62 primaries, 13 secondaries, 3 special). During the past year Fosse Way has been successful in retaining the contract having gone through a competitive tendering process. The service provides support and training for school staff, parents and other professionals who live and work with young people with a diagnosis of Autistic Spectrum Disorders. The service works directly with some young people and also undertakes statutory work for the local authority.

The service currently comprises 5 teachers, 3 specialist teaching assistants, some occupational therapy time and some admin support. All the staff work part time for the team and all work each week within Fosse Way School itself. The evaluations and feedback from all stakeholders is extremely positive and data is emerging to evidence the positive impact that the ASDSS has on the education and lives of the young people.

The ASDSS undertakes an annual audit of young people with a diagnosis of ASD and data has consistently indicated a prevalence of approx 1% of the school population (which fits with generally agreed prevalence across the population). The number of young people that the service directly engages with varies from year to year but through advice sessions and training opportunities the ASDSS engages with all settings where there are young people with ASD.

### **Norton Hill satellite (A5)**

Fosse Way has a number of students with Asperger's Syndrome who attend Norton Hill School. This is a

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specialist provision that has been running for several years and is run by a teacher and teaching assistant from Fosse Way School. The nominal capacity is 6 students but it will depend on need and age. Students attend mainstream lessons at Norton Hill and as much as possible function as if on roll of Norton Hill. However there is a class base for them that can be used at registration and unstructured time such as break/lunch, for 1:1 or small group work and as a sanctuary when they need to take some time out.

There have been notable successes with students previously excluded from mainstream schools or needing special school provision, or becoming school refusers. This year's leavers included a student who transferred from a mainstream secondary school following near permanent exclusion achieving a number of A-C grade GCSE and transferring to local FE provision, to a student who achieved required A level grades to be accepted to Cardiff University to read maths.

### **Project Search**

Project Search is a "school to work" transition programme for young people with learning difficulties and disabilities. The programme is run through a partnership between educators (Fosse Way School), an employer (Royal United Hospital, Bath) and a supported employment organisation (Sirona, formerly B&NES Adult Services and Remploy).

Young people spend their final year in fulltime education (transferring from other schools as well as Fosse Way) to Project Search and each day is spent at the RUH. Fosse Way provides a teacher and teaching assistant (who works as a job coach), the RUH provides a classroom, and Sirona provide a job coach. It is therefore modelled on braided funding but through provision of resources rather than actual funding.

Project Search has been extremely successful in achieving permanent employment for the young people. All the students who completed the course in July 2012 are now employed except for 2 who are not seeking employment for personal/health reasons.

This academic year there are 11 young people taking the course, of whom 6 are from Fosse Way School. Following an induction period which all members of staff at RUH must complete, the students take up internships across the hospital in one of the 30 plus departments who would like a Project Search intern. Every student spends part of each day in the classroom completing an Employability qualification.

The Project Search model has been highly praised by OFSTED, and is mentioned within 'Support and Aspiration' and other government documents.

### **Extended Services**

The school offers a range of activities including:-

- Two Playschemes during October, February, Easter and summer holidays. The schemes cover the age ranges 3-8 years and 9-19 years and are open to young people attending other schools as well as Fosse Way School pupils and their siblings. The schemes have been overall rated as good/outstanding. 300 children attended throughout at least one of the schemes.
- A range of lunchtime and after school clubs takes place for all ages within the school. The after-school clubs include; Hydro session, Bath Sports club, Film club, Yoga club, Cycling club, Football club, Playzone club, SWALLOW Youth club, Sensory club, Swimming lessons and an Arts and Craft club. Lunchtime clubs include; Choir club, Playing together club, Chess club, Dance club and Computer club. These lunchtime clubs are well attended by pupils of all ages. In total, 16 different after-school and lunchtime clubs have met over the last year. Numbers of children attending; Terms 1 & 2 = 73, Terms 3 & 4 = 68, Terms 5 & 6 = 69
- A range of Parents and Family Support activities have been on offer, including a regular parent coffee support group for parents and carers to attend; this includes regular visitors from outside agencies. Each week an average of 10 parents/carers attend.
- Family Social events also have taken place. These have included; a family Christmas disco, a family play day in partnership with Bath and North East Somerset 'Play Team', a sponsored family bike ride in partnership with SWALLOW and Three Ways School and a family park and picnic.
- Parent workshops also take place within the school and through Bath City College 'Family Learning'

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parents/carers have set up and continued 'Me Time' and arts and craft group that runs weekly during the school term. 5 parents regularly attend the 'Me Time' each week. A free basic literacy course also runs alongside the 'Me Time', which is attended by several parents.

- In term 4 a "Person Centred Planning" workshop ran for parents and carers of Fosse Way. This workshop was attended by 5 parents.
- In term 5 a "Housing Information" session ran for parents/carers of Fosse Way. This gave parents/carers information on preparing for Housing needs in transition, housing options, benefits and housing allowance. This session was highly attended with 11 parents attending.
- In term 6, an Ipad workshop ran for parents/carers of Fosse Way. This workshop focused on a step by step guide on how to use an Ipad and relevant apps that could be downloaded by the parents to use at home. These included; sensory apps, academic apps, communication apps and visual apps. This workshop was attended by 4 parents.
- Community learning also took place in terms 1 and 2 with a "Computer for Beginners" course that ran for 9 weeks. This was attended by 5 people from the local community.
- End of term Parent Support Group meetings take place before each Awards Assembly, offering "signposting" and general advice to parents/carers through leaflets etc. These are well attended.
- A families and carer closed Facebook page has also been set up for families and carers of Fosse Way School. The aim of this was to enable families and carers to network and share information and ideas. The Extended Services Co-ordinator uses the page to share up to date information with families and carers. It also creates social interaction between families of pupils attending Fosse Way School. There are 49 members on the "Fosse Way School Families & Carers network" Facebook page.
- 'Working with Families'-Specific 'Home Support' is currently on offer to families at Fosse Way. Trained members of staff focus on a specific area of concern with families in their own home such as; help with specific behaviour, toileting, sleeping, and eating. Over the last year 6 families have been supported within their home.

### **SEN network**

The SEN Network continues to both provide and broker a range of services on behalf of the 21 local schools, including speech & language and occupational therapy. There are also a wide range of professional development opportunities provided for the schools focusing upon special educational needs relating to individual pupil needs, through classroom organisation to whole school strategic issues.

There has been a significant increase in demand from mainstream Primary Schools to support pupils with social skills, self-esteem and anger management issues. Schools also agreed this year to provide increased funding contributions to enable further expansion of current services.

The Norton Radstock Headteacher group are in the process of creating a more formalised approach to their collaboration through the establishment of a School Company.

### **Fosse Way House**

Fosse Way House was inspected by OFSTED as part of a Residential Inspections in March 2012 and was judged to be Outstanding in all areas.

### **Going Concern**

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

### **Key Financial Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is restricted. In period under review, £17,719 was carried forward representing 1% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2012 were 184, an increase of 9 over 2011. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2012 this was 96%. Staffing costs as a percentage of recurrent funding was 85% in 2012.

## **FINANCIAL REVIEW**

### **Financial Review**

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2012 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 DfE and 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 useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2012, total expenditure of £3,696,760 was covered by recurrent grant funding from the DfE, together with other incoming resources of £3,854,089. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension deficit) was £137,453.

The Academy received other income of £107,553 from lettings, external catering and the provision of a Cafe to the local community during the year. Other income represents 3% of income for the year.

At 31 August 2012 the net book value of fixed assets was £6,998,832 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 August 2012 at £6,534,969. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget deficit of £1,019 was transferred across on conversion and is shown as Unrestricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 25 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending.

Governors have adopted a Responsible Officer Policy and appointed Richard Denning to undertake a programme of internal checks on financial controls. During the year, the Governors received the initial report from the Responsible Officer which contained no matters of significance.

### **Financial and Risk Management Objectives and Policies**

The Academy has agreed a Risk policy and Risk Register. The policy has been discussed by Governors and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually, insufficient capacity resulted in the risk register not being constructed until mid-year but this has now been formulated and will be presented at the next Business Support Committee.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of

**FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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systems to assess and minimise those risks, including internal controls described elsewhere.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Business Support Committee meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 87% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependant on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness of the above factors.

**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 take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

**Investment Policy**

**FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

**PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

The Academy has been designated as a teaching school and national support school and will seek additional funding for its operations.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy and its Governors do not act as the Custodian Trustees of any other Charity.

**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.

The auditors, Bishop Fleming, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

This report was approved by order of the members of the Governing Body on 4.12.12 and signed on its behalf by:



**Marian Bodman**  
Governor



**FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

**GOVERNANCE**

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

Governor	Meetings attended	Out of a possible
Marian Bodman	6	6
Stephen Clements	6	6
Sean Curtis	4	6
David Gregory	6	6
Melissa Grady	2	6
Ian Harvey	6	6
Ben Higgins	3	6
Professor Bruce Hood	1	6
John Hudson	5	6
Jane Kemp	3	3
Pamela Loader	3	6
Mairi Lanyon	6	6
Bea Makin	4	6
Steve Murphy	4	6
Andrea Tate	2	3
Barbara Thatcher	4	6
Lynne Waton	4	6
Gareth Williams	6	6

The **Business Support Committee** is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the governing body by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Steve Murphy	5	5
Marian Bodman	5	5
Sean Curtis	3	5
David Gregory	5	5
Ian Harvey	4	5
John Hudson	2	5
Jane Kemp	2	3
Mairi Lanyon	3	5
Gareth Williams	4	5

**GOVERNANCE STATEMENT (continued)**

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**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 Fosse Way School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Business Support 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 (as set 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 Richard Denning as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period 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 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 Business Support Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (continued)

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Approved by order of the members of the Governing Body on <sup>4.12.12</sup> and signed on their behalf, by:

*M J Bodman*

**Marian Bodman**  
Governor

**FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Fosse Way School I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

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

 4.12.12

**David Gregory**  
Accounting Officer

**FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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The Governors (who act as trustees for charitable activities of Fosse Way 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, 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities Statement Of Recommended Practice;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 <sup>4-12-12</sup> and signed on its behalf by:



**Marian Bodman**  
Governor

**Date:**

**FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOSSE WAY SCHOOL**

We have audited the financial statements of Fosse Way School for the period ended 31 August 2012 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the 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.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOSSE WAY SCHOOL**

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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.



Joseph Scaife FCA DChA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

Date: 11/12/12

**FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FOSSE WAY SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 09 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Fosse Way School during the period 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF FOSSE WAY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Fosse Way School's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook as published by DfE in 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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



FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FOSSE WAY  
SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

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**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 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Bishop Fleming**  
Chartered Accountants

16 Queen Square  
Bristol  
BS1 4NT

Date: 11/12/12

**FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES  
(incorporating income and expenditure account and statement of recognised gains and losses)  
FOR THE PERIOD ENDED 31 AUGUST 2012**

	Note	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Transfer from Local Authority on conversion	3	(1,019)	(972,000)	215,832	(757,187)
Transfer from Fosse Way School on conversion	3	38,951	-	6,650,879	6,689,830
Other voluntary income	3	7,500	-	28,815	36,315
Activities for generating funds	4	107,553	-	-	107,553
Incoming resources from charitable activities	5	127,479	3,543,791	-	3,671,270
<b>TOTAL INCOMING RESOURCES</b>		<b>280,464</b>	<b>2,571,791</b>	<b>6,895,526</b>	<b>9,747,781</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	11	194,730	3,410,313	186,174	3,791,217
Governance costs	7	-	21,453	-	21,453
<b>TOTAL RESOURCES EXPENDED</b>	10	<b>194,730</b>	<b>3,431,766</b>	<b>186,174</b>	<b>3,812,670</b>
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS</b>					
		<b>85,734</b>	<b>(859,975)</b>	<b>6,709,352</b>	<b>5,935,111</b>
Transfers between Funds	20	-	(103,306)	103,306	-
<b>NET INCOME FOR THE YEAR</b>		<b>85,734</b>	<b>(963,281)</b>	<b>6,812,658</b>	<b>5,935,111</b>
Actuarial gains and losses on defined benefit pension schemes		-	(159,000)	-	(159,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>85,734</b>	<b>(1,122,281)</b>	<b>6,812,658</b>	<b>5,776,111</b>
Total funds at 3 August 2011		-	-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2012</b>		<b>85,734</b>	<b>(1,122,281)</b>	<b>6,812,658</b>	<b>5,776,111</b>

All activities relate to continuing operations.

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

The notes on pages 27 to 46 form part of these financial statements.

**FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
REGISTERED NUMBER: 07728112**

**BALANCE SHEET  
AS AT 31 AUGUST 2012**

	Note	£	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	16		6,812,658
<b>CURRENT ASSETS</b>			
Stocks	17	982	
Debtors	18	82,810	
Cash at bank and in hand		218,113	
		<u>301,905</u>	
<b>CREDITORS:</b> amounts falling due within one year	19	<u>(164,452)</u>	
<b>NET CURRENT ASSETS</b>			<u>137,453</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Defined benefit pension scheme liability	25		<u>6,950,111</u> <u>(1,174,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>5,776,111</u></u>
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds:			
General funds	20	51,719	
Fixed asset funds	20	6,812,658	
Restricted funds excluding pension liability		<u>6,864,377</u>	
Pension reserve		<u>(1,174,000)</u>	
Total restricted funds			5,690,377
Unrestricted funds	20		<u>85,734</u>
<b>TOTAL FUNDS</b>			<u><u>5,776,111</u></u>

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

*M J Bodman*

**Marian Bodman**  
Governor

*D. Gregory 4.12.12*

**David Gregory**  
Headteacher

The notes on pages 27 to 46 form part of these financial statements.

**FOSSE WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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	<b>Note</b>	<b>2012 £</b>
Net cash flow from operating activities	22	<b>332,149</b>
Capital expenditure and financial investment		<b>(113,017)</b>
Cash deficit transferred on conversion to an academy trust	24	<b>(1,019)</b>
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>218,113</b>

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

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	<b>2012 £</b>
Increase in cash in the period	<b>218,113</b>
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>218,113</b>
<b>NET FUNDS AT 31 AUGUST 2012</b>	<b>218,113</b>

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The notes on pages 27 to 46 form part of these financial statements.

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

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

**1.2 GOING CONCERN**

The governors have assessed 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 have made this assessment in respect of a period of one year from the date of approval of the financial statements. The governors conclude that it is appropriate to prepare the accounts on the going concern basis for the period ended 31 August 2012.

**1.3 COMPANY STATUS**

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

**1.4 FUND ACCOUNTING**

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

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

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

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

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1. ACCOUNTING POLICIES (continued)

1.5 INCOMING RESOURCES

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

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

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

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

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

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

1.6 RESOURCES EXPENDED

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £500 are capitalised.

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

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

Freehold property	-	2% straight line
Plant and equipment	-	15% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	20% straight line

**1.8 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.9 TAXATION**

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

**1.10 PENSIONS**

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

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

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

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**1. ACCOUNTING POLICIES (continued)**

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**1.11 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 accounting method.

The assets and liabilities transferred on conversion from Fosse Way 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 Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Land and buildings have been transferred from the previous Grant Maintained Fosse Way School on a freehold basis at depreciated replacement cost as valued by EFA at 31 August 2012, whilst other fixed assets have been included at amounts valued by the governors.

Further details of the transaction are set out in note 24.



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**FOR THE PERIOD ENDED 31 AUGUST 2012**

**2. GENERAL ANNUAL GRANT (GAG)**

**Fosse Way School**

	2012 £
<b>Result and Carry Forward for the Year</b>	
GAG Allocation for current year	3,122,547
<b>Total GAG Available to spend</b>	3,122,547
Recurrent expenditure from GAG	(3,020,626)
Fixed assets purchased from GAG	(84,202)
<b>GAG Carried forward to next year</b>	17,719
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(374,706)
<b>GAG to surrender to DfE</b>	(356,987)
(12% rule breached if result is positive)	No breach

**3. VOLUNTARY INCOME**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Transfer from Local Authority on conversion	(1,019)	(756,168)	(757,187)
Transfer from Fosse Way School on conversion	38,951	6,650,879	6,689,830
Subtotal detailed disclosure	37,932	5,894,711	5,932,643
Donations	7,500	28,815	36,315
Voluntary income	45,432	5,923,526	5,968,958

**4. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Lettings	24,027	-	24,027
External Catering	29,668	-	29,668
Cafe Catering	53,858	-	53,858
	107,553	-	107,553

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**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Education	127,479	3,543,791	3,671,270

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

**Fosse Way School**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
<b>DFE/EFA revenue grant</b>			
General Annual Grant	-	3,122,547	3,122,547
Pupil Premium	-	8,647	8,647
16-18 Bursary	-	2,000	2,000
Insurance Grant	-	21,704	21,704
Devolved formula capital	-	19,104	19,104
	-	3,174,002	3,174,002
<b>Other government grants</b>			
LA Funding	-	15,218	15,218
ASD Support Service Income	-	142,059	142,059
Holiday Playscheme	-	36,726	36,726
	-	194,003	194,003
<b>Other funding</b>			
Internal catering income	21,116	-	21,116
Teaching Schools	-	84,898	84,898
Staff Illness Insurance	-	45,706	45,706
Placement Income	-	27,500	27,500
Project Search Student Work Experience Funding	-	14,000	14,000
Staff Recharge Income	59,715	-	59,715
Consultancy Income	9,750	-	9,750
Training Income	9,198	-	9,198
Other miscellaneous income	27,700	3,682	31,382
	127,479	175,786	303,265
	127,479	3,543,791	3,671,270

**FOSSE WAY SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**6. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Education	<u>194,730</u>	<u>3,596,487</u>	<u>3,791,217</u>

**7. GOVERNANCE COSTS**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Auditors' remuneration	-	5,000	5,000
Responsible Officer Costs	-	1,000	1,000
Legal and Professional	-	15,374	15,374
Other costs	-	79	79
	<u>-</u>	<u>21,453</u>	<u>21,453</u>

**8. DIRECT COSTS**

	Education £	Total 2012 £
Pension actuarial costs	47,000	47,000
Educational supplies	93,042	93,042
Examination fees	6,038	6,038
Staff development	28,516	28,516
Other costs	97,737	97,737
Supply teachers	5,480	5,480
Recruitment and other staff costs	10,584	10,584
Heat and light	20,434	20,434
Catering	72,605	72,605
Wages and salaries	2,511,094	2,511,094
National insurance	176,849	176,849
Pension cost	302,998	302,998
	<u>3,372,377</u>	<u>3,372,377</u>

FOSSE WAY SCHOOL  
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NOTES TO THE FINANCIAL STATEMENTS  
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9. SUPPORT COSTS

	Education £	Total 2012 £
Other costs	19,351	19,351
Maintenance of premises and equipment	28,756	28,756
Cleaning	5,473	5,473
Rates	14,853	14,853
Heat and light	39,222	39,222
Insurance	44,248	44,248
Security and transport	26,531	26,531
Technology costs	6,235	6,235
Office overheads	46,401	46,401
Bank interest and charges	1,596	1,596
Depreciation	186,174	186,174
	<u>418,840</u>	<u>418,840</u>

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £
Education	2,990,941	186,174	614,102	3,791,217
Governance	-	-	21,453	21,453
	<u>2,990,941</u>	<u>186,174</u>	<u>635,555</u>	<u>3,812,670</u>

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2012 £	Support costs 2012 £	Total 2012 £
Education	3,372,377	418,840	3,791,217

**FOSSE WAY SCHOOL  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**12. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging:

	<b>2012 £</b>
Depreciation of tangible fixed assets:	
- owned by the charity	<b>186,174</b>
Auditors' remuneration	<b>5,000</b>
Auditors' remuneration - non-audit	<b>3,100</b>
	<b><u>194,274</u></b>

During the period, no Governors received any benefits in kind.

1 Governor received reimbursement of expenses amounting to £79 in the current period.

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**13. STAFF COSTS**

Staff costs were as follows:

	<b>2012</b>
	<b>£</b>
Wages and salaries	2,511,094
Social security costs	176,849
Other pension costs (Note 25)	302,998
	<u>2,990,941</u>

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

	<b>2012</b>
	<b>No.</b>
Teachers	20
Teaching Assistants	34
REO's	6
Administration	7
Premises	6
Catering	4
Management	8
	<u>85</u>

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

	<b>2012</b>
	<b>No.</b>
In the band £60,001 - £70,000	2
In the band £70,001 - £80,000	1
In the band £90,001 - £100,000	1
	<u>4</u>

All four of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £40,630.

**14. GOVERNORS' REMUNERATION**

During the period retirement benefits were accruing to 4 Governors in respect of defined benefit pension schemes.

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration was as follows: David Gregory, Headteacher £100,860; Mairi Lanyon, Staff Governor £80,674; Bea Makin, Staff Governor £12,662; Lynne Waton, Staff Governor £23,862. During the year ended 31 August 2012, travel and subsistence expenses totalling £79 were reimbursed to 1 governor.

**FOSSE WAY SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. 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 £10,000,000 on any one claim and the cost for the period ended 31 August 2012 was included in the total insurance premium payable of £24,502.

**16. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant, equipment, fixtures & fittings £	Motor vehicles £	Computer equipment £	Total £
<b>COST</b>					
Additions	74,094	14,859	32,814	10,354	132,121
Transfer on conversion	6,668,879	133,027	13,200	51,605	6,866,711
At 31 August 2012	<u>6,742,973</u>	<u>147,886</u>	<u>46,014</u>	<u>61,959</u>	<u>6,998,832</u>
<b>DEPRECIATION</b>					
Charge for the period	117,792	36,489	10,963	20,930	186,174
At 31 August 2012	<u>117,792</u>	<u>36,489</u>	<u>10,963</u>	<u>20,930</u>	<u>186,174</u>
<b>NET BOOK VALUE</b>					
At 31 August 2012	<u><u>6,625,181</u></u>	<u><u>111,397</u></u>	<u><u>35,051</u></u>	<u><u>41,029</u></u>	<u><u>6,812,658</u></u>

**17. STOCKS**

	2012 £
Catering Stock	982
	<u>982</u>

**18. DEBTORS**

	2012 £
Trade debtors	7,755
Other debtors	13,029
Prepayments and accrued income	62,026
	<u>82,810</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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19. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012
	£
Trade creditors	119
Social security and other taxes	57,562
Other creditors	18,143
Accruals and deferred income	88,628
	<u>164,452</u>
	£
<b>DEFERRED INCOME</b>	
Resources deferred during the year	<u>7,959</u>

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	-	280,464	(194,730)	-	-	85,734
<b>RESTRICTED FUNDS</b>						
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	-	3,122,547	(3,020,626)	(84,202)	-	17,719
Pupil premium	-	8,647	(8,647)	-	-	-
Devolved formula capital	-	19,104	-	(19,104)	-	-
16-18 bursary	-	2,000	(2,000)	-	-	-
Other LA funding	-	15,218	(15,218)	-	-	-
Insurance Reimbursement	-	21,704	(21,704)	-	-	-
Staff Illness Insurance Income	-	45,706	(45,706)	-	-	-
Teaching Schools Income	-	84,898	(50,898)	-	-	34,000
Other Income	-	223,967	(223,967)	-	-	-
Pension reserve	-	(972,000)	(43,000)	-	(159,000)	(1,174,000)
	<u>-</u>	<u>2,571,791</u>	<u>(3,431,766)</u>	<u>(103,306)</u>	<u>(159,000)</u>	<u>(1,122,281)</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. STATEMENT OF FUNDS (continued)**

**RESTRICTED FIXED ASSET FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	-	6,866,711	-	-	-	6,866,711
Fixed assets purchased from GAG	-	-	-	84,202	-	84,202
Devolved formula capital	-	-	-	19,104	-	19,104
Donation towards mini bus	-	23,815	-	-	-	23,815
Donation towards soft play area	-	5,000	-	-	-	5,000
Depreciation	-	-	(186,174)	-	-	(186,174)
	-	6,895,526	(186,174)	103,306	-	6,812,658
Total restricted funds	-	9,467,317	(3,617,940)	-	(159,000)	5,690,377
Total of funds	-	9,747,781	(3,812,670)	-	(159,000)	5,776,111

**RESTRICTED FUNDS**

The General Annual Grant (GAG) represents funding received from the EFA/YPLA during the period in order to fund the continuing activities of the school.

Pupil premium funding represents amounts received from the EFA/YPLA to cater for disadvantaged pupils.

Devolved formula capital grants represent funding from the EFA/YPLA to cover the maintenance and purchase of the schools assets.

The 16-18 Bursary is funding received from the EFA/YPLA for pupils over the age of 16.

Other LA funding includes the following:

An additional grant of £7,600 from Bath and North East Somerset Council;

Maternity funding of £5,329 to cover maternity pay from Bath and North East Somerset Council;

Other grants from Bath and North East Somerset Council totalling £2,289 made up of other smaller grants.

Insurance Reimbursement is funding received from the EFA/YPLA to fund the Academy's insurance expense during the period.

Staff Illness Insurance income is income received to pay for supply staff to cover staff illness.

The Teaching Schools income is received from Bath and North East Somerset Council as the Academy is part of the Teaching Schools network.

Other restricted income consists of £142,059 from Bath and North East Somerset Council for the use of

**FOSSE WAY SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**20. STATEMENT OF FUNDS (continued)**

facilities at the Academy and £36,726 from Bath and North East Somerset for the provision of a playscheme in the school holidays. Other restricted income consists of income for student placements at local colleges and in work experience, along with various small amounts of other restricted funds received.

The pension fund represents the Local Government Pension Scheme deficit.

**FIXED ASSETS FUND**

Fixed assets transferred on conversion represent the building and equipment donated to the school from Bath and North East Somerset Council Local Authority on conversion to an academy.

Fixed assets purchased from GAG represent funding from the GAG used to purchase fixed asset additions.

The devolved formula capital grant represent amounts spent from this EFA grant on fixed assets.

Donations represent amounts donated to be spent on specific fixed asset additions.

Depreciation is the depreciation cost expensed to the SOFA.

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	280,464	(194,730)	-	-	85,734
Restricted funds	-	2,571,791	(3,431,766)	(103,306)	(159,000)	(1,122,281)
Restricted fixed asset funds	-	6,895,526	(186,174)	103,306	-	6,812,658
	-	9,747,781	(3,812,670)	-	(159,000)	5,776,111

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
Tangible fixed assets	-	-	6,812,658	6,812,658
Current assets	85,734	216,170	-	301,904
Creditors due within one year	-	(164,451)	-	(164,451)
Provisions for liabilities and charges	-	(1,174,000)	-	(1,174,000)
	85,734	(1,122,281)	6,812,658	5,776,111

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**22. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2012 £
Net incoming resources before revaluations	5,935,111
Net assets transferred on conversion	(5,893,692)
Depreciation of tangible fixed assets	186,174
Capital grants from DfE	(19,104)
Increase in stocks	(982)
Increase in debtors	(82,810)
Increase in creditors	164,452
Defined benefit pension scheme adjustments	43,000
<b>NET CASH INFLOW FROM OPERATIONS</b>	<b>332,149</b>

	2012 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	
Purchase of tangible fixed assets	(132,121)
Capital grants from DfE	19,104
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<b>(113,017)</b>

**23. ANALYSIS OF CHANGES IN NET DEBT**

	3 August 2011 £	Cash flow £	Other non-cash changes £	31 August 2012 £
Cash at bank and in hand:	-	218,113	-	218,113
<b>NET FUNDS</b>	<b>-</b>	<b>218,113</b>	<b>-</b>	<b>218,113</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24. CONVERSION TO AN ACADEMY TRUST**

On 1 September 2011 Fosse Way School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Fosse Way School from Bath and North East Somerset Local Authority for £NIL consideration with the exception of the freehold property which was transferred from Fosse Way School 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 net amount recognised in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold land and buildings	-	-	6,650,879	6,650,879
- Other tangible fixed assets	-	-	215,832	215,832
Budget deficit on LA funds	(1,019)	-	-	(1,019)
LGPS pension deficit	-	(972,000)	-	(972,000)
Net assets/(liabilities)	<u>(1,019)</u>	<u>(972,000)</u>	<u>6,866,711</u>	<u>5,893,692</u>

The above net assets and liabilities include £Nil that were transferred as cash.

**25. PENSION COMMITMENTS**

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

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

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

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

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

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

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**25. PENSION COMMITMENTS (continued)**

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

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £186,000, of which employer's contributions totalled £134,000. The agreed contribution rate for future years are 10.2% for employers and 5.5% to 6.8% for employees.

As described in note 24 the LGPS obligation relates to the employees of the Academy, 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

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**25. PENSION COMMITMENTS (continued)**

transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	2012 £
Present value of funded obligations	(2,135,000)
Fair value of scheme assets	961,000
	<hr/>
Net liability	(1,174,000)
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The amounts recognised in the Statement of financial activities are as follows:

	2012 £
Current service cost	(130,000)
Interest on obligation	(94,000)
Expected return on scheme assets	47,000
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Total	(177,000)
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Movements in the present value of the defined benefit obligation were as follows:

	2012 £
Current service cost	130,000
Interest cost	94,000
Contributions by scheme participants	52,000
Actuarial Losses	182,000
Liability transferred on conversion	1,677,000
	<hr/>
Closing defined benefit obligation	2,135,000
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**25. PENSION COMMITMENTS (continued)**

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

	<b>2012</b>
	<b>£</b>
Expected return on assets	47,000
Actuarial gains and (losses)	23,000
Contributions by employer	134,000
Contributions by employees	52,000
Asset transferred on conversion	705,000
	<u>961,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £159,000.

The Academy expects to contribute £153,000 to its Defined benefit pension scheme in 2013.

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

	<b>2012</b>
Equities	58.50 %
Bonds	24.50 %
Property	7.40 %
Cash/liquidity	1.80 %
Other	7.80 %

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

	<b>2012</b>
Discount rate for scheme liabilities	4.50 %
Expected return on scheme assets at 31 August	5.53 %
Rate of increase in salaries	3.80 %
Rate of increase for pensions in payment / inflation	2.30 %

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

	<b>2012</b>
Retiring today	
Males	22.8
Females	25.7
Retiring in 20 years	
Males	25.1
Females	28.1

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**25. PENSION COMMITMENTS (continued)**

Amounts for the current period are as follows:

Defined benefit pension schemes

	2012 £
Defined benefit obligation	(2,135,000)
Scheme assets	961,000
	<u>(1,174,000)</u>
Deficit	(1,174,000)
Experience adjustments on scheme liabilities	(182,000)
Experience adjustments on scheme assets	23,000
	<u>23,000</u>

**26. OPERATING LEASE COMMITMENTS**

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2012 £	Other 2012 £
<b>EXPIRY DATE:</b>		
Between 2 and 5 years	-	3,006
	<u>-</u>	<u>3,006</u>

**27. 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 organisation, 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.

No such transactions have occurred during the period.

**28. CONTROLLING PARTY**

The company is under the joint control of the Governors. There is no ultimate controlling party.