

CAISTOR GRAMMAR SCHOOL
(a company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011

Company Registration Number: 07330058
(England and Wales)

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CAISTOR GRAMMAR SCHOOL
COMPANY INFORMATION
PERIOD ENDED 31 AUGUST 2011

Governors	Date of appointment	Position
L Fell	1.12.10	(Chair)
J Colley	1.12.10	(Vice Chair)
B Ruffell-Ward	1.12.10	
L Jackson	1.12.10	
Rev Canon I Robinson	1.12.10	
Dr N Sumbwanyambe	1.12.10	
H Butt	14.3.11	
A Lyons	1.12.10	
R Hale	1.12.10	Headmaster
D Hewitt	1.12.10	
R Hood	1.12.10	
E Kaye	1.12.10	
R McGlone-Healey	8.4.11	
A McLaren	1.12.10	
M Shaw	1.12.10	
M Croft	1.12.10	
A Pearson	1.12.10	
A Gould	1.12.10	
H S Field	1.12.10 (resigned 24.1.11)	

Company Secretary I Pounder

**Headmaster and
Registered Office** R T Hale
Caistor Grammar School
Church Street
Caistor
Lincolnshire
LN7 6QJ

Company Registration Number 07330058

Auditors Baker Tilly UK Audit LLP
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Bankers Lloyds TSB plc
High Street Lincoln Branch
PO Box 1000
BX1 1LT

Solicitors Bates & Mountain
7 Market Place
Caistor
Lincolnshire

The Governors present their report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2011.

The financial statements have been prepared in accordance with the accounting policies of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee with no share capital (registration no 7330058) 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 trustees for charitable activities of the Academy and are also the directors of the Charitable Company for the purpose of company law. The Charitable Company is known as Caistor Grammar School. The articles of association require the members of the charitable company to appoint at least four Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

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 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 cease to be a member.

Governors

All of the Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

Foundation and Co-opted Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. Parent Governors, Teacher Governors and Staff Governors are elected by a ballot of their respective constituencies. Governors retire after four years in office, except for the Headmaster who is ex-officio.

The Governors who were in office at 31 August 2011 and served throughout the period, except where shown, are listed on page 2.

Since 1 December 2010, the date of our incorporation as an Academy, the Governors have held five full meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction provides training on charity and educational legal and financial matters. All new Governors are given a tour of the Academy and the chance to meet with staff and students. 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.

Organisational Structure

The Academy opened on 1 December 2010. The structure consists of three levels: the Governors, the Senior Leadership Team and various teaching and non-teaching staff managing their sections. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Senior Leadership Team consists of the Headmaster, the Deputy Headteacher and four Assistant Headteachers. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, although the appointment boards for teaching staff always contain one Governor. Some spending control is devolved to Heads of Departments, Sections and Functions.

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school 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 school grounds) and internal financial controls (see below) 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 following statement:

Objective, Aims and Public Benefit

The principal object and activity of the charitable company is the operation of Caistor Grammar School to advance for the public benefit education for pupils between the ages of 11 and 18 who have qualified for a place by passing the 11 plus.

We have referred to the Charity Commission's 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 aims and objectives of the Academy are set out in the Academy's Development Plan. Our Development Plans run throughout the academic years from September to August, so we are already operating under the 2011-12 Plan, but below we summarise the main objectives of the Academy for the 2010-11 year:

1. To establish a new structure and explore the opportunities provided by Academy status.
2. To develop our curriculum and promote excellence in teaching and learning.
3. To promote our work as a Sports College and Humanities School.
4. To ensure that we operate our school financially within the context of the resources available, planning strategically for future years as well as carefully managing funds in the year ahead.

Strategies and activities

The Academy's main strategy is encompassed in its mission:

We seek to use lively minds, to work hard, to develop all our talents and to grow by sharing.

To this end the activities provided include: a wide ranging focus on improving teaching and learning standards where possible; a large number of activities designed to widen our students' understanding through sport, music and drama; we run a very active House system which organises many events; we run a large number of trips and international visits to promote our students' understanding of the world.

Equal opportunities policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy is committed to equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to some of the main areas of the Academy.

Achievements and performance

Caistor Grammar School is a school and it therefore has the aspirations and objectives which you might expect to see in any such institution. We are also a selective school and high academic achievement is an important objective every year. Last year our results were exceptionally good. We achieved the highest GCSE results the school has ever achieved and broke many long-standing school records. We have out-performed not only every other school in Lincolnshire but also many leading independent schools. We have just been ranked as 54th in the country in the Sunday Times Parent Power list (up from 61st the year before). This is based on our 2011 examination results at both A level and GCSE. It is the 8th year running that we have been the leading school in Lincolnshire in Parent Power. At A level, we have been the leading school in Lincolnshire for 9 years running. Company Directors (Governors) are, however, vigorous in ensuring that any shortfall in performance in any section of the school is addressed and remedied.

Our Chair of Governors, upon taking up office, declared that her most important hope for the school was that we would be a happy institution. Our Mission Statement sees this happiness being achieved through the fulfilment of pupils' potential and through their active engagement with one another in projects which bring about academic growth and community growth through the sharing of effort and talent. There have been many activities in the last 12 months which help build this vision. Our School play, "The Sound of Music" performed in October 2010 was a stunning success. The very large cast worked with a huge behind the scenes contingent of staff, parents and students to delight three large audiences. We also continue to excel in sport. Our athletics teams took 7 of the 9 Superzone cups on offer for the second year running and at the recent Sports Assembly celebrating the last 12 months of sporting endeavour, it is clear that the number of participants in the sporting life of the school has never been higher. They brought their commitment to achieve highly. Our Boys' Year 9 football team are reigning County Champions from last year. Autumn and Summer Concerts demonstrated the dazzling musical life of the School. We were privileged to have a number of quite outstandingly talented musicians in last year's Upper Sixth and their contribution to the life of the School last year was exceptional. We worked hard last year to achieve the Careers Mark which reflects the excellent provision we make for our students as they plan for their future lives. We also achieved the International Schools Award for the second time last year and we are very proud of the amount of trips and activities which we organise to enhance our studies and widen our understanding of the world. This last year included going to China, Russia, Morocco, Bormio in Italy for skiing, Ypres in Belgium to visit the World War 1 Battle Fields as well as our annual residential Outdoor Pursuits trip, Geography field trip and Biology field trip.

We believe that Caistor Grammar School provides an excellent platform to help our students grow as people and good citizens. We are exceptionally proud of the destinations of our students on leaving school. They are increasingly ambitious and their high expectations are rewarded, as a result of their hard work and the excellence of our teaching.

Achievements and performance (continued)

The School is in good heart and is already making further strides in bringing about even better achievements in the year to come.

FINANCIAL REVIEW

Most of the Academy's income is obtained from the Department of Education (DfE/YPLA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/YPLA during the period ended 31 August 2011 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/YPLA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2011, total expenditure of £2,768,000 was more than covered by recurrent grant funding from the DfE/YPLA together with incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds) was £231,000.

At 31 August 2011 the net book value of fixed assets was £5,546,000 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

As at 31 August 2011 the FRS17 pension deficit amounted to £198,000.

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. They are committed to maintaining a reserve sufficient to allow the Academy to cope with any projected deficits for the next two financial years if possible.

Principal risks and uncertainties

The Governors believe that the principal risk and uncertainty for the future lies with the proposed changes to several areas of the Academy's funding, including changes to Sixth Form funding and the allocation method proposed for certain grants which have now been mainstreamed into GAG. However, they are already planning strategically to minimise the impact of these changes on the activities of the Academy.

Investment policy

The Finance Officer liaises closely with Lloyds TSB Bank to ensure the best available rate of return on our reserve.

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.

Plans for future periods

The Governors have a Development Plan for the coming year and are committed to planning strategically in terms of developing our curriculum, our personnel, our facilities and improving our results in all ways in so far as this is possible.

Auditors

Baker Tilly UK Audit LLP was appointed as external auditor for Caistor Grammar School and has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The Governors have confirmed that, so far as they are aware, there is no relevant audit information of which auditors are unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the Governing Body at its meeting on
by:

2011 and signed on its behalf

Signed:
Chair

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Caistor Grammar 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 Headmaster, 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 Caistor Grammar School and the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

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 Caistor Grammar School for the period ended 31 August 2011 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body is reviewing the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ending 31 August 2011 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 Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The governors have appointed B Ruffell-Ward, a governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of effectiveness

As Accounting Officer, the Headmaster 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 external auditor;
- the financial management and governance self assessment process;
- the work of the Senior Leadership Team within the Academy

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

Approved by order of the members of the Governing Body on

2011 and signed on its behalf by:

L Fell
Chair

R Hale
Accounting Officer

CAISTOR GRAMMAR SCHOOL
STATEMENT OF GOVERNORS' RESPONSIBILITIES
PERIOD ENDED 31 AUGUST 2011

The governors (who act as trustees for charitable activities of Caistor Grammar 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 Academies: Accounts Direction 2010/11 issued by the Young People's Learning Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

The governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the DfE/YPLA have been applied for the purposes intended.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CAISTOR GRAMMAR SCHOOL
PERIOD ENDING ON 31 AUGUST 2011

We have audited the financial statements of Caistor Grammar School for the period ended 31 August 2011 on pages 13 to 32. 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 Financial Reporting and Annual Accounts Requirements issued by the Department for Education.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' responsibilities set out on page 10, the governors (who act as trustees for the charitable activities of the company, and are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Financial and Reporting and Annual Accounts Requirements issued by the Department for Education in respect of the relevant financial year.

Opinion on other matter

In our opinion grants made by the Department for Education have been applied for the purposes intended.

Opinion on other requirement of the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CAISTOR GRAMMAR SCHOOL
PERIOD ENDING ON 31 AUGUST 2011

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:

- the charity has not kept adequate accounting records, 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.

Martin Standish (senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP
Statutory Auditor
Chartered Accountants
Two Humber Quays
Wellington Street West
HULL
HU1 2BN

Date: 2011

CAISTOR GRAMMAR SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 AUGUST 2011

	<i>Note</i>	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2011 £'000
INCOMING RESOURCES					
Income from generated funds:					
Voluntary income	3	9	157	-	166
Voluntary income – transfer from local authority on conversion	27	32	5	5,543	5,580
Activities for generating funds	4	140	-	-	140
Income from charitable activities					
Funding for the Academy's educational operations	5	-	2,629	36	2,665
Total incoming resources		<u>181</u>	<u>2,791</u>	<u>5,579</u>	<u>8,551</u>
RESOURCES EXPENDED					
Costs of Generating Funds:					
Costs of generating voluntary income		7	118	-	125
Cost of activities for generating funds	6	122	-	-	122
Charitable activities:					
Academy's educational operations	8	-	2,447	39	2,486
Governance costs	9	-	35	-	35
Total resources expended		<u>129</u>	<u>2,600</u>	<u>39</u>	<u>2,768</u>
NET INCOMING RESOURCES BEFORE TRANSFERS					
		52	191	5,540	5,783
Transfers between funds	17	-	(6)	6	-
NET INCOME FOR THE PERIOD		<u>52</u>	<u>185</u>	<u>5,546</u>	<u>5,783</u>
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial losses on defined benefit schemes	17,25	-	(6)	-	(6)
NET MOVEMENT IN FUNDS AND TOTAL FUNDS AT 31 AUGUST 2011	17	<u>52</u>	<u>179</u>	<u>5,546</u>	<u>5,777</u>

All of the Academy's activities are derived from continuing activities.

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

	<i>Note</i>	2011 £'000	2011 £'000
FIXED ASSETS			
Tangible assets	13		5,546
CURRENT ASSETS			
Stock	14	10	
Debtors	15	76	
Cash at bank and in hand		<u>527</u>	
		613	
CREDITORS: Amounts falling due within one year	16	<u>(184)</u>	
NET CURRENT ASSETS			<u>429</u>
NET ASSETS EXCLUDING PENSION LIABILITY			5,975
Pension scheme liability	25		<u>(198)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>5,777</u>
THE FUNDS OF THE ACADEMY TRUST			
RESTRICTED FUNDS			
Fixed asset funds	17		5,546
General funds			<u>377</u>
Restricted funds excluding pension reserve			5,923
Pension reserve	25		<u>(198)</u>
TOTAL RESTRICTED FUNDS			<u>5,725</u>
TOTAL UNRESTRICTED FUNDS	17		<u>52</u>
TOTAL FUNDS	17		<u>5,777</u>

The financial statements on pages 13 to 32 were approved by the governors and authorised for issue on.....2011 and signed on their behalf by:

.....
Chair

CAISTOR GRAMMAR SCHOOL
CASHFLOW STATEMENT
AT 31 AUGUST 2011

	<i>Note</i>	2011 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	20	283
Cash transferred in on conversion to an academy trust	27	261
		<hr/>
CASH INFLOW BEFORE FINANCING		544
FINANCING	22	<u>(17)</u>
INCREASE IN CASH IN THE PERIOD		<u>527</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS		
Increase in cash in the period		527
Cash outflow in respect of finance lease		17
Acquisition of finance lease		<u>(43)</u>
Net funds at 31 August 2011	23	<u>501</u>

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the period are:

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable United Kingdom Accounting Standards, the 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies', Accounts Direction 2010/11 issued by the YPLA 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 and 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

Fixed asset 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. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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 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 the 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.

1. ACCOUNTING POLICIES (continued)

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 costs are costs incurred on 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 Governor's meetings and reimbursed expenses.

Where applicable resources expended are inclusive of irrecoverable VAT.

Finance lease agreements

Where the Academy enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the depreciation policies. Future instalments under such leases, net of finance charges are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss in straight line basis and the capital statement which reduces the outstanding obligation for future instalments.

Deferred income

Deferred income is included as a creditor within the balance sheet and related to restricted funding received in advance but where the related expenditure can only take place in a future accounting period.

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 General Funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the YPLA.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the YPLA, where the asset acquired or created is held for a specific purpose.

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided on all tangible assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over expected used lives, as follows:-

Freehold land	Nil
Long leasehold buildings	Over the life of the lease
Building improvements	50 years
Fixtures, fitting and equipment	7 years
ICT equipment	5 years

1. ACCOUNTING POLICIES (continued)

Tangible Fixed Assets

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.

Leased assets

Rentals under operating leases are charged on straight-line basis over the lease term.

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

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

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

Conversion to an Academy Trust

The conversion from an independent 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 the maintained school Caistor Grammar 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 Caistor Grammar School Academy Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift/as net expenditure in other resources expended in the SOFA and analysed under unrestricted, restricted general and restricted fixed asset funds. Further details of the transaction are set out in note 27.

2. GENERAL ANNUAL GRANT (GAG)

2011
£'000

Results and Carry Forward for the year

GAG brought forward from previous year	-
GAG allocation for the current period	<u>2,230</u>
Total GAG available to spend	2,230
Recurrent expenditure from GAG	2,085
Fixed asset purchased from GAG	<u>6</u>
GAG carried forward to next year	<u><u>139</u></u>

Maximum permitted GAG carry forward at end of current period (12% of allocation for current year) (268)

GAG to surrender to DfE/YPLA (129)
 (12% rule breached if result is positive)

3. VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2011 Total £'000
Other donations	9	-	-	9
Other income	<u>-</u>	<u>157</u>	<u>-</u>	<u>157</u>
	<u>9</u>	<u>157</u>	<u>-</u>	<u>166</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2011 Total £'000
Hire of facilities	21	-	-	21
Catering income	80	-	-	80
Other funds	39	-	-	39
	<u>140</u>	<u>-</u>	<u>-</u>	<u>140</u>

CAISTOR GRAMMAR SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS
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5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total 2011 £'000
DfE/YPLA CAPITAL GRANTS			
Devolved Formula Capital Grant	-	36	36
	<u>-</u>	<u>36</u>	<u>36</u>
DfE/YPLA REVENUE GRANTS			
General annual grant (GAG) (note 2)	-	2,230	2,230
Academy conversion grant	-	25	25
Other DfE/YPLA grants	-	1	1
	<u>-</u>	<u>2,256</u>	<u>2,256</u>
OTHER GOVERNMENT GRANTS			
School Standard Funds	-	202	202
Other government grants/funding	-	171	171
	<u>-</u>	<u>373</u>	<u>373</u>
	<u>-</u>	<u>2,665</u>	<u>2,665</u>
	<u><u>-</u></u>	<u><u>2,665</u></u>	<u><u>2,665</u></u>

6 COST OF ACTIVITIES FOR GENERATING FUNDS

	2011 £'000
Catering and hire expenses	101
Other	<u>21</u>
	<u>122</u>
	<u><u>122</u></u>

CAISTOR GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
AT 31 AUGUST 2011

7 RESOURCES EXPENDED

	Non pay expenditure		Total 2011 £'000	
	Staff costs £'000	Premises £'000		Other costs £'000
Costs of generating voluntary income	55	-	70	125
Costs of activities for generating funds	-	-	122	122
Academy's educational operations				
Direct costs	1,725	-	301	2,026
Allocated support costs	211	109	140	460
	<u>1,991</u>	<u>109</u>	<u>633</u>	<u>2,733</u>
Governance costs including allocated support costs	-	-	35	35
	<u>1,991</u>	<u>109</u>	<u>668</u>	<u>2,768</u>
Net incoming/(outgoing) resources for the period include:				2011 £'000
Operating leases - plant and machinery				16
Fees payable to auditor - auditor				5
- other services				1

8 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	2011 £'000
DIRECT COSTS	
Teaching and educational support staff costs	1,725
Depreciation	39
Educational supplies	87
Examination fees	61
Staff development	6
Other direct costs	108
	<u>2,026</u>
ALLOCATED SUPPORT COSTS	
Support staff costs	211
Recruitment and support	5
Maintenance of premises and equipment	81
Cleaning	6
Light, heat and power	35
Rent and rates	12
Insurance	19
Security and transport	6
Pension finance costs	5
Other support costs	80
	<u>460</u>
	<u>2,486</u>

CAISTOR GRAMMAR SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS
 AT 31 AUGUST 2011

9	GOVERNANCE COSTS		2011 £'000
	Legal and professional fees		30
	Auditors' remuneration		5
			35
			35

10	STAFF COSTS		2011 £'000
	Staff costs during the period were:		
	Wages and salaries		1,586
	Social security costs		180
	Pension costs		225
			1,991
			1,991

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

			2011 No
Teachers			42
Administration and support			24
Management			1
			67
			67

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

			2011 No
£60,001 - £70,000			1
			1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2011, pension contributions amounted to £9,592.

CAISTOR GRAMMAR SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS
 AT 31 AUGUST 2011

11 GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. The value of the Principal's remuneration was £68,028 in 2011. The value of staff governor's remuneration was £77,689.

Related party transactions involving the trustees are set out in note 26.

12 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 Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2011 was £540.

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

13 TANGIBLE FIXED ASSETS

	Long leasehold land and buildings £'000	Fixtures fittings and equipment £'000	Total £'000
Cost:			
Transfer on conversion (Note 27)	5,500	-	5,500
Valuation on transfer	-	43	43
Additions	23	19	42
	<hr/>	<hr/>	<hr/>
31 August 2011	5,523	62	5,585
	<hr/>	<hr/>	<hr/>
Depreciation Charged in the period	33	6	39
	<hr/>	<hr/>	<hr/>
31 August 2011	33	6	39
	<hr/>	<hr/>	<hr/>
Net book value 31 August 2011	5,490	56	5,546
	<hr/>	<hr/>	<hr/>

Long leasehold land and buildings include £47,000 in respect of freehold land.

Included within the net book value of fixtures, fitting and equipment of £56,000 is £38,867 relating to assets held under finance leases. The depreciation charge on these assets amounted to £3,533.

14 STOCK	2011 £'000
Stationery and office supplies	4
Catering supplies	3
Repair and maintenance supplies	3
	<hr/>
	10
	<hr/>

CAISTOR GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
AT 31 AUGUST 2011

15	DEBTORS	2011 £'000
	Prepayments	36
	Other debtors	40
		<hr/>
		76
		<hr/> <hr/>
16	CREDITORS: Amounts falling due within one year	2011 £'000
	Finance lease obligations	26
	Other creditors	39
	Accruals and deferred income	119
		<hr/>
		184
		<hr/> <hr/>
	Deferred income	2011 £'000
	Resources deferred in the year	98
		<hr/>
	Deferred income at 31 August 2011	98
		<hr/> <hr/>

Deferred income relates to funding received in advance but where expenditure can only take place in a future accounting period.

CAISTOR GRAMMAR SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS
 AT 31 AUGUST 2011

17 FUNDS	<i>Incoming resources</i> £'000	<i>Resources expended</i> £'000	<i>Gains, losses and transfers</i> £'000	<i>At 31 August 2011</i> £'000
RESTRICTED GENERAL FUNDS				
General Annual Grant (GAG)	2,230	(2,085)	(6)	139
Pension reserve	-	-	(198)	(198)
	<u>2,230</u>	<u>(2,085)</u>	<u>(204)</u>	<u>(59)</u>
Transfer on conversion	-	-	197	197
Other DfE/YPLA grants	26	(28)	-	(2)
School standard funds	202	(202)	-	-
Other government grants	171	(166)	-	5
Other funding	157	(119)	-	38
	<u>2,786</u>	<u>(2,600)</u>	<u>(7)</u>	<u>179</u>
RESTRICTED FIXED ASSET FUNDS				
Transfer on conversion	-	(33)	5,543	5,510
Devolved Formula Capital Grant	36	-	-	36
Capital expenditure from GAG	-	(6)	6	-
	<u>36</u>	<u>(39)</u>	<u>5,549</u>	<u>5,546</u>
TOTAL RESTRICTED FUNDS	<u>2,822</u>	<u>(2,639)</u>	<u>5,542</u>	<u>5,725</u>
UNRESTRICTED FUNDS				
Transfer on conversion	-	-	32	32
Unrestricted funds	149	(129)	-	20
TOTAL UNRESTRICTED FUNDS	<u>149</u>	<u>(129)</u>	<u>32</u>	<u>52</u>
TOTAL FUNDS	<u>2,971</u>	<u>(2,768)</u>	<u>5,574</u>	<u>5,777</u>

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

General Annual Grant (GAG) 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. Of the carried forward amounts, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

CAISTOR GRAMMAR SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS
 AT 31 AUGUST 2011

17 FUNDS (continued)

The Restricted Pension Fund relates to the deficit on the Local Government Pension Scheme.

The Restricted Fixed Asset Fund represents fixed assets funded by capital grants and assets transferred on conversion to an Academy.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	5,546	5,546
Current assets	52	561	-	613
Current liabilities	-	(184)	-	(184)
Pension scheme liability	-	(198)	-	(198)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	52	179	5,546	5,777
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

19 FINANCIAL COMMITMENTS

OPERATING LEASES

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

	2011 £'000
Other:	
Expiring within two and five years inclusive	14
	<hr/>
	14
	<hr/> <hr/>

20 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM
OPERATING ACTIVITIES

	2011 £'000
Net income	5,783
Cash impact of transfer on conversion (note 27)	(5,580)
Depreciation (note 10)	39
Capital grants from DfE and others	(42)
FRS 17 pension cost less contributions payable (note 25)	(5)
FRS 17 pension finance cost (note 25)	5
Increase in stocks	(10)
Increase in debtors	(65)
Increase in creditors	158
	<hr/>
NET CASH INFLOW FROM OPERATING ACTIVITIES	283
	<hr/> <hr/>

CAISTOR GRAMMAR SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS
 AT 31 AUGUST 2011

21	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
	Purchase of tangible fixed assets		42
	Capital grants from DfE/YPLA		(42)
	NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		-
22	FINANCING		-
	Finance lease repayment		17
	NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE		17
23	ANALYSE OF CHANGES IN NET FUNDS		-
		Cashflow	Acquisition
		£'000	£'000
			At
			31 August
			2011
			£'000
	Cash in hand and at bank	527	-
	Finance lease	17	(43)
		544	(43)
		544	(43)
			501

24 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.

25 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 Hymans Robertson LLP. Both are defined-benefit schemes.

Total pension cost for the period

	£'000	2011 £'000
Teachers Pension Scheme – contributions paid		180
Local Government Pension Scheme		
Contributions paid	50	
FRS17	<u>(5)</u>	<u>45</u>
Total pension cost for year		<u>225</u>

As described in note 27, the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to and did join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

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

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's Pension (Employer' Supplementary Contribution) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period.

25 PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated 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 year ended 31 August was £63,000, of which employer's contributions totalled £50,000 and employees' contribution totalled £13,000. The agreed rates for future years are 22.5 per cent for employers and 5.5% to 7.5% for employees.

Principal actuarial assumptions

	2011
Rate of increase in salaries *	4.9%
Expected return on assets	6.2%
Discount rate	5.4%
Rate of increase for pensions in payment	2.6%

*Salary increases are 1% normal until 31 March 2012, reverting to the long term rates shown thereafter.

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

	2011 Years
Retiring today:	
Males	21.2
Females	23.4
Retiring in 20 years:	
Males	23.7
Females	25.7

25 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2011	Fair value at 31 August 2011 £'000
Equities	6.8%	371
Bonds	4.6%	71
Property	4.8%	61
Cash	3.9%	5
		<hr/>
TOTAL MARKET VALUE OF ASSETS		508
Present value of scheme liabilities - Funded		(706)
		<hr/>
DEFICIT IN THE SCHEME		(198)

The actual return on scheme assets was £3,000.

Amounts recognised in the statement of financial activities

	2011 £'000
Current service cost (net of employee contributions)	45
Past service cost	-
	<hr/>
Total operating charge	45
	<hr/>

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	23
Interest on pension liabilities	(28)
	<hr/>
Pension finance costs	(5)
	<hr/>

25 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the SOFA.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £6,000.

Movements in the present value of defined benefit obligations were as follows:	2011
	£'000
At 1 December	634
Current service cost	45
Interest cost	28
Employee contributions	13
Actuarial gain	(14)
	<hr/>
At 31 August	706
	<hr/> <hr/>
Movements in the fair value of Academy Trust's share of scheme assets:	
At 1 December	442
Expected return on assets	23
Actuarial loss	(20)
Employer contributions	50
Employee contributions	13
	<hr/>
At 31 August	508
	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31 August 2012 is £69,000.

History of experience adjustments is as follows:

	2011
	£'000
Fair value of share of scheme assets	508
Present value of defined benefit obligation	(706)
Deficit	(198)
Experience losses on assets	(20)
Experience adjustments on liabilities	-

26 RELATED PARTIES

On 14 January 2011 The Governors of Caistor Grammar School transferred a freehold interest in land to the Academy for £nil consideration. This land is included in tangible fixed assets at a valuation of £47,000. On 31 October 2011 the Trustees of Caistor Grammar School Foundation granted a lease with effect from 1 December 2010 of all the land and buildings to the Academy. The lease has a term of 125 years at a peppercorn rent. This was subsequently valued at £5,453,000 by professional valuers and is included in tangible fixed assets.

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.

27 CONVERSION TO AN ACADEMY TRUST

On 1 December 2010 the Caistor Grammar School converted to academy trust status under the Academies Act 2010 and all the operations and certain assets and liabilities were transferred to Caistor Grammar School Academy Trust Limited from the Lincolnshire Local Authority for £nil consideration.

Freehold and leasehold land and buildings were transferred as referred to in note 26.

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.

	Voluntary income analysis:			
	TOTAL £'000	Unrestricted Funds £'000	Restricted General Fund £'000	Restricted Fixed Asset Funds £'000
Tangible fixed assets:				
Freehold and leasehold land and buildings	5,500	-	-	5,500
Fixtures and fittings	43	-	-	43
School funds	59	32	27	-
School budget surplus from Lincolnshire Local Authority	213	-	213	-
LGPS pension deficit	(192)	-	(192)	-
Finance lease obligation	(43)	-	(43)	-
Net assets	5,580	32	5	5,543
	5,580	32	5	5,543

The above net assets include £260,872 that was transferred as cash.

Fixtures and equipment were transferred at cost together with the associated finance lease obligations.

The LGPS pension deficit relates to the liability on the Local Government Pension Scheme at the date of transfer.