

REGISTERED COMPANY NUMBER: 07847021 (England and Wales)

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

McCabe Ford Williams
Statutory Auditors &
Chartered Accountants
Bank Chambers
1 Central Avenue
SITTINGBOURNE
Kent
ME10 4AE

SATURDAY



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15/12/2012
COMPANIES HOUSE

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

	Page
Reference and Administrative Details	1
Report of the Governors	2-7
Governance Statement	8-11
Statement On Regularity, Propriety And Compliance	12
Statement of Governors' Responsibilities	13
Independent Auditor's Reports	14-16
Statement of Financial Activities (incorporating an Income and Expenditure account and a Statement of Total Recognised Gains and Losses)	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Cash Flow Statement	20
Notes to the Financial Statements	21-38

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

Registered Company number
07847021 (England and Wales)

Registered office
Graveney Primary School
Seasalter Road
Graveney
Faversham
Kent
ME13 9DU

Governors

Mrs Alison Blackwell	- appointed 01 09 12	
Mr Andrew Bowles	- appointed 14 11 11	
Mrs Sarah Dunkin	- appointed 28 03 12	
Mr Russell Kitto	- appointed 28 03 12	
Mrs Dreena Knibbs	- appointed 28 03 12	
Mrs Anita Memmott	- appointed 28 03 12	
Mr Neil Murray	- appointed 28 03 12	
Mr Barry Snashall - Chair	- appointed 14 11 11	
Mrs Joanna Wakeman	- appointed 28 03 12	
Mrs Lisa Evans	- appointed 14 11 11	resigned 31 08 12
Mrs Georgina O'Shea	- appointed 28 03 12	resigned 31 08 12
Rev Gillian Reed	- appointed 28 03 12	resigned 31 08 12
Mr Peter Howarth	- appointed 01 11 12	
Mrs Victoria Keep	- appointed 01 11 12	
Mrs Rebecca Stebbes	- appointed 01 11 12	

Mrs Alison Blackwell, Mr Neil Murray, Mrs Sarah Dunkin and Mrs Dreena Knibbs are staff governors

Senior Management Team

Mrs Alison Blackwell	Headteacher
Miss Goodsell	Senior teacher
Mrs Dreena Knibbs	Business Manager

Auditors

Liam McHugh ACA (Senior Statutory Auditor)
McCabe Ford Williams
Statutory Auditors and
Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Bankers

Lloyds TSB Bank plc, 49 High Street, Canterbury, Kent, CT1 2SE

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE GOVERNORS
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

The Governors present their annual report together with the financial statements and auditors' report of the academy for the period 14 November 2011 to 31 August 2012

INCORPORATION

The company was incorporated on 14 November 2011 and commenced trading on 1 February 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Governors act as the Trustees for the activities of Graveney Primary School and are also the Directors of the company for the purposes of company law.

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

Members' Liability

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

Governors' Indemnities

Subject to the provisions of the Companies Act 2006, every Governor, officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

Principal Activities

The principal activity of the Academy is to provide for the public benefit education by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

The number of Governors (Directors) shall be not less than three and shall not be subject to any maximum.

Members may appoint up to 5 governors and any number of staff governors, providing the number of staff governors does not exceed one third of total governors.

The Chairman of each Local Governing Body shall be a Governor, appointed by the Governing Body.

The Headteacher shall be treated for all purposes as being an ex officio Governor.

There shall be a minimum of 2 Parent Governors, elected by the Parent Members of the Advisory Bodies/Local Governing Bodies. Parent Governors must be a parent of a registered pupil of Graveney Primary School or of one of the other local Academies. Any election of Parent Governors which is contested will be held by secret ballot.

If the number of Parents standing is less than the number of vacancies, the number of Parent Governors required will be made up Parent Governors appointed by the Governing Body.

The Governors may appoint up to three co-opted Governors. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Headteacher).

REPORT OF THE GOVERNORS
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Method of Recruitment and Appointment or Election of Governors - continued

The Secretary of State may appoint Additional Governors as he thinks fit if a warning notice has been given to the Governors because the standards of performance are unacceptably low, there is a serious breakdown in the way the Academy is managed and the safety of staff and pupils is threatened and following this, the Governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period

The Secretary of State may also appoint Additional Governors following an inspection by the Chief Inspector in accordance with the Education Act 2005 and the Academy Trust receives an Ofsted grading which amounts to a drop, either from one inspection to the next inspection or between any two inspections carried out within a five year period

The Secretary of State may also appoint Further Governors as he thinks fit if a Special Measures Termination Event occurs

Policies and Procedures Adopted for the Induction and Training of Governors

The induction provided for new Governors is tailored to their existing experience, with training provided on charity, educational, legal and financial matters as necessary. Copies of the policies, procedures, minutes, accounts, budget, plans and any other necessary documents that they will need to undertake their role as a Governor will be made available. Each new Governor is also allocated a mentor Governor to support them in their new role.

Ongoing training is available through Kent County Council Governor Services. They provide an annual calendar of training events in addition to online training that all Governors can access. The Academy will also employ bespoke trainers where deemed necessary. Training sessions for all Governors are arranged at the School on appropriate topics, usually once per year. A Governor is designated to oversee and collate the training records and to arrange bespoke sessions. Governors are also invited by the Headteacher to attend Staff training sessions, where appropriate.

Organisational Structure

The Governors are responsible for the strategic direction of the School, making major decisions and monitoring the activities of the School. This is achieved through six meetings a year of the Full Governing Body and meetings of Working Parties set up to look at specific areas of the School's activities. The Governors are responsible for monitoring the performance of the Headteacher on a regular basis.

The Headteacher is assisted by the Senior Management Team, including the Business Manager and the teaching and administrative staff.

Risk Management

The Governors have assessed the major risks to which the School is exposed, in particular those relating to the delivery of the curriculum, provision of facilities, Health & Safety and other operational areas and its finances.

Measures are in place through policies and procedures to minimise those risks that can be quantified. Appropriate insurances are also in place.

Connected Organisations, including Related Party Relationships

The School has no subsidiaries and is not connected to any other organisation.

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE GOVERNORS
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

OBJECTIVES AND ACTIVITIES

Objects and Aims

The School's object is to advance for the public benefit education in the Graveney area of Kent, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a primary school offering a broad and balanced curriculum

The School aims to

Ensure that the School's curriculum continues to meet the needs of its students, and staff continue to aspire to the highest standards of teaching and learning in its delivery

Continually review the curriculum and its delivery in order to ensure that it meets the needs of its students, encourages high aspirations and enables them to fulfil their potential

Provide excellent CPD opportunities for all staff Further develop the use of ICT in school to support teaching and learning and administration within school

Continue to develop the PSHCE provision with particular focus on health, sex, drugs, life skills and citizenship education

Objectives, Strategies and Activities

Governors' Strategic Vision Statement based on the principles of Every Child Matters

At Graveney Primary School we believe that every child has the right to.

- Be healthy
- Stay Safe
- Enjoy and Achieve
- Make a positive contribution and
- Achieve economic well-being

We want every child in our school to

- Be a successful learner
- Engage
- Shine and
- Reach for the stars!

This means that we are committed to providing a happy, secure, safe and purposeful environment where our children can learn successfully and develop fully and seek to

- Value every individual, acknowledging their uniqueness and their different skills and attributes
- Work with every child and their family to ensure that their learning needs are met and that they achieve the highest standards possible
- Provide wide-ranging opportunities to support every child's all-round personal development, including their spiritual, moral, social and cultural development
- Encourage every individual to have high aspirations, recognising their own potential and supporting others in achieving theirs

REPORT OF THE GOVERNORS
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

OBJECTIVES AND ACTIVITIES - continued

Therefore we will

- Respect each individual as a unique child who is accepted as part of our diverse school community where we promote life choices which support the health and well-being of the individual
- Endeavour to provide a safe and secure environment in which our children feel supported and encouraged from all staff that care for them. This will include fostering respect for self, other children and adults and the world around us
- Provide wide-ranging academic and personal development opportunities that encourage each individual to enjoy and achieve and be their best
- Develop each child's skills, attributes and capacities that enable them to develop high aspirations with enquiring minds and the ability to listen and question, to encourage self-motivation, self-discipline and make positive contributions
- Encourage a strong partnership with parents, staff and governors who have a genuine pride in the education and social development of the children, the school and the wider community

In support of this we provide a broad and balanced curriculum that promotes the spiritual, moral, cultural, academic and physical developments of pupils in our school and of society and prepares our pupils for the opportunities, responsibilities and experiences of adult life

Public Benefit

The Governors confirm that they have complied with the duties in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set

The public benefit of Graveney Primary School is the advancement of education within the local community

ACHIEVEMENTS AND PERFORMANCE

The School had 105 students on roll (maximum capacity)

Targets have been set for all pupils in the school. These are linked to the priorities in the school improvement plan and staff performance management targets. The school has set challenging targets this year aimed at increasing the standards achieved in both KS1 and KS2

There are currently 18% of children who are on the Special Needs register. They are mainly supported through the school's provision map, this is a document for each year group that identifies individuals and groups showing their additional support. Teaching assistants are used from each class to support groups of children. Children's progress is carefully tracked using SIMs Assessment Manager. All vulnerable groups are monitored and any actions addressed through the school improvement plan

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 Statement of Accounting Policies

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE GOVERNORS
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

FINANCIAL REVIEW

The Academy's accounting period covers a seven month trading period from 1 February 2012 to 31 August 2012

The majority of the School's income is obtained from the YPLA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also received grants for fixed assets from the YPLA and via the local authority. In accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed assets fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The School is in its first year of operation having taken over the previous educational activity of Graveney Primary School operating as a Community School, and has made investment that includes acquiring the fixed assets of the predecessor Community School.

Financial and Risk Management Objectives and Policies

The future financial and risk management objectives for the Academy include

- Ensuring that the impact from the current tightening of funding in the public sector is fully taken into consideration when decisions about future spending are taken.

Principal Risks and Uncertainties

The principal risk and uncertainty in respect of the School relates to the future funding available. The School mitigates this risk as far as possible by preparing budgets which are reviewed by the Governors to ensure that the level of anticipated funding is sufficient to meet the requirements of the School. Monitoring of actual performance to budgets is undertaken monthly by the Finance Monitoring Pair and the full Governing Body. Any shortfall identified is considered by the Governors and remedial action taken with a view to balancing the budget.

Reserves Policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments of the School, including future capital projects, and the nature of the reserves. The Governors keep the level of the reserves under review.

Investment Policy

The School is limited to the amount of reserves that it is able to hold and in general these need to be readily accessible. The practice is, therefore, to keep any reserves in an interest bearing bank account.

Plans for Future Periods

The School seeks continuous improvement in its provision of education and a similar improvement in its fixed assets and its resources.

Funds held as Custodian Trustee on behalf of others

The Governors hold no funds as custodian trustee.

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE GOVERNORS
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

Auditors

In so far as the Governors are aware.

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information

Approved by order of the members of the Governing Body on 29th November 2012 and signed on its behalf by:



Barry Snashall
Chair

• **GRAVENEY PRIMARY SCHOOL**
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Graveney Primary 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 Graveney Primary 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.

The Finance Monitoring Pair monitor actual performance to budgets and report to the full Governing Body. The Governing Body has an agreed decision planner which identifies the decisions to be made by the full Governing Body, Monitoring Pair and the Headteacher.

Governance

The Governing body operates a "Circle Model" of governance. This method has been evaluated and implemented to ensure that the body is truly Strategic. The Governing Body works as a whole team, meeting 6 times per year, once in each term, without any separate committees. An agenda for each meeting will include all the tasks which the Governing Body is required to consider, and the Governing Body will 'commission' assignments or activities arising from the business of the meeting, which will be recorded in the minutes.

In addition to 'commissioning' activities or actions on their behalf, the Governing Body may wish to delegate monitoring activities to 'Monitoring Pairs' or individuals. This could apply to statutory functions, and/or the priorities of the School Plan.

In each case where a function has been delegated, there is a statutory duty to report any action or decision to the Governing Body at the next meeting.

The Governing Body creates an annual Strategic Focus for each academic year, each member then completes an annual self review and the Strategic document is then evaluated to ensure that the objectives have been achieved.

The Governors' Strategic Vision Statement is included above, in the 'Objectives and Activities' section.

The Governing Body takes a strategic approach to monitoring under the 'Circle Model'. We are the critical friend to the school and ensure legal responsibilities are being adhered to by reviewing, monitoring visits and Headteacher performance monitoring. We are responsible for setting and reviewing the policies and procedures for the school. We contribute to, and review the School Improvement Plan and Self Evaluation Forms to ensure that they are in line with the aims of the school.

We engage in dialogue with all the stakeholders for the success of the school and create a strong working relationship with the Senior Management Team by maintaining strategic focus and not interfering with operational matters.

Working Together

We believe that success is built on working together. Graveney Primary School Board of Governors works with all stakeholders for the benefit of the children, their education and the future success of the school.

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

Membership

Barry Snashall ~ Parent Governor ~ Chair

Responsible for Budget Monitoring, Attainment/learning/progress, Leadership & Management, Headteacher Performance Management

Andrew Bowles ~ LA Governor ~ Vice Chair

Responsible for Budget Monitoring, Leadership & Management, Parish Council contact, Health & Safety

Alison Blackwell ~ Headteacher Governor (Principal)

Responsible for Teaching & Assessment, Leadership & Management

Neil Murray ~ Staff Governor

Responsible for Teaching & Assessment, Leadership & Management

Dreena Knibbs ~ Community Governor

Responsible for Leadership and Management

Russell Kitto ~ Community Governor

Responsible for Attainment/Learning/Progress, Headteacher Performance Management, Leadership and Management

Jo Wakeman ~ Community Member

Responsible for AEN/CP/Safeguarding, Learning for LDD and progress, Headteacher Performance Management, Leadership and Management

Anita Memmott ~ Parent Governor

Responsible for Personal Development & Wellbeing inc ECM, Leadership & Management, Training & development, Community cohesion panel

Sarah Dunkin ~ Staff Governor

Responsible for Early Years Goals, Early Years, Leadership & Management, Training & Development

Vicky Keep ~ Parent Governor

Responsible for Early Years Goals (shadow), Leadership & Management

Pete Howarth ~ Parent Governor

Responsible for Learning for LDD and Progress (shadow), Leadership & Management

Becky Stebbeds ~ Parent Governor

Responsible for Personal Development & Wellbeing inc ECM, Leadership and Management

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

Meetings since incorporation

<u>Name</u>	<u>Appointed</u>	<u>Resigned</u>	<u>Meetings attended</u>
Mrs Alison Blackwell	01/09/12		1 of 1
Mr Andrew Bowles	14/11/11		3 of 5
Mrs Sarah Dunkin	28/03/12		4 of 4
Mr Russell Kitto	28/03/12		4 of 4
Mrs Dreena Knibbs	28/03/12		3 of 4
Mrs Anita Memmott	28/03/12		3 of 4
Mr Neil Murray	28/03/12		3 of 4
Mr Barry Snashall - Chair	14/11/11		5 of 5
Mrs Joanna Wakeman	28/03/12		3 of 4
Mrs Lisa Evans	14/11/11	31/08/2012	5 of 5
Mrs Georgina O'Shea	28/03/12	31/08/2012	3 of 4
Rev Gillian Reed	28/03/12	31/08/2012	4 of 4
Mr Peter Howarth	01/11/12		-
Mrs Victoria Keep	01/11/12		-
Mrs Rebecca Stebbeds	01/11/12		-

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 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 Graveney Primary School for the period 14 November 2011 to 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 14 November 2011 to 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

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

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

The Risk and Control Framework - continued

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 Joanna Wakeman, an external sufficiently qualified individual, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a 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 year in question the review has been informed by

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

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

Approved by order of the members of the Governing Body on 29 November 2012 and signed on its behalf by



Barry Snashall
Chair



Alison Blackwell
Accounting Officer

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

As accounting officer of Graveney Primary School I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Alison Blackwell
Accounting Officer

Date: 29 November 2012

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

The Governors (who act as Trustees for the activities of Graveney Primary School and are also the Directors of the company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the year. In preparing these financial statements, the governors are required to:

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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 academy 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 academy 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 Young People's Learning Agency, Education Funding Agency and Department for Education have been applied for the purposes intended

In so far as the governors are aware

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

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy'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 29 November 2012 and signed on its behalf by



Barry Snashall
Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

We have audited the financial statements of Graveney Primary School for the period 14 November 2011 to 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Young People's Learning Agency.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's Governors 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 company and the company's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Statement of Governors' Responsibilities set out on page thirteen, the Governors 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements 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 company's affairs as at 31 August 2012 and of its surplus for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006, and
- have been prepared in accordance with the Annual Accounts Direction 2011/12 issued by the Young People's Learning Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

Liam McHugh ACA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date 29 November 2012

INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY
OF GRAVENEY PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagements letter dated 31 August 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 Graveney Primary School for the period ended 31 August 2012 have been applied to the purpose identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Graveney Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Graveney Primary 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 Graveney Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of Graveney Primary School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Graveney Primary School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook as published by the DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purpose 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 ended 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 Trust's income and expenditure. We have included in our examination testing of a sample of:

- Payments to staff,
- Payments to suppliers and other third parties,
- Grant and other income streams.

We have reviewed the Financial Management and Governance Evaluation self assessment return prepared by the Academy and made enquiries of the Accounting Officer thereon. We have reviewed minutes and other evidence made available to us, relevant to our consideration of regularity.

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 ended 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Liam McHugh ACA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE
Date 29 November 2012

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
AND A STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	31 08 12 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income – transfer from	3 &	33,688	(156,000)	1,274,565	1,152,253
Local Authority on conversion	24				
Voluntary income	3	2,815	-	-	2,815
Activities for generating funds	4	7,459	-	-	7,459
Investment income	5	29	-	-	29
Incoming resources from charitable activities					
Funding for the Academy's educational operations	6	-	274,628	5,136	279,764
Total incoming resources		43,991	118,628	1,279,701	1,442,320
RESOURCES EXPENDED					
Cost of generating funds					
Fundraising trading	9	16,681	466	-	17,147
Charitable activities					
Academy's educational operations	8	525	277,163	11,996	289,684
Governance costs	10	-	5,350	-	5,350
Total resources expended	7	17,206	282,979	11,996	312,181
Net incoming resources before transfers		26,785	(164,351)	1,267,705	1,130,139
Gross transfers between funds	18	(3,351)	3,351	-	-
Net income/(expenditure) for the year before other recognised gains and losses		23,434	(161,000)	1,267,705	1,130,139
Other recognised gains/losses					
Actuanal gains/(losses) on defined benefit pension schemes	22	-	(7,000)	-	(7,000)
Net movement in funds		23,434	(168,000)	1,267,705	1,123,139
RECONCILIATION OF FUNDS					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		23,434	(168,000)	1,267,705	1,123,139

All of the Academy's activities derive from acquisitions during the above financial period

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

BALANCE SHEET
AS AT 31 AUGUST 2012

		31 08 12 £	31 08 12 £
	Notes		
FIXED ASSETS			
Tangible assets	14		1,264,947
CURRENT ASSETS			
Stocks	15	51	
Debtors amounts falling due within one year	16	12,160	
Cash at bank and in hand		<u>22,661</u>	
		34,872	
CREDITORS			
Amounts falling due within one year	17	<u>(8,680)</u>	
NET CURRENT ASSETS			<u>26,192</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,291,139</u>
NET ASSETS EXCLUDING PENSION LIABILITY			1,291,139
Pension scheme liability	22		<u>(168,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>1,123,139</u>
FUNDS OF THE ACADEMY:			
RESTRICTED FUNDS			
Fixed asset funds	18	1,267,705	
General funds	18	-	
Pension fund	18	<u>(168,000)</u>	
TOTAL RESTRICTED FUNDS			1,099,705
UNRESTRICTED FUNDS			
General funds	18	<u>23,434</u>	
TOTAL UNRESTRICTED FUNDS			<u>23,434</u>
TOTAL FUNDS			<u>1,123,139</u>

The financial statements on pages seventeen to thirty eight were approved by the Governors, and authorised for issue on 29 November 2012 and signed on their behalf by



Barry Snashall
 Chair

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

		31 08 12
	Notes	£
Net cash inflow from operating activities	1	5,286
Returns on investments and servicing of finance	2	29
Cash transferred on conversion to an academy trust	25	14,588
Capital expenditure and financial investment	2	2,758
Increase/(decrease) in cash in the period		<u>22,661</u>
Reconciliation of net cash flow to movement in net funds/debt	3	
Increase in cash in the period		22,661
Net funds at 14 November 2011		
Net funds at 31 August 2012		<u>22,661</u>

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

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

	31 08 12
	£
Net incoming resources	1,130,139
School buildings transfer included within donations (note 24)	(1,274,565)
Depreciation charges (note 14)	11,996
FRS17 deficit taken over (note 22)	156,000
Cash transferred on conversion to an academy trust (note 24)	(14,588)
Capital grant from DfE and other capital income (note 6)	(5,136)
Interest received (note 5)	(29)
FRS 17 pension cost less contributions payable (note 22)	1,000
FRS 17 pension finance cost (note 22)	4,000
Increase in stocks	(51)
Increase in debtors	(12,160)
Increase in creditors	8,680
	<u>8,680</u>
Net cash inflow from operating activities	<u>5,286</u>

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

	31 08 12
	£
Returns on investments and servicing of finance	
Interest received	29
	<u>29</u>
Net cash inflow for returns on investments and servicing of finance	<u>29</u>
 Capital expenditure and financial investment	
Purchase of tangible fixed assets	(2,378)
Capital grants from DfE/EFA	5,136
	<u>5,136</u>
Net cash outflow for capital expenditure and financial investment	<u>2,758</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 14 11 11	Cash flow	At 31 08 12
	£	£	£
Net cash			
Cash at bank and in hand	-	22,661	22,661
Bank overdraft	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>22,661</u>	<u>22,661</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Annual Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

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

Incoming resources

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

Grants receivable

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

Donations

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

Other income

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

Donated services and gifts in kind

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 Academy's policies.

Resources expended

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

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

1 ACCOUNTING POLICIES - continued

Costs of generating funds

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

Charitable activities

These are costs incurred on the Academy's educational operations

Governance costs

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governor's meetings and reimbursed expenses. All resources expended are inclusive of irrecoverable VAT

Conversion to an Academy

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 Graveney Primary 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 Graveney Primary School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 24

Tangible fixed assets

Assets are capitalised on a case by case basis, after consideration by the Governors. Once capitalised, tangible fixed assets are carried at cost, net of depreciation and any provision for impairment

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

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

Leasehold buildings	- straight line over 50 years
School equipment	- straight line over 5 years
Fixtures and fittings	- straight line over 5 years
Motor vehicles	- straight line over 5 years
Computer equipment	- straight line over 4 years

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

1. ACCOUNTING POLICIES - continued

Leasehold property

The land and buildings from which the academy operates are leased from Kent County Council for a period of 125 years. Rentals payable in respect of this lease are one peppercorn per annum. Under the terms of the lease the risks and rewards of ownership have been substantially transferred to Graveney Primary School and accordingly to reflect its use, the value of the property has been included in fixed assets with an appropriate credit to voluntary income within the restricted fixed asset fund. The property was valued at depreciated replacement cost by professional valuers who specialise in public sector property valuation. The valuation was specifically carried out in accordance with the capital accounting requirements of the Charities SORP 2005.

Leased assets

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

Stock

Catering stocks are valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow moving items.

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.

Pensions benefits

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 quadrennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

1. ACCOUNTING POLICIES - continued

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Young People's Learning Agency 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 Education Funding Agency/Young People's Learning Agency and Kent County Council

2 GENERAL ANNUAL GRANT (GAG)

a. Results and carry forward for the Year

	31 08 12
	£
GAG brought forward from previous year	-
Add GAG allocation for current year	262,854
Less Rebasing adjustment	<u>(1,574)</u>
Total GAG available to spend	261,280
Less Recurrent expenditure from GAG	(264,631)
Less Capital expenditure from GAG	-
Less Other expenditure transferred from GAG fund	-
Add Transfer from unrestricted funds to GAG fund	<u>3,351</u>
GAG carried forward to next year	-
Less Maximum permitted GAG carried forward at end of current year (12% of allocation of current year)	<u>(31,542)</u>
GAG to surrender to DfE (12% rule breached if rule is positive)	<u>(31,542)</u>
	no breach

The estimated number of pupils used to calculate the GAG income for the period 14 November 2011 to 31 August 2012 was 101. Actual pupil numbers at 31 January 2012 were 100. The EFA has carried out a rebasing exercise to adjust the funding received for the April to August 2012 period to take account of the January 2012 census. This has resulted in a rebasing adjustment of £1,574 which will be deducted from a future GAG payment.

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

2. GENERAL ANNUAL GRANT (GAG) - continued

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

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

	31 08 12 £
Recurrent expenditure from GAG in current year	(264,631)
Less transfer from unrestricted funds to cover expenditure	3,351
GAG allocation for current year	261,280
GAG allocation for the previous year x 2%	<u>-</u>
GAG brought forward from previous year in excess of 2% used on recurrent expenditure in current year (2% rule breached if result is positive)	<u>-</u>
	no breach

3. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	31 08 12 Total Funds £
Capital donations on transfer	-	1,274,565	1,274,565
Other donations on transfer	33,688	(156,000)	(122,312)
Other donations during the period	<u>2,815</u>	<u>-</u>	<u>2,815</u>
	<u>36,503</u>	<u>1,118,565</u>	<u>1,155,068</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	31 08 12 Total Funds £
School trip income	427	-	427
Music lessons	997	-	997
After School Club	1,044	-	1,044
Catering	4,519	-	4,519
Student placement income	249	-	249
Student insurance	<u>223</u>	<u>-</u>	<u>223</u>
	<u>7,459</u>	<u>-</u>	<u>7,459</u>

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	31 08 12 Total Funds £
Deposit account interest	29	-	29
	<u>29</u>	<u>-</u>	<u>29</u>

6 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	31 08 12 Total Funds £
DfE/EFA CAPITAL GRANT			
EFA capital grant	-	5,136	5,136
	<u>-</u>	<u>5,136</u>	<u>5,136</u>
DfE/EFA REVENUE GRANTS			
General Annual Grant (GAG) (note 2)	-	261,280	261,280
Other DfE/EFA grants	-	8,892	8,892
	<u>-</u>	<u>270,172</u>	<u>270,172</u>
OTHER GOVERNMENT GRANTS			
Pupil premium	-	3,990	3,990
Music grant	-	466	466
	<u>-</u>	<u>4,456</u>	<u>4,456</u>
	<u>-</u>	<u>279,764</u>	<u>279,764</u>

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

7. RESOURCES EXPENDED

	Staff Costs £	Premises Costs £	Other Costs £	31 08 12 Total £
Costs of generating voluntary income				
Costs of activities for generating funds	4,068	-	13,079	17,147
<i>Academy's educational operations</i>				
Direct costs	181,212	12,283	40,644	234,139
Allocated support costs	42,913	2,904	9,728	55,545
	<u>224,125</u>	<u>15,187</u>	<u>50,372</u>	<u>289,684</u>
Governance costs including allocated support costs	-	-	5,350	5,350
	<u>228,193</u>	<u>15,187</u>	<u>68,801</u>	<u>312,181</u>

Incoming/outgoing resources for the year include

	31 08 12 £
Auditors' remuneration	4,000
Auditors' remuneration for non-audit work	1,350
Depreciation – owned assets	<u>11,996</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	31 08 12 Total £
Direct costs			
Teaching and educational support staff costs	-	179,831	179,831
Premises expenses	525	11,758	12,283
Depreciation	-	11,996	11,996
Educational supplies	-	3,805	3,805
Professional fees	-	9,552	9,552
Staff development	-	1,381	1,381
Other direct costs	-	15,291	15,291
	<u>525</u>	<u>233,614</u>	<u>234,139</u>

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	Unrestricted Funds £	Restricted Funds £	31 08 12 Total £
Allocated support costs			
Support staff costs	-	42,913	42,913
Maintenance of premises and equipment	-	909	909
Professional fees	-	2,375	2,375
Cleaning	-	176	176
Rates and water	-	113	113
Insurance	-	1,379	1,379
Light and heat	-	327	327
FRS17 interest less expected return on assets	-	4,000	4,000
Other support costs	-	3,353	3,353
		<u>55,545</u>	<u>55,545</u>
	<u>525</u>	<u>289,159</u>	<u>289,684</u>

9. FUNDRAISING TRADING. COST OF GOODS SOLD AND OTHER COSTS

	Unrestricted Funds £	Restricted Funds £	31 08 12 Total £
Catering expenses	8,087	-	8,087
Staff expenses	4,068	-	4,068
Pupil related activities	1,349	-	1,349
Music lessons	3,228	466	3,694
Closing stock	(51)	-	(51)
	<u>16,681</u>	<u>466</u>	<u>17,147</u>

10. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	31 08 12 Total £
Auditor's remuneration			
Audit of financial statements	-	4,000	4,000
Accounts preparation	-	1,100	1,100
Other non audit services	-	250	250
	<u>-</u>	<u>5,350</u>	<u>5,350</u>

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

11. STAFF COSTS

Staff costs during the period were

	31 08 12
	£
Wages and salaries	182,535
Social security costs	12,687
Pension costs	28,258
	<u>223,480</u>

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

	31 08 12
Charitable activities	
Teachers and educational support	6
Administration and support	2
Management	<u>2</u>
	<u>10</u>

The number of employees whose emoluments fell within the following bands (pro-rated) was

	31 08 12
£60,001 - £70,000	<u>1</u>

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for this member of staff amounted to £4,527

12. GOVERNORS' REMUNERATION AND EXPENSES

The Headteacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of the Headteacher's remuneration, including employer pension contributions, was £39,771. The value of Staff Governor's remuneration was, including employer pension contributions, was £60,246.

During the period ended 31 August 2012, travel and subsistence expenses totalling £208 were reimbursed to the Governors as a body.

Related party transactions involving the Governors are set out in note 23.

13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

14. TANGIBLE FIXED ASSETS

	Leasehold Property £	Computer Equipment	Totals
COST			
At 14 November 2011	-	-	-
Transfer on conversion	1,274,565	-	1,274,565
Additions	-	2,378	2,378
At 31 August 2012	1,274,565	2,378	1,276,943
 DEPRECIATION			
At 14 November 2011	-	-	-
Charge for year	11,735	261	11,996
At 31 August 2012	11,735	261	11,996
 NET BOOK VALUE			
At 31 August 2012	1,262,830	2,117	1,264,947

Included in cost or valuation of leasehold property is leasehold land of £268,721 which is not being depreciated

15. STOCKS

	31 08 12
	£
Catering	51

16. DEBTORS

	31 08 12
	£
Other debtors	9,294
VAT	486
Prepayments and accrued income	2,380
	12,160

• **GRAVENEY PRIMARY SCHOOL**
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 08 12
	£
Other creditors	1,574
Accrued expenses	7,106
	<u>8,680</u>

18. FUNDS

	Balance at 14 November 2011 £	Incoming Resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2012 £
Restricted general funds					
General Annual Grant (GAG)	-	261,280	(264,631)	3,351	-
Other DfE/YPLA grants	-	13,348	(13,348)	-	-
Pension reserve	-	-	(5,000)	(163,000)	(168,000)
	<u>-</u>	<u>274,628</u>	<u>(282,979)</u>	<u>(159,649)</u>	<u>(168,000)</u>
Restricted fixed asset funds					
Transfer of property	-	1,274,565	(11,735)	-	1,262,830
Donations of other assets	-	-	-	-	-
Devolved capital expenditure	-	5,136	(261)	-	4,875
YPLA Annual Capital Maintenance Fund	-	-	-	-	-
	<u>-</u>	<u>1,279,701</u>	<u>(11,996)</u>	<u>-</u>	<u>1,267,705</u>
Total restricted funds	<u>-</u>	<u>1,554,329</u>	<u>(294,975)</u>	<u>(159,649)</u>	<u>1,099,705</u>
Unrestricted funds					
Unrestricted funds	-	43,991	(17,206)	(3,351)	23,434
	<u>-</u>	<u>43,991</u>	<u>(17,206)</u>	<u>(3,351)</u>	<u>23,434</u>
Total funds	<u>-</u>	<u>1,598,320</u>	<u>(312,181)</u>	<u>(163,000)</u>	<u>1,123,139</u>

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

18. FUNDS - continued

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG to the next accounting period of which up to 2% can be used for recurrent expenditure, however the balance must be used for capital purposes

Other restricted general funds

Funding is provided by Government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities

Restricted fixed asset funds

Funding is provided by way of Government grants or capital expenditure from the GAG in order to acquire specified fixed assets for use by the Academy in achieving its educational objectives

A one-off transfer of buildings and other fixed assets previously in use by Graveney Primary School occurred upon conversion to an Academy

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the Academy

Transfers between funds

A total of £3,351 was transferred from unrestricted funds to GAG to cover the cost of expenditure

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total Funds £
Tangible fixed assets	-	-	1,264,947	1,264,947
Current assets	25,140	6,974	2,758	34,872
Current liabilities	(1,706)	(6,974)	-	(8,680)
Pension scheme liability	-	(168,000)	-	(168,000)
	<u>23,434</u>	<u>(168,000)</u>	<u>1,267,705</u>	<u>1,123,139</u>

20. OPERATING LEASE COMMITMENTS

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

	31 08 12 £
Other	
Expiring within two and five years inclusive	<u>961</u>
	<u>961</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

21 MEMBERS LIABILITY

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

22. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £Nil were payable to the schemes at 31 August

Teachers' Pension Scheme

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

22. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' Pension Scheme - continued

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 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 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 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme 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 the assets held in separate trustee-administered funds. The total contribution made for the period 14 November 2011 to 31 August 2012 was £15,000, of which employer's contributions totalled £12,000 and employees' contributions totalled £3,000.

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

	31 08 12
Discount rate	3.9%
Price increases	2.7%
Expected return on scheme assets	5.2%
Future salary increases	4.1%
Future pension increases	1.9%

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

22. PENSION AND SIMILAR OBLIGATIONS - continued

Local Government Pension Scheme - continued

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

	31 08 12
Retiring today	
Males	20 0
Females	24 0
Retiring in 20 years	
Males	22 0
Females	25 9

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

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	241,000	247,000	254,000
Projected service cost	22,000	23,000	24,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	238,000	247,000	257,000
Projected service cost	22,000	23,000	24,000

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

	Expected return at 31 August 2012	Fair value at 31 August 2012 £
Equities	5.9%	56,000
Gilts	2.8%	1,000
Other bonds	3.9%	10,000
Property	3.9%	8,000
Cash	0.5%	2,000
Target return portfolio	4.4%	2,000
Total market value of assets		79,000
Present value of scheme liabilities		
-Funded		(247,000)
Surplus/(deficit) in the scheme		(168,000)

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

22. PENSION AND SIMILAR OBLIGATIONS - continued

Local Government Pension Scheme - continued

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

The actual return on scheme assets was £4,000

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

	Defined benefit pension plans 31 08 12 £
Current service cost (net of employee contributions)	13,000
Total operating charge	13,000
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	2,000
Interest on pension liabilities	(6,000)
Pension finance income/(costs)	(4,000)

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £7,000 loss.

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

	Defined benefit pension plans 31 08 12 £
Opening defined benefit obligation	217,000
Current service cost	13,000
Contributions by scheme participants	3,000
Interest cost	6,000
Actuarial losses	8,000
	247,000

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

22. PENSION AND SIMILAR OBLIGATIONS - continued

Local Government Pension Scheme - continued

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

	Defined benefit pension plans 31 08 12 £
Opening fair value of scheme assets	61,000
Contributions by employer	12,000
Contributions by scheme participants	3,000
Expected return	2,000
Actuarial gains	1,000
	79,000

The estimated value of employer contributions for the year ended 31 August 2013 is £20,000

Amounts for the current period are as follows

	31 08 12
Defined benefit pension plans	
Defined benefit obligation	(247,000)
Fair value of scheme assets	79,000
Surplus /(Deficit)	(168,000)
Experience adjustments on scheme assets	1,000
Experience adjustments on scheme liabilities	-

23. RELATED PARTY TRANSACTIONS

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

My Music – a company which Mrs Anita Memmott, a Governor, wholly owns with her husband

Transactions totalling £2,660, relating to the provision of music lessons took place in the period. There were no amounts outstanding at 31 August 2012.

The Governing Body as a whole was reimbursed £208 in expenses relating to a staff function during the period.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 14 NOVEMBER 2011 TO 31 AUGUST 2012

24 CONVERSION TO AN ACADEMY TRUST

On 1 February 2012 the Graveney Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Graveney Primary School from the Kent County Council Local Authority for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income 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 SOFA

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total Funds £
Tangible fixed assets				
Land and buildings	-	-	1,274,565	1,274,565
Other tangible fixed assets	-	-	-	-
Budget surplus/(deficit) on LA funds	33,688	-	-	33,688
Budget surplus/(deficit) on other school funds	-	-	-	-
LGPS pension surplus/(deficit)				
Borrowing obligations	-	(156,000)	-	(156,000)
Other identified assets and liabilities				
	<u>33,688</u>	<u>(156,000)</u>	<u>1,274,565</u>	<u>1,152,253</u>

The above net assets include £14,588 that were transferred as cash