

**Stratton Education Trust
(A Company Limited by Guarantee)**

Financial Statements

Period ended 31 August 2012

**Company Registration Number:
07798627 (England and Wales)**

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for the Period Ended 31 August 2012**

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Stratton Education Trust

Reference and Administrative Details

Trustees

Mr Ian Bond
Mr James Booth
Mr Andrew Field
Mrs Madeline Russell
Mr Robert Watson
Mr Peter Woodward (Deceased 3rd January 2013)

Governors

Mrs Amanda Brown (Staff)
Mr Ian Bond (Trust)
Mr James Booth * (Trust)
Mrs Denise Cohn-Brown (Parent) - Resigned 1st March 2012
Mr Andrew Field (Trust)
Mr Tudor Fox (Parent)
Mrs Irene Gray * (Staff)
Mrs Rosalind Hodges (Staff)
Mr Eddie Kane * (Parent)
Mr Nigel Lillywhite * (Parent) (Responsible Officer)
Mrs Anna Osborne (Staff)
Mr Colin Pheysey * (Staff, ex officio)
Mrs Hazel Ramsay (Trust)
Mr Alan Rix * (Parent)
Mr Bernard Rix (Trust)
Mrs Madeline Russell (Trust) (Chairman) *
Mr Christopher Smith * (Trust)
Mr Jim Tan * (Parent)
Mrs Claire Twydell (Parent)
Mrs Christina Ward (Trust)
Mr Peter Ward * (Staff)
Mr Robert Watson * (Staff, ex officio) (Executive Headteacher and Accounting Officer)
Mr Richard Westergreen-Thorne (Co-opted) Appointed 19th March 2012.
Mr Peter Woodward (Trust) – Deceased 3rd January 2013

*Members of the Finance and Premises Committee

Company Secretary

Mrs Kim Feenan

Senior Management

Mr Graham Simpkin, Deputy Headteacher to 31 August 2012, Stratton Upper School
Miss Kathryn Smith, Deputy Headteacher to 31 August 2012, Stratton Upper School
Mr James Birkett, Deputy Headteacher appointed 1st September 2012, Stratton Upper School
Miss Lesley Jane Harper, Deputy Headteacher appointed 1st September 2012, Stratton Upper School
Mr Colin Pheysey, Head of College, Gamlingay Village College
Miss Julie Rodbourne-Williams Deputy Headteacher, Gamlingay Village College
Miss Christine Julie Brown Business Manager, Stratton Upper School

Stratton Education Trust

Reference and Administrative Details (cont.)

Principal and Registered Office	Eagle Farm Road Biggleswade Bedfordshire SG18 8JB
Company Registration Number	7798627 (England & Wales)
Independent Auditor	George Hay Chartered Accountants St George's House George Street Huntingdon PE29 3GH
Bankers	Lloyds TSB plc 35 High Street Biggleswade SG18 0JD
Solicitors	Eversheds Bridgwater Place Water Lane Leeds LS11 5DR

Governors' Report

The Governors present their Annual Report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2012. The company was incorporated on 5th October 2011 and started operating as an Academy on 1st February 2012.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governance documents of the Academy Trust.

The Trustees for the charitable activities of Stratton Education Trust are also the Directors of the Charitable Company for the purposes of the company law. The Charitable Company is known as Stratton Education Trust.

The Trustees of the Charitable Company are as listed on page 1. The Trustees are:

the Chairman of the Board of Governors
the Chairman of the Finance and Premises Committee of the Governing Body
the Chairman of the Teaching and Learning Committee of the Governing Body
the Chairman of the Staff and Students Committee of the Governing Body
the Chairman of the Safeguarding Committee of the Governing Body
the Executive Headteacher.

The company has established a Governing Body which includes Trustees, Parent Governors, Staff Governors and Trust Governors. Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative details on page 1.

Governors Committees

There are currently four Governors Committees:

Staff and Students Committee

To consider the schools' procedures for reporting to parents on the progress of students.
To monitor student attendance and discipline and draw up any general principles of pupil discipline for ratification by the full governing body.
To recommend a pupil admissions policy to the full governing body.
To consider matters relevant to the general welfare and well-being of the students of the school
To ensure that all statutory aspects of the Every Child Matters (ECM) agenda are in place and to consider the overall impact of the school's ECM work.
To recommend a Safeguarding policy.
To draft and keep under review a policy statement on staff consultation for approval by the full governing body.
To review and recommend for adoption the procedures for dealing with discipline and grievance and ensure that the staff are informed of them.
To produce in conjunction with the Headteacher, such policies as are deemed to be required to cover personnel issues (including conditions of service) e.g. policies about secondment, supply cover, leave of absence and part-time working.
To oversee the staff appraisal procedures.
To receive reports on staff and governor training and development, and make recommendations.

Stratton Education Trust

Teaching and Learning Committee

The Teaching & Learning Committee deals with all curricular matters including:

School curriculum
Times of the school day
Policies relating to the curriculum
SEN provision

School Improvement Plan

Promoting the school in the community

The committee will make recommendations to the Full Governing Body.

Finance and Premises Committee

The Finance & Premises Committee deals with all financial matters including:

Providing guidance and assistance to the Headteacher and Full Governing Body in matters relating to budgeting and finance.

Preparation and review of financial policies

Present an annual budget plan to the Full Board of Governors for approval

Monitor income and expenditure of all funds held by the Trust

Oversee capital expenditure

Prepare a lettings charging policy

Providing guidance and assistance to the Headteacher and Full Governing Body in matters relating to the premises and grounds, security and health and safety.

To approve plans, costs and arrangements for maintenance, repairs and redecoration and extension of the buildings within the budget allocation.

To receive reports on the maintenance of the school grounds, and make recommendations to the full governing body.

To consider all aspects of the usage, efficiency and potential development of the school premises.

To ensure that the school complies with health and safety regulations.

Audit Committee

This is to be set up in the next financial year

Members' Liability

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

Governors' Indemnities

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 for the period ended 31 August 2012 was £854.16 and this cost is included in the total insurance cost.

Stratton Education Trust

Principal Activities

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

The main objectives of the Trust are summarised below

- to raise the standard of educational achievement for all pupils and students
- to provide a safe and welcoming environment and a stimulating curriculum, enabling every student to develop to his or her full potential
- to ensure the educational opportunities we provide prepare students to make a significant contribution to the communities in which they live
- to ensure our actions and words show our commitment to raising the self-esteem of everyone who learns and works within the Trust
- to demonstrate respect, tolerance, openness, honesty and trust in our relationships with one another
- to develop close links with our community
- to conduct our business in accordance with the highest standards of integrity, probity and openness

Method of Recruitment and Appointment or Election of Governors

Governors other than the Executive Headteacher and Headteachers are in office for a period of four years.

Nominations for Parent Governors are sought from the parents and carers of students within the Stratton Education Trust member schools. Should nominations for the vacancies be equal to the number of vacancies, the nominees will be deemed to be elected. In the event there are more nominees than vacancies, an election will be held with all parents/carers eligible to vote.

Nominations for Staff Governors are sought from the staff of Stratton Education Trust member schools. Should nominations for the vacancies, be equal to the number of vacancies the nominees will be deemed to be elected. In the event there are more nominees than vacancies, an election will be held with all staff eligible to vote.

Trust Governors are appointed by the Governing Body.

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

The training and induction provided for new Governors and Trustees depends on their existing experience. Induction tends to be informal and is tailored specifically to the individual. Training requirements are subject to on-going review.

Governors are provided with an Induction Pack which includes:

A Guide to the Law for School Governors
Academies Financial Handbook
Stratton Education Trust Gifts and Hospitality Policy
Whistleblowing Policy

Governor training is undertaken at Developmental meetings and has included:

Safeguarding
Whole School Improvement Plan
Interpretation of the data provided to Governors, including examination results analysis.

Stratton Education Trust

Organisational Structure

The Trustees and Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust's performance and making major decisions about the strategic direction of the schools, capital expenditure and senior staff appointments.

The Senior Leadership Teams of the Trust consist of the Executive Headteacher, Deputy Headteachers, Assistant Headteachers (one of whom is "Head of College", the most senior appointment at Gamlingay Village College), advanced skills teachers and a non-teaching Business Manager. These 16 posts constitute the Trust's Senior Leadership Teams, there being a team for each school. The Senior Leadership Teams are responsible for the professional leadership of the Governors strategic intent through developing and implementing the policies laid down by the Governors and reporting back to them. A middle management tier of leadership includes Heads of Faculty, Heads of Departments and Pastoral Leaders. Some spending control is devolved to members of the middle leadership team.

The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

Risk Management

The Trust has been operational for seven months to 31 August 2012 and systems for assessing risk and internal financial controls are still evolving from those required as a maintained school. The Governors have introduced systems to minimise risk including operational procedures, examples of which include:

- vetting of new staff including CRB checks,
- visitor policies and procedures
- school security, including the school buildings and grounds
- school health and safety
- internal financial controls
- data security policy
- disaster recovery planning

The Trust has an effective system of internal financial controls and this is explained in more detail below.

Statement on the System of Internal Financial Controls

The Trustees and Governors have overall responsibility for ensuring that the Trust has an effective and appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure the financial statements, comply with the Companies Act. The Trustees and Governors also acknowledge responsibility for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Trust is operating efficiently and effectively
- its assets are safeguarded against unauthorised use or disposition
- proper records are maintained and financial information used within the Trust or for publication is reliable
- the Trust complies with relevant laws and regulations

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The Trust's system of internal control is based on a framework of regular management information and administration 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 Governors

- regular reviews by the Governors 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 guidelines

- delegation of authority and segregation of duties

- identification and management of risks.

A nominal Responsible Officer was appointed but Governors have now decided to appoint a firm of accountants as Internal Auditors, who will then act as Responsible Officer and report to the Audit Committee which is being formed. The governor who took on the Responsible Officer role will chair the Audit Committee.

A Systems Review was undertaken by the independent auditor in April 2012. Their conclusion was that the systems and internal controls of the Academy are generally strong and that they were happy with the procedures in place. In their opinion the controls appear to be well designed in mitigating the risks to which the school is exposed. The vast majority of controls they would normally recommend for an entity of the nature and size of the school are already in place and appear to be operating effectively.

The Governors are satisfied that systems and procedures are in place to mitigate the exposure to major risks.

Connected Organisations, including Related Party Relationships

Stratton Education Trust is a member of the Stratton Learning Partnership and the Biggleswade Community Union of Schools. The Trust provides administration and accounting services to both these organisations. In return for providing these services, the Trust are exempted from paying a subscription.

Stratton Education Trust prides itself on being outward facing in an effort to learn from best practice and share examples of excellence with other colleagues. It retains close links with colleague schools through active participation in Central Bedfordshire Upper Schools Heads Network and with the Cambridgeshire Secondary School Heads Network. Recent examples of collaborative working include participation in the setup of the Academy of Central Bedfordshire, an alternative provision for secondary students and providing support to colleague schools regarding Special Educational Needs (SEN) and Maths provision.

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Objectives and Activities

Object and Aims

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

The main objectives of the Trust are summarised below

- to raise the standard of educational achievement for all pupils and students
- to provide a safe and welcoming environment and a stimulating curriculum, which enables every student to develop his or her full potential
- to ensure the educational opportunities we provide prepare students to make a significant contribution to the communities in which they live
- to ensure our actions and words show our commitment to raising the self-esteem of everyone who learns and works within the Trust
- to demonstrate respect tolerance and openness, honesty and trust in our relationships with one another
- to develop close links with our community
- to conduct our business in accordance with the highest standards of integrity probity and openness

Objectives, Strategies and Activities

Each school within the Trust has developed different priorities in order to best achieve the fulfilment of the Trust's objectives.

At Stratton Upper School, the key objectives were to arrest and reverse the decline in the provision of Mathematics teaching and increase the percentage of higher grades attained by 6th Form students at A level.

Strategies included a revision of the leadership and management of Mathematics; greater use of data to inform the planning of teaching; the provision of high-quality professional development centred around teaching and learning, particularly at post 16; and strengthening the schools accountability structure.

At Gamlingay Village College (GVC), the key objectives were to focus on the teaching of literacy and numeracy particularly at Key Stage 2, and to improve the use of data to inform teachers' planning.

Strategies included the provision of high-quality professional development; greater accountability; monitoring of staff; the provision of pupil intervention strategies; and the revision of ICT support.

The Trust has implemented a number of detailed policies and guidelines in relation to all aspects of personnel matters including:

Disability Discrimination Policy

The governing body recognises that the school must take positive action to prohibit all forms of illegal discrimination. This obligation is towards staff, students and others associated with the school (e.g. parents users of the premises and visitors). The governing body aims not to treat disabled people using the school's services less favourably than able people as far as is reasonably practicable.

In preparing and developing the policy the governors have regard to any national guidance and any guidance from the local authorities.

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The governing body will discharge its responsibilities towards disabled staff, pupils and those using the school's services by ensuring that disabled people are not treated less favourably in the following aspects as relevant:

- accessibility to the premises and facilities;
- accessibility to the curriculum;
- accessibility of associated educational services;
- training of staff and pupils.

The school's policy is to:

- promote equality of opportunity;
- eliminate unlawful discrimination;
- eliminate disability-related harassment;
- promote positive attitudes towards disabled people;
- encourage disabled people's participation in public life; and
- take steps to take into account people's disabilities, even where that involves more favourable treatment.

Other policies include:

- Accessibility plan
- Equal Opportunities policy
- Safer Recruitment policy
- Continued Professional Development policy
- Safer working practices in an educational setting
- Induction policy
- Code of Conduct
- Health and Safety policy

Full details of these policies are available from the Trust.

Activities in the Community.

We have continued to build successful relationships with the community, particularly in relation to the development of our Sports Centres. We offer our accommodation for a range of sporting activities including badminton, tennis, 5-a-side football, martial arts and basketball as well as fitness facilities. We plan to continue to build upon our success in managing the sports facilities with a view to improving the environment and providing additional or renewed equipment.

We have reintroduced an annual Craft Fayre, inviting local craftsmen to sell their products to the community.

We continue to invite local pensioners to the school for a Christmas lunch buffet, organised and serviced by 6th formers.

The student Interact Club (a junior form of Rotary) works hard for the community, including raising funding for Keech Cottage Children's Hospice and taking part in Operation Christmas Child.

During the period much work has gone into the preparations and rehearsals for Les Misérables, which was staged in November 2012. Tickets were on sale in the local community.

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Public Benefit

The Trustees have had regard to the Charity Commission's public benefit guidance, by providing education to the pupils within our schools.

In addition, we share best practice in teaching through our links with other schools. We are part of a Teaching School so work to train new teachers. Our pyramid of schools is called the Biggleswade Community Union of Schools, where we address joint issues and share our ideas. A joint INSET day in the summer saw over 400 teaching staff sharing and learning from each other.

The Trust believes that schools should be at the heart of their community. Both schools have sports facilities which are open to the public for use outside of school hours. We also have a farm at Stratton Upper School which is used not only by our own students but also those from other schools in the area. This enables us to offer experiences to young people which they would not otherwise have. We open the farm to the public on a large scale during May and December when we have the plant sale and Christmas turkey sales respectively. Students prepare hanging baskets and containers for sale to the community and we also produce our own honey, eggs and meat products.

Achievements and Performance

The academic year 2011/12 was a successful year across the trust.

Numerous activities were undertaken in order to establish the Trust as an operational entity including developing a new governance structure and the appointment of "Head of College" at Gamlingay Village College, which federated with Stratton Upper School and became part of the Stratton Education Trust from 1st February 2012. The predecessor school had been tackling significant issues of underperformance since it was placed in special measures in February 2011.

Throughout the structural changes, the leadership team remained focused on the core Trust objectives and report significant student success at Key Stages 2, 4 & 5.

Key Stage 2

2011 Students achieving level 4+ in English and Maths = 67%
2012 Students achieving level 4+ in English and Maths = 77% and 71% respectively

Although at face value the headline figures remained disappointing, the pace of pupil progress achieved post conversion was significantly enhanced. (Evidence: student assessment February 2012 versus student outcome July 2012.)

Key Stage 4

2011 Students achieving 5 A*-C grades with English and Maths = 50%
2012 Students achieving 5 A*-C grades with English and Maths = 52%

Our 2011 Year 11 cohort had attained an Average Point Score (APS) of 27.7 in their year 6 SATS. By comparison the 2012 cohort APS was 26.9 indicating a less academic cohort. Our achievement of 52% 5 A*-C grades with English and Maths therefore not only represented growth compared to the previous year, but a more rapid improvement in student progress.

Key Stage 5

2011 total point score = 714, average point score per entry = 197
2012 total point score = 740, average point score per entry = 204
2011 A* - B grades = 33%
2012 A* - B grades = 48%

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Significant developmental resources had been targeted at improving the achievement of higher grades within Year 13 and this was successful. The 6th form provision at Stratton remains popular and oversubscribed. Further growth is expected due to increasing attainment at KS4 and the 'Raising the Participation Age' agenda. To cater for this latter point our 6th form Level 2 provision has been strengthened. It is anticipated that further growth in 6th form provision will demand an extension to current facilities.

The progress of students at GVC rapidly increased from 1st February 2012, though it is recognised this was based on solid foundations established by the previous leadership of the school. At the end of the academic year, students in years 5, 7 and 8 demonstrated good progress while the difficulties in year 6, due to the quality of education provided while they were year 5 pupils had been significantly addressed. A significant development at GVC has been the full review of SEN provision and the establishment of individual progress measures for all students.

For some years a highlight at GVC has been the outstanding pupil choir which has been able to compete with the best pupil choirs in the country. This has included participation in BBC competitions and has led to appearances on Songs of Praise in the reporting period.

A full review of the Stratton curriculum was completed in November 2011 for introduction from September 2012. Resources were targeted during the reporting period so that the new curriculum model was fully supported in terms of staff and learning resources.

During this reporting period, significant refurbishment of the design and technology area was accomplished. This work supports our new curriculum at KS4 by addressing an identified need for stronger vocational provision. It also paves the way to expand local vocational provision in the wake of the 'raising of the participation age' agenda.

Stratton Upper School continues to benefit from strong partnership links with the Connolly Foundation. Through a generous match funding arrangement we have been able to improve disability access to our farm and provide new toilet facilities including toilets for the disabled.

In May 2012, Stratton Upper School was awarded Artsmark Gold in recognition of its provision of all arts. Highlights from the reporting period include the leadership and provision of a Joint Schools Art Workshop and subsequent exhibition; and successful participation in the local 'Battle of the Bard' competition, this is in addition to an extensive range of on-going curricular and extra-curricular arts provision.

Stratton Upper School benefits from its long association with the Ivel Valley Special School. Some students from the school are based at Stratton Upper School and benefit from joint tutor arrangements and participation in both curricular and extra-curricular provision.

Going Concern

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

Financial Review

Most of the Trust's income is obtained from the Education Funding Agency (EFA), formerly The Young People's Learning Agency (YPLA) and part of the Department for Education (DfE), in the form of recurrent grants, the use of which is restricted to specific purposes. The grants received from the EFA during the period ended 31 August 2012, and the associated expenditure, are shown as restricted funds in the statement of financial activities. The Trust also receives grants for fixed assets and capital programmes from the EFA. Such grants are shown in the statement of financial affairs as restricted income in the fixed asset fund.

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The Trust received monies from the Local Authorities of the predecessor schools, being held on behalf of Gamlingay Village College and Stratton Upper School prior to their conversion. These funds are shown as unrestricted funds in the statement. t 31st August 2012 there is a surplus of unrestricted funds totalling £595,213. Governors have designated £500,000 as a building fund to contribute toward the extension of Stratton Upper School or maintenance of the existing buildings. Gamlingay Village College has experienced a demographic dip in local population, the impact of smaller rolls at Gamlingay Village College will be a decline in funding. The student numbers in catchment is set to rise from 2014 and grow more quickly from 2015.

Principal Risks and Uncertainties

The school funding review provides an element of uncertainty to the Trust's funding. We are expecting that the funding for Stratton Upper School will go down by some £100,000.

Moreover, funding for Gamlingay Village College will remain uncertain in the medium term, partly due to a demographic dip and partly still to reaction to the Special Measures judgement. GVC is making good progress and we are working hard to regain the trust of the Gamlingay community to counter this. However, we will need to review our staffing levels in the short term.

Stratton Upper School faces two years of lower demographics but then numbers will increase year on year, due to the expansion of Biggleswade and new housing coming on stream. Because of this, Central Bedfordshire Council has asked Stratton to provide 400 new places (above our net capacity figure of 1,267) and requires these to begin to be available by September 2014. Architects have been employed to produce a masterplan and initial costings. £6m is available from the local authority but it is likely that other funding will need to be sourced to provide the facilities necessary for 1,650 students.

Reserves Policy

The Trustees review the reserves levels of the Trust at least annually, with termly reviews by the Finance and Premises Committee. The review encompasses the nature of income and expenditure streams, the need to match income with commitments, and the nature of reserves.

The Trustees consider that reserves should be set at a level that ensures that the Trust can forecast a balanced budget over a three year period, with 3% of the forecast income in the third year as reserves at the end of that year. This will allow sufficient flexibility to enable three year planning of curriculum changes and other medium term programmes to be included without endangering the working capital of the trust.

Investment Policy

The Finance and Premises Committee aims to manage the cash balances of the Trust to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Finance and Premises Committee aims to invest surplus cash funds to optimise returns but ensuring that the investment instruments are such that there is an absolute minimum risk to the loss of these cash funds.

Plans for Future Periods

The Trust has developed extensive plans to drive its objectives forward in the academic year 2012/13. These Whole School Improvement Plans are available via the schools' websites.

A significant development at Stratton Upper School will be the provision of additional resources to accommodate growth in its catchment of between 20% and 30%. The Trust is in talks with the local authority to negotiate the funds available but work is likely to include the provision of new Science accommodation and other enhancements to the campus in order for it to cope with an expected growth of approximately 400 students.

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During this reporting period, considerable work was undertaken to review the curriculum offer both at Gamlingay Village College and Stratton Upper School. This work was completed in a timely fashion to allow for implementation from September 2012. The new curriculum will be fully in place by September 2013.

At Gamlingay Village College, a thematic approach to KS2 has been introduced allowing pupils to concentrate on developing core skills of literacy and numeracy both in explicit curriculum time and through national curriculum related topics. In years 7 and 8 a secondary school curriculum is followed, though cross curricular literacy and numeracy has been strengthened.

At Stratton Upper School Year 9 has been rebalanced. Languages provision has been strengthened to encourage more students to continue their language studies into GCSE. A facility has been created for a small number of students to be supported through additional English, Maths and Science lessons in place of language tuition.

At KS4, optional GCSE choices have been supported by a radically different approach to the giving of information, advice and guidance. This has seen the number of students opting for the English Baccalaureate suite of qualifications increasing from 15% to 38% in its first year of operation. An innovative use of optional timetable periods allow some students to reduce the number of GCSEs they study but have more teacher directed time in each when this will increase their chances of ultimate success.

Within the sixth form we have rebalanced the delivery of AS and A-level to provide more teacher directed time in year 12 to help with the transition between KS4 and 5. We have also substantially improved our level 2 offer to post-16 students in response to the "Raising of the Participation Age" national agenda.

Our curriculum review of this reporting period also signals a move to a one week cycle of timetable which will be fully implemented from September 2013.

Auditor

In so far as the Governors are aware:

There is no relevant audit information of which the charitable company's auditor is unaware; and

The Governors have taken all steps that they ought to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the Governing Body on 11 February 2013 and signed on its behalf by:

Mrs M Russell
[Chairman of Governors]

Governance Statement

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Stratton Education Trust 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 Executive Headteacher, as Accounting Officer for ensuring financial controls conform with the requirements for both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Stratton Education Trust 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.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Trustees responsibilities.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Capacity to Handle Risk

The Governing Body regularly reviews 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Premises 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.

Stratton Education Trust

During the accounting period, the Governing Body had not addressed the need for a specific internal audit function but has now decided to appoint an external firm to carry out the role. It is envisaged that the Internal Auditors will carry out the Responsible Officer role and report to the newly-formed Audit Committee. The Governors have appointed Nigel Lillywhite as the nominal Responsible Officer and he will chair the Audit Committee.

The Full Governing Body has formally met 5 times during the period and there have been 4 committee meetings. Attendance during the year at meetings of the Governing Body was as follows:

	Attendance at meetings			
	Full Board	Finance & Premises	Staff & Students	Teaching & Learning
<u>Finance & Premises Committee</u>				
Mr James Booth (Trust) Chairman	4	2		
Mr Jim Tan (Parent) Vice Chairman	4	1		1
Mr Colin Pheysey (Staff, ex officio)	5	2	1	1
Mrs Madeline Russell (Trust)	5	2		
Mr Robert Watson *(Staff, ex officio)	5	2	1	1
Mrs Irene Gray (Staff)	4	2		
Mr Eddie Kane (Parent)	5	2		
Mr Alan Rix (Parent)	4	2		
Mr Christopher Smith (Trust)	2			
Mr Peter Ward (Staff)	4	2		
<u>Staff & Students Committee</u>				
Mr Andrew Field (Trust) Chair	5		1	
Mr Peter Woodward (Trust) Vice Chairman – Deceased January 2013	4			
Mrs Rosalind Hodges (Staff)	5		1	
Mr Bernard Rix (Trust)	2		1	
Mrs Claire Twydell (Parent)	4		1	
<u>Teaching & Learning Committee</u>				
Mr Ian Bond (Trust) Chairman	4			1
Mr Nigel Lillywhite (Parent) Vice Chairman	3	1	1	1
Mrs Amanda Brown (Staff)	3			1
Mr Tudor Fox (Parent)	4	2		
Mrs Anna Osborne (Staff)	2			1
Mrs Hazel Ramsay (Trust)	5	1		
Mrs Christina Ward (Trust)	5			1
Mr Richard Westergreen-Thorne (Co-opted)	3			1
Mrs Denise Cohn-Brown (Parent) - Resigned March 2012	0			

Stratton Education Trust

Review of Effectiveness

As Accounting Officer, Robert Watson 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 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 above reviews of the system of internal control 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 11 February 2013 and signed on its behalf by:

Madeline Russell
Chairman of Governors

Robert Watson
Accounting Officer

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Stratton Education Trust, I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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 irregularity 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.

Robert Watson
Accounting Officer

Date:14 February 2013

Statement of Trustees' Responsibilities

The Trustees (who act as Trustees for charitable activities of Stratton Education Trust (and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom generally Accepted Accounting Practice) and applicable law and regulations.

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

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the Charities Statement of Recommended Practice
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate financial 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 regularities.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the Trustees on 11 February 2013 and signed on their behalf by:

Madeline Russell
Chairman of Trustees.

Stratton Education Trust

Independent Reporting Accountant's Assurance Report on Regularity to Stratton Education Trust and the Education Funding Agency

In accordance with the terms of our engagement letter 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 Stratton Education Trust during the period 1 February 2012 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Stratton Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Stratton Education Trust's funding agreement with the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

(continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 February 2012 to 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.

***B Jefferd FCA CTA TEP (Senior Statutory Auditor)
for and on behalf of George Hay Partnership LLP
Chartered Accountants and Statutory Auditor***

Date: 19 February 2013

Independent Auditor's Report to the members of Stratton Education Trust

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

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 14, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2012, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

(Continued)

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

***B Jefferd FCA CTA TEP (Senior Statutory Auditor)
for and on behalf of George Hay Partnership LLP
Chartered Accountants and Statutory Auditor***

Date: 19 February 2013

Statement of Financial Activities
for the period 1 February 2012 to 31 August 2012
 (including Income and Expenditure Account and
 Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	3	3,326	17,060	127,477	147,863
Transfer from local authority on conversion	27	713,212	(1,080,000)	9,225,507	8,858,719
Activities for generating funds	4	217,552	-	-	217,552
Investment income	5	625	-	-	625
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy's educational operations	6	-	4,819,632	-	4,819,632
Total incoming resources		934,715	3,756,692	9,352,984	14,044,391
Resources expended					
<i>Cost of generating funds:</i>					
Fundraising trading	7	200,595	-	-	200,595
<i>Charitable activities:</i>					
Academy's educational operations	8	84,404	4,443,617	81,348	4,609,369
Governance costs	9	-	200,788	4,166	204,954
Total resources expended	7	284,999	4,644,405	85,514	5,014,918
Net incoming/(outgoing) resources before transfers					
		649,716	(887,713)	9,267,470	9,029,473
Gross transfers between funds	17	(54,503)	(14,082)	68,585	-
Net income/(expenditure) for the year					
		595,213	(901,795)	9,336,055	9,029,473
Other recognised gains and losses					
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(7,000)	-	(7,000)
Net movement in funds					
		595,213	(908,795)	9,336,055	9,022,473
Funds carried forward at 31 August 2012					
		595,213	(908,795)	9,336,055	9,022,473

All of the Academy's activities derive from acquisitions in the current financial period. There were no activities in the period between the date of incorporation and the conversion date of 1st February 2012.

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

As at 31 August 2012 the Governors have earmarked £500,000 of the unrestricted reserves to a Building Fund, as explained on Page 12 of the Governors' Report.

Balance sheet as at 31 August 2012

	Notes	2012 £	2012 £
Fixed assets			
Tangible assets	13		9,295,961
Current assets			
Stock	14	32,973	
Debtors	15	325,571	
Cash at bank and in hand		916,227	
		<u>1,274,771</u>	
Creditors: Amounts falling due within one year	16	(448,259)	
Net current assets			<u>826,512</u>
Total assets less current liabilities			<u>10,122,473</u>
Net assets excluding pension liability			10,122,473
Pension scheme liability	25		(1,100,000)
Net assets including pension liability			<u>9,022,473</u>
Funds of the academy:			
Restricted funds			
Fixed asset fund(s)	17		9,336,055
General fund(s)	17		191,205
Pension reserve	17		(1,100,000)
Total restricted funds			<u>8,427,260</u>
Unrestricted funds	17		595,213
Total funds			<u><u>9,022,473</u></u>

The financial statements were approved by the Governors, and authorised for issue on 11 February 2013 and are signed on their behalf by:

Mrs M Russell
[Chairman of Trustees]

Company Limited by Guarantee
Registration Number 07798627

Cash Flow Statement for the period ended 31 August 2012

	Notes	2012 £
Net cash inflow from operating activities	21	483,335
Returns on investments and servicing of finance	22	625
Capital expenditure	23	(57,072)
Cash transferred on conversion to an academy trust	27	489,339
(Decrease)/Increase in cash in the year	24	<u>916,227</u>
Reconciliation of net cash flow to movement in net funds		
Net cash at 31 August 2012		<u>916,227</u>

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

**Notes to the Financial Statements
for the period from 1 February 2012 to 31 August 2012.**

1. Statement of Accounting Policies

Conversion Valuation

The conversion from state maintained schools to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Stratton Upper School and Gamlingay Village College 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. The fair value is in accordance with the accounting policies set out for Stratton Education Trust. 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 on the transaction are set out in note 27.

Basis of Preparation

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

Going Concern

The trustees 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 Trustees 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 trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants Receivable.

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

General Annual Grant (GAG) income for the year 2011/12 includes an accrual for the re-basing exercise undertaken by the EFA. The pupil number re-basing exercise is carried out for all academies and refers only to the first year of operation. In essence, the adjustment is equivalent to the local authority practice of refreshing pupil numbers using the spring census return, had the schools remained as maintained schools. It adjusts the funding for the April to August 2011/12 period to take account of the latest census data, in this case January 2012.

Fixed Asset grants are shown in the statements of financial activities as restricted fixed asset funds.

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Grants which have specific performance conditions are included in the Statement of Financial Activities where there is a reasonable level of certainty that the performance conditions have been met. Included within the statement of financial activities is an accrual for such a grant which is payable as a result of the sponsorship of Gamlingay Village College by Stratton Upper School.

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

Resources expended.

All expenditure is recognised in the period in which a liability is incurred and has been classified under the 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 on allocated on the portion of the assets use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

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

Charitable activities

These are costs incurred on the academy trust's educational operations

Governance Costs

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

All resources are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as fixed assets and are carried at cost, net of depreciation and any provision for impairment. In certain cases, individual items acquired with a unit cost of less than £2,000 but an aggregate cost of £2,000 or more are aggregated for the purposes of capitalisation. Examples would include an entire classroom refurbishment, ICT equipment purchased as part of the school plan to ensure ICT resources are of a standard equivalent to that generally available and relevant to the curriculum.

Where tangible fixed assets have been acquired with the aid of specific grants, whether 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

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to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Freehold Land & Buildings	Not provided
Leasehold Land & Buildings	125 years
Motor Vehicles	10 years
ICT Equipment	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought in to use. The assets recorded as under construction on the Statement of Financial Activities include professional fees incurred on preparation for the extension of Stratton Upper School which is due to start in 2013.

Leased Assets

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

Stocks

Unsold uniforms, catering and stationery stocks are valued at the lower of cost or net realisable value.

Taxation

The academy trust is considered to pass the tests set out in paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 2 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 substantially a 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 a part of staff costs. Past

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service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until the vesting occurs. The expected return on assets and the interest costs are shown as net of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the EFA and/or DfE.

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2. General Annual Grant

Stratton Upper School

Results and carry forward for the year	2012	2012
	£	£
GAG allocation for current year		3,916,879
Total GAG available to spend		<u>3,916,879</u>
Recurrent expenditure from GAG	3,689,015	
Fixed assets purchased from GAG	<u>68,585</u>	<u>3,757,600</u>
GAG carried forward to next year		<u>159,279</u>
Maximum permitted GAG carry forward at end of current year		
12% of allocation for current year		<u>(470,025)</u>
GAG to surrender to DfE		<u>(310,746)</u>
(12% rule breached if result is positive)		no breach

Gamlingay Village College

Results and carry forward for the year	2012	2012
	£	£
GAG allocation for current year		<u>582,065</u>
Total GAG available to spend		<u>582,065</u>
Recurrent expenditure from GAG	636,568	
Transferred from Unrestricted Funds (see note below)	<u>(54,503)</u>	<u>582,065</u>
GAG carried forward to next year		<u>-</u>
Maximum permitted GAG carry forward at end of current year		
12% of allocation for current year		<u>(69,848)</u>
GAG to surrender to DfE		<u>(69,848)</u>
(12% rule breached if result is positive)		no breach

As at 31st August 2012 Gamlingay Village College had a deficit on its GAG of £54,503, an amount has been transferred from the Unrestricted Funds to clear this deficit.

3. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Capital Grants	-	127,477	127,477
Donations	3,326	17,060	20,386
	<u>3,326</u>	<u>144,537</u>	<u>147,863</u>

4. Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Fundraising events	4,352	-	4,352
Uniform and other sales income	30,985	-	30,985
Hire of Facilities	34,853	-	34,853
Catering Income	80,646	-	80,646
Farm Income	26,731	-	26,731
Trip Income	39,985	-	39,985
	<u>217,552</u>	<u>-</u>	<u>217,552</u>

5. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Short term deposits	625	-	625
	<u>625</u>	<u>-</u>	<u>625</u>

6. Funding for trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
DfE/YPLA/EFA revenue grants			
General Annual Grant (GAG)(note 2)	-	4,498,944	4,498,944
Start Up Grants	-	90,000	90,000
Other DfE/YPLA/EFA grants	-	97,750	97,750
	<u>-</u>	<u>4,686,694</u>	<u>4,686,694</u>
Other Government grants			
Local authority grants	-	132,938	132,938
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>4,819,632</u>	<u>4,819,632</u>

7. Resources expended

	Staff Costs £	Premises £	Other Costs £	Total 2012 £
Costs of activities for generating funds				
Direct costs	60,914	-	124,830	185,744
Allocated support costs	5,776	7,610	1,465	14,851
	<u>66,690</u>	<u>7,610</u>	<u>126,295</u>	<u>200,595</u>
Academy's educational operations				
Direct costs	3,313,081	36,433	433,719	3,783,233
Allocated support costs	440,787	209,261	176,088	826,136
	<u>3,753,868</u>	<u>245,694</u>	<u>609,807</u>	<u>4,609,369</u>
Governance costs				
Direct costs	81,007	-	83,464	164,471
Allocated support costs	4,848	1,495	34,140	40,483
	<u>85,855</u>	<u>1,495</u>	<u>117,604</u>	<u>204,954</u>
	<u>3,906,413</u>	<u>254,799</u>	<u>853,706</u>	<u>5,014,918</u>

The method used for the apportionment of support costs is disclosed in the accounting policies.

Outgoing resources for the year include:

	2012 £
Operating leases	17,392
Fees payable to auditors	
Audit	8,300
Other services	8,700

8. Charitable Activities- Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
<i>Direct costs</i>			
Teaching and educational support staff costs	-	3,313,081	3,313,081
Depreciation	-	81,349	81,349
Educational supplies	-	55,380	55,380
Examination fees	-	144,389	144,389
Educational consultancy	-	49,165	49,165
Maintenance of equipment	-	36,393	36,393
Other direct costs	-	103,476	103,476
	<hr/>	<hr/>	<hr/>
		3,783,233	3,783,233
<i>Allocation supported costs</i>			
Support staff costs	84,404	356,383	440,787
Maintenance of premises and equipment	-	130,953	130,953
Rent & rates	-	34,535	34,535
Insurance	-	47,110	47,110
Light and Heat	-	79,666	79,666
Catering	-	7,581	7,581
Staff Development	-	35,825	35,825
Other support costs	-	49,679	49,679
	<hr/>	<hr/>	<hr/>
	84,404	741,732	826,136

9. Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Legal and professional fees	-	84,833	84,833
Auditor's remuneration			
• Audit of financial statements	-	8,300	8,300
• Accountancy, taxation and other services	-	8,700	8,700
Support staff costs	-	85,855	85,855
Other Support Costs	-	17,266	17,266
	<hr/>	<hr/>	<hr/>
		204,954	204,954

10. Staff Costs

	2012
	£
Staff costs during the period were:	
Wages and salaries	3,140,376
Social security costs	292,054
Pension costs	473,983
	<u>3,906,413</u>
Compensation payments	23,000
	<u>3,929,413</u>

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

	2012	2012
	Number	Full-time equivalent
<i>Charitable Activities</i>		
Teachers	100	91
Administration and support	152	79
Management	10	10
	<u>262</u>	<u>180</u>

The number of employees, who were paid at the following annualised rates of pay, were:

	2012
£60,001 - £70,000	-
£70,001 - £80,000	-
£80,001 - £90,000	-
£90,001 - £100,000	1
	<u>1</u>

The above employee participated in the Teacher's Pension Scheme. During the period ended 31 August 2012, pension contributions for the employee amounted to £7,935.

11. Trustees 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 from the academy in respect of their role as governors.

The value of Trustees remuneration for the period 1 February 2012 to 31 August 2012 was as follows:

Executive Headteacher: £56,278.

12. Governors and Officers' Insurance

In accordance with normal commercial practice the trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions whilst on trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ending 31 August 2012 was £854.

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

13. Tangible Fixed Assets.

	Freehold Land and Buildings £	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Assets Under Construction £	Total £
Cost						
Transfer on conversion	1,140,793	7,807,014	87,638	161,482	-	9,196,927
Additions	54,108	-	-	51,593	78,848	184,549
Disposals	-	-	-	-	-	-
At 31 August 2012	1,194,901	7,807,014	87,638	213,075	78,848	9,381,476
Depreciation						
Charged in year	-	36,433	7,423	41,659	-	85,515
Disposals	-	-	-	-	-	-
At 31 August 2012	-	36,433	7,423	41,659	-	85,515
Net book values						
At 31 August 2012	1,194,901	7,770,581	80,215	171,416	78,848	9,295,961

14. Stock

	2012 £
Uniform	19,895
Catering	3,265
Stationery	9,813
Total	32,973

15. Debtors

	2012 £
Trade Debtors	31,053
Other Debtors	198,209
Prepayments	96,309
Total	325,571

16. Creditors: amounts falling due within one year

	2012 £
Trade Creditors	222,087
Other Creditors	5,491
Accruals & deferred income	220,681
Total	448,259

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Deferred income

	2012
	£
Resources deferred in the year	68,899
Deferred Income at 31 August 2012	<u>68,899</u>

At the balance sheet date the academy trust was holding funds received in advance for:

- Lettings booked for the Autumn term 2012.
- School trips due to take place in the 2012/13 Academic year.
- Insurance funding.
- 'Education Other Than At Schools' Funding.

17. Funds

	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2012 £
Restricted general funds				
General Annual Grant (GAG)				
Stratton Upper School	3,916,879	3,557,115	(200,485)	159,279
Gamlingay Village College	582,065	618,468	36,403	-
Start Up Grant	90,000	90,000	-	-
Other Government Grants	132,934	121,967	-	10,967
Other DfE/YPLA/EFA grants	97,754	80,795	-	16,959
Restricted Donations	17,060	13,060	-	4,000
	<u>4,836,692</u>	<u>4,481,405</u>	<u>(164,082)</u>	<u>191,205</u>
Pension reserve	(1,080,000)	-	(20,000)	(1,100,000)
	<u>3,756,692</u>	<u>4,481,405</u>	<u>(184,082)</u>	<u>(908,795)</u>
Restricted fixed asset funds				
Transfer from Local Authority on conversion	9,225,507	79,495	-	9,146,012
DfE/YPLA/EFA capital grants	51,298	2,928	-	48,370
Capital expenditure from GAG	-	3,091	68,585	65,494
Other government capital grants	76,179	-	-	76,179
	<u>9,352,984</u>	<u>85,514</u>	<u>68,585</u>	<u>9,336,055</u>
Total restricted funds	<u>13,109,676</u>	<u>4,566,919</u>	<u>(115,497)</u>	<u>8,427,260</u>
Unrestricted funds				
General	934,715	284,999	(554,503)	95,213
Building Fund	-	-	500,000	500,000
	<u>934,715</u>	<u>284,999</u>	<u>(54,503)</u>	<u>595,213</u>
Total funds	<u>14,044,391</u>	<u>4,851,918</u>	<u>(170,000)</u>	<u>9,022,473</u>

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

Included within Other DfE/EFA Grants under Restricted general funds is £20,000 received from the EFA in respect of 16-19 Bursary Funding. The fund is to provide bursaries to disadvantaged students aged 16-19. At the period end £6,000 of the funding received was still held and will be applied within the restrictions in the new academic year. Also included in this fund is £32,000 worth of grants from the Bedfordshire Schools' Training Partnership on behalf of the DfE. The grants are in respect of trainee teacher salaries and have been spent in full within the restrictions in the period.

The Other Government Grants under Restricted general funds includes £79,000 of SEN Funding provided by the schools' respective Local Authorities. The funding is granted to the school for the purpose of providing additional support for students who have a statement of educational needs. Funds are expended on Learning Support Assistants, equipment and any other needs, in accordance with the statement, to ensure that the student can access the curriculum. All funding received was expended in the period in accordance with the purposes for which the grant was intended.

As at 31 August 2012 the Governors have earmarked £500,000 of the unrestricted reserves to a Building Fund, as explained on Page 12 of the Governors' Report.

Also included in Other Government Grants was £14,000 from the Local Authority in respect of Intervention Funding. The funding was restricted to be spent on additional teaching and/or resources to enable students to access the curriculum and achieve to the best of their ability. In the year the school provided booster sessions and one to one teaching and mentoring for relevant pupils. At the balance sheet date £6,000 remained unspent and will be carried forward for use next year.

In Restricted Fixed Asset Funds, DfE/YPLA/EFA Capital Grants includes an £19,000 Capital Maintenance Grant from the EFA applied for the implementation of new boilers on the Stratton Upper School premises. The amount received remained unspent at the balance sheet date and is to be expended on a new boiler and associated materials and labour for the sports block.

Other Government Capital Grants includes £25,000 from Central Bedfordshire Council in respect of Invest to Save Lighting funding towards a project of lighting upgrades at Stratton Upper School. £17,000 was expended on the project in the period meaning £8,000 was unspent at the balance sheet date and will be carried forward for expenditure next year.

Also included in Other Government Capital Grants was £20,000 from the Central Bedfordshire Council School Access fund towards the farm pathway works. All of this funding was spent prior to the balance sheet date.

In the period £30,000 was received from South Cambridgeshire District Council and Gamlingay Parish Council in respect of the development of the Multi Use Games Area at Gamlingay Village College. £6,000 of this fund was unspent at the year end. This is also included in Other Government Capital Grants.

18. Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
Tangible fixed assets	-	-	9,295,961	9,295,961
Current assets	639,223	595,454	40,094	1,274,771
Current liabilities	(44,010)	(404,249)	-	(448,259)
Pension scheme liability	-	(1,100,000)	-	(1,100,000)
Total net assets	595,213	(908,795)	9,336,055	9,022,473

19. Member's 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.

20. Financial commitments

Operating leases

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

	2012
	£
Land and buildings	
Expiring within one year	-
Expiring within two and five years inclusive	-
Expiring in over five years	-
	<hr/>
	-
Other	
Expiring within one year	6,667
Expiring within two and five years inclusive	38,119
Expiring in over five years	-
	<hr/>
	44,786

21. Reconciliation of net income to net cash inflow from operating activities

	2012
	£
Net income	9,029,473
Depreciation (note 13)	85,515
Capital grants from DfE/YPLA/EFA and other capital income (Note 3)	(127,477)
Transfer from Local Authority (Note 27)	(8,858,719)
Interest receivable (note 5)	(625)
FRS 17 pension cost less contributions payable (note 25)	(11,000)
FRS 17 pension finance income (note 25)	24,000
(Increase)/decrease in stocks	28,112
(Increase)/decrease in debtors	(47,095)
(Increase)/decrease in creditors	361,151
	<hr/>
Net cash inflow from operating activities	483,335

22. Returns on investments and servicing of finance

	2012
	£
Interest received	625
	<hr/>
Net cash inflow from returns on investment and servicing of finance	625

23. Capital expenditure and financial investment

	2012
	£
Purchase of tangible fixed assets	(184,549)
Capital grants from DfE/YPLA/EFA	127,477
Net cash outflow from capital expenditure and financial investment	<u>(57,072)</u>

24. Analysis of changes in net funds

	At 31 August
	2012
	£
Cash in hand and at bank	<u>916,227</u>
	<u>916,227</u>

25. Pensions and similar obligations

The trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedford Borough 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.

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

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' Pension Regulations 2010.

Although teachers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increases) 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' Pensions 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 the 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

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defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 – 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pension currently in payment and estimated cost of future benefits) amounted to £66,500 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 within 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 payable will range between 6.4% and 8.8%, depending on a members' 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 trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the trust has taken advantage of the exemption of FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme and the implications for the trust in terms of the anticipated contribution rates.

Local Government Pension Scheme

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

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the period ended 31 August 2012 was £190,000, of which employer's contributions totalled £150,000 and employees' contributions totalled £40,000. The agreed contribution rates for future years are 17.2% for employers and a variable rate, depending on salary levels, for employees.

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

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Principal Actuarial Assumptions

**At 31
August
2012**

Rate of increase in salaries	4.5%
Rate of increase for pensions in payment / inflation	2.2%
Discount rate for scheme liabilities	4.1%
Inflation assumption (CPI)	2.1%
Commutation of pensions to lump sums for pre-April 2008 Service	50%
Commutation of pensions to lump sums for post-April 2008 Service	75%

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

**At 31
August
2012**

<i>Retiring today</i>	
Males	21.6
Females	23.2
<i>Retiring in 20 years</i>	
Males	23.6
Females	25.6

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 £000
Equities	5.5%	502
Bonds	3.5%	164
Property	3.7%	87
Cash	2.8%	213
Total market value of assets		<hr/> 966
Present value of scheme liabilities		
- Funded		2,066
Surplus/(deficit) in the scheme		<hr/> <hr/> (1,100)

The rates of return have been determined based on the long-term future expected investment return for each asset class as at the beginning of the period, 1st February 2012.

The actual return on scheme assets was £13,000.

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Amounts recognised in the statement of financial activities

	2012 £000
Current service cost (net of employee contributions)	139
Past service cost	-
Total operating charge	<u>139</u>
Analysis of pension finance income / (costs)	
Expected return on pension scheme assets	25
Interest on pension liabilities	<u>(49)</u>
Pension finance income / (costs)	<u>(24)</u>

The actual 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 defined benefit obligations were as follows:

	2012 £000
Transfer from local authority on conversion	1,842
Current service cost	139
Past service cost	-
Interest cost	49
Employee contributions	40
Actuarial (gain)/loss	(4)
Curtailements and settlements	-
Benefits paid	-
At 31 August	<u>2,066</u>

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

	2012 £000
Transfer from local authority on conversion	762
Expected return on assets	25
Actuarial gain/(loss)	(11)
Employer contributions	150
Employee contributions	40
Assets distributed on settlements	-
Transfer in of new members	-
Benefits paid	-
At 31 August	<u>966</u>

The estimated value of employer contributions for the year ending 31 August 2013 is £271,000.

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The history of experience adjustments is as follows:

	2012 £000
Present value of defined benefit obligations	(2,066)
Fair value of share of scheme assets	966
Surplus/(Deficit) in the scheme	<u>(1,100)</u>
Experience adjustments on share of scheme assets	<u>(11)</u>
Experience adjustments on scheme liabilities:	<u>-</u>

26. Related Party Transactions

There were no material transactions with any related parties in the period.

27. Conversion to an Academy Trust

On 1st February 2012 Stratton Upper School and Gamlingay Village College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Stratton Education Trust from the Central Bedfordshire Council and Cambridgeshire County Council Local Authorities 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				
Freehold / leasehold land and buildings	-	-	8,947,807	8,947,807
Other tangible fixed assets	-	-	249,120	249,120
Budget surplus / (deficit) on LA funds	654,620	-	-	654,620
Budget surplus / (deficit) on other school funds	58,592	-	28,580	87,172
LGPS pension surplus / (deficit)	-	(1,080,000)	-	(1,080,000)
Net assets / (liabilities)	<u>713,212</u>	<u>(1,080,000)</u>	<u>9,225,507</u>	<u>8,858,719</u>

The above net assets include £489,339 that were transferred as cash.

Included within the Freehold/leasehold land and buildings is the transfer of the lease of the land and buildings of Stratton Upper School from Central Bedfordshire Council Local Authority at a value of £7,807,014. The lease is for the duration of one hundred and twenty five years and warrants a peppercorn rent.