

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Governors' report and financial statements
for the period ended 31 August 2012

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the academy, its governors and advisers	1
Governors' report	2 - 6
Governance statement	7 - 9
Statement on regularity, propriety and compliance	10
Governors' responsibilities statement	11
Independent auditors' report	12 - 13
Independent auditors' assurance report on regularity	14 - 15
Statement of financial activities	16
Balance sheet	17
Cash flow statement	18
Notes to the financial statements	19 - 36

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

THE MAPLESDEN NOAKES SCHOOL

(A company limited by guarantee)

**Reference and administrative details of the academy, its governors and advisers
for the period ended 31 August 2012**

Governors

S G Harrison (appointed 5 January 2012)^{1,2}
L Jalili-Hodges (appointed 5 January 2012)^{1,2}
J Prideaux (appointed 5 January 2012)^{1,2}
A Hedges (appointed 5 December 2012)¹
M Burtwell³
L Hubbard (appointed 5 December 2012)
E Duckworth³
D Fenton (appointed 5 December 2012)
S Knowles (appointed 5 December 2012)¹
M Wiles³
P Holgate (appointed 5 December 2012)
A Foster (appointed 5 December 2012)

¹ member of the Finance Monitoring Team
² Member
³ Governor but not a director

**Company registered
number** 07898331

Registered office Buckland Road
Maidstone
Kent
ME16 0TJ

**Senior Management
Team**

J Prideaux, Headteacher
L Hendry, Deputy Headteacher
R Owen, Deputy Headteacher
T Hamer, Assistant Headteacher
M Watts, Assistant Headteacher
S Forghani, Assistant Headteacher
T Newcombe, Assistant Headteacher
F Garner, Finance Manager
H Lishman, Administration Manager

Auditors Williams Giles Limited
Chartered Accountants
Registered Auditors
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Bankers HSBC Plc
1-5 Week Street
Maidstone
ME14 1QW

Solicitors Brachers Ltd
Sommerfield House
59 London Road
Maidstone
Kent
ME16 8JH

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Governors' report
for the period ended 31 August 2012

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Maplesden Noakes School (the academy) for the period ended 31 August 2012. The Governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and was set up by a Memorandum of Association 05/01/12 .

The governors act as the trustees for the charitable activities of Maplesden Noakes School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Maplesden Noakes School.

b. Method of recruitment and appointment or election of Governors

The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Governors are drawn from the following -

The Members (Up to a maximum of 8 Governors appointed by the Members)

1 Staff Governor (by staff election)

Up to 1 LA appointed Governor

Minimum of 2 parent Governors by parental election

The Headteacher

Up to 3 Co-opted Governors

Any additional Governors by appointment by the Secretary of State for Education

c. Policies and procedures adopted for the induction and training of Governors

All new Governors are provided with the opportunity to attend locally organised Governor Training provided by the LA. This training is in the first instance in the form of general training regarding the responsibilities of Governors. Further training in specific areas of responsibility can also be provided as and when required.

d. Organisational structure

The Principal (Headteacher) is the Accounting Officer.

Decisions on the adoption of all policies are reserved for Governors.

Appointment of staff is delegated to the Principal, within agreed numerical limits.

Decisions regarding the spending of funds is delegated to the Principal and Finance Manager up to an individual amount of £10,000. Any decision relating to a sum above this figure must be referred to Governors.

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Governors' report (continued)
for the period ended 31 August 2012

e. Connected organisations, including related party relationships

A relationship has been established with a local primary school in order to assist in the promotion of excellent teaching, especially in Mathematics.

f. Risk management

The Governors have, in conjunction with the Headteacher and Finance Manager, conducted a Risk Analysis. This Risk Analysis identifies areas of risk in the following broad categories –

- Strategic Risk
- Reputational Risk
- Management Information Risk
- Human Resources Risk
- Financial Risk
- Legislative Risk

Each risk has been evaluated and scored. Where risks are significant the Governors have taken steps to monitor and control those risks. The steps taken are as follows -

1. Appointment of professional legal advisors to provide advice and guidance on all personnel and legal issues
2. Appointment of professional auditors to perform not only the audit functions but also the function of Responsible Officer
3. Appointment of a variety of Governor Monitoring Groups who regularly (at least 3 times per year) meet with senior management to monitor and review areas of risk.

g. Governors' indemnities

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

h. Principal activities

The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives and Activities

a. Objects and aims

A summary of the main aims of the Academy Trust is as follows :

1. To maintain a school offering a broad and balanced curriculum
2. To continue to maintain and develop buildings suitable for the delivery of a balanced curriculum
3. To provide well qualified and suitable staff for the furtherance of the delivery of the curriculum
4. To provide educational services to students of all ages and the wider community for the public benefit

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Governors' report (continued)
for the period ended 31 August 2012

The Academy is continually striving, within the constraints set by the Government of the day, to offer a wide curriculum which maximises opportunities for all learners and provides a suitable challenge for all ability ranges.

The Academy Trust has inherited a set of buildings, which in part, require modernisation and updating. It is the Trusts clear aim to seek funds from appropriate sources to allow this modernisation to occur.

The Academy will continue to ensure that all staff employed are well qualified and have the necessary skills and experience to deliver the curriculum in such a way that all students are able to achieve their potential.

The Trust has developed relationships with local groups and is able to provide facilities and expertise to a large number of students and adults in the wider community.

The Trust strives to improve the quality of education provision within the Academy and to maximise the performance of all students attending the Academy.

b. Objectives, strategies and activities

The main objectives for the year are as follows : -

Achieve 58% 5+ A*-C including En and Ma GCSE Results

Achieve 70% A-C at A Level

Improve literacy delivery across the curriculum

Develop strong financial bid to DFE for replacement of hitted classrooms

Continue to improve the quality of the learning environment by careful use of capital funds

c. Public benefit

In setting our objectives and planning our activities our Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

In furtherance of the Academy's purposes for the public benefit, the academy continues to provide a free educational service to all students enrolled at the Academy.

The Academy also continues and has extended the opportunities for external groups and sports clubs to use the facilities that the Academy Trust has control over.

The Academy provides an education which is balanced and broadly based and promotes the spiritual, moral, cultural, mental and physical development of pupils at the school and of society. The educational provision also prepares pupils for the opportunities, responsibilities and experiences of later life.

Achievements and performance

a. Going concern

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

b. Review of activities

GCSE Results – the school achieved its best ever GCSE results in 2012 with 55% of students achieving 5+ A*-C Grades including English and Maths. This matches the schools FFTD targets.

69% of A levels were passed as grades A* - C

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Governors' report (continued)
for the period ended 31 August 2012

Persistent absence rates fallen again to just over 4%

Conversion to Academy status achieved successfully

Curriculum offer enhanced in time for 2012-13 including the development of new facilities for Drama and Dance

Financial review

a. Financial and risk management objectives and policies

The Governors have reviewed their policies on Finance and Risk Management and will be making no changes to those policies. However a further review of the Risk Register has been instigated in view of the continuing decline in the levels of funding for all schools nationally. The Governors believe that it is very unlikely that significant investment of funds will be likely in the future.

b. Principal risks and uncertainties

The Governors have reviewed the main uncertainties which the school is subject to and concluded that there is no material change to any of these uncertainties. The school continues to recruit into both Year 7 and Year 12 (the latter expanding significantly). The Governors have as part of their review decided to submit a bid to the EFA for capital funding for the replacement of the mobile classrooms which house the Modern Foreign Languages Dept.

c. Reserves policy

The policy regarding reserves is unchanged. Any reserves that are held by the Governors will be held to support emergency spending requirements over the next year.

d. Principal funding

The principal funding for the Company remains the EFA. As such the Governors do not deem this source of funding to be at risk.

e. Material investments policy

The Academy is able to invest cash sums not immediately required for the furtherance of its Object. Any such investment can only be undertaken following advice from a suitably qualified expert. At present the Academy does not have significant sums available for investment, however it does operate a sweeping account which attracts a relatively favourable interest rate in the current climate.

Plans for the future

a. Future developments

1. Continue to improve the quality of teaching and learning by the use of rigorous monitoring.
2. Continue to improve the headline exam results.
3. Improve the overall literacy and numeracy of all students by improving literacy delivery across the curriculum and by the use of selective interventions where appropriate.
4. With a suitable partner, work towards the replacement of the language huts with a new teaching block to house languages and business.

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Governors' report (continued)
for the period ended 31 August 2012

5. Continue to increase the numbers of students in the 6th Form and to improve the quality of the 6th Form block accordingly.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10.00 for the debts and liabilities contracted before he/she ceases to be a member.

Provision of information to auditors

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

This report was approved by order of the members of the governing body on 19 December 2012 and signed on its behalf by:

L Jalili-Hodges
Governor

J Prideaux
Governor

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that The Maplesden Noakes School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body has delegated the day-to-day responsibility to the Headteacher, as Accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Maplesden Noakes School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
S G Harrison	4	4
L Jalili-Hodges	3	4
J Prideaux	4	4
A Hedges	3	4
M Burtwell	2	4
L Hubbard	4	4
E Duckworth	4	4
D Fenton	4	4
S Knowles	4	4
M Wiles	4	4
P Holgate	2	4
A Foster	3	4

There have been no changes to the composition of the Governing Body.

The **Finance Monitoring Team** is a sub-group of the main governing body. Its purpose is to monitor the financial position of the Academy on a regular basis. The Group also has the function of overseeing the financial arrangements of the school, setting an annual and 3 year budget and monitoring assets including buildings. The Group meets at least 6 times per year. Attendance at meetings in the year was as follows:

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
L Jalili-Hodges	3	4
S G Harrison	4	4
A Hedges	3	4
S Knowles	3	4
J Prideaux	4	4

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Maplesden Noakes School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (as set purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Williams Giles, Auditors, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Review of Effectiveness

As Accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Governance Statement (continued)

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

Approved by order of the members of the governing body on 19 December 2012 and signed on their behalf, by:

L Jalili-Hodges
Governor

J Prideaux
Accounting officer

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

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

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

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

J Prideaux
Accounting officer

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Governors' responsibilities statement
for the period ended 31 August 2012

The Governors (who act as trustees for charitable activities of The Maplesden Noakes School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the governing body on 19 December 2012 and signed on its behalf by:

L Jalili-Hodges
Governor

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Independent auditors' report to the members of The Maplesden Noakes School

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

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

Respective responsibilities of Governors and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Independent auditors' report to the members of The Maplesden Noakes School

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.

Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH
Date:

THE MAPLESDEN NOAKES SCHOOL

(A company limited by guarantee)

Independent Auditors' assurance report on regularity to The Maplesden Noakes School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 13/11/12 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 The Maplesden Noakes School during the period 5 January 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 The Maplesden Noakes School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Maplesden Noakes School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Maplesden Noakes School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Maplesden Noakes School's Accounting officer and the auditors

The Accounting officer is responsible, under the requirements of The Maplesden Noakes School's funding agreement with the Secretary of State for Education dated [enter date here], and the Academies Financial Handbook as published by DfES in 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 5 January 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's income and expenditure.

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

**Independent Auditors' assurance report on regularity to The Maplesden Noakes School and the
Education Funding Agency (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 5 January 2012 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date:

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Statement of financial activities
(incorporating income and expenditure account and statement of recognised gains and losses)
for the period ended 31 August 2012

	Note	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
Incoming resources					
Incoming resources from generated funds:					
Transfer on conversion	3	103,384	-	12,919,255	13,022,639
Activities for generating funds	4	182,478	14,339	-	196,817
Investment income	5	467	-	-	467
Incoming resources from charitable activities	6	-	3,167,131	38,866	3,205,997
Other incoming resources	7	-	300	-	300
Total incoming resources		286,329	3,181,770	12,958,121	16,426,220
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income	8	108,189	-	-	108,189
Charitable activities	11,12	58,444	3,071,725	258,460	3,388,629
Governance costs	9	-	37,972	-	37,972
Other resources expended	10	-	-	454,003	454,003
Total resources expended	13	166,633	3,109,697	712,463	3,988,793
Net incoming resources before transfers		119,696	72,073	12,245,658	12,437,427
Transfers between Funds	24	-	(55,259)	55,259	-
Net income for the year		119,696	16,814	12,300,917	12,437,427
Actuarial gains and losses on defined benefit pension schemes		-	(661,000)	-	(661,000)
Net movement in funds for the year		119,696	(644,186)	12,300,917	11,776,427
Total funds at 5 January 2012		-	-	-	-
Total funds at 31 August 2012		119,696	(644,186)	12,300,917	11,776,427

All activities relate to continuing operations.

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

The notes on pages 19 to 36 form part of these financial statements.

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)
Registered number: 07898331

Balance sheet
as at 31 August 2012

	Note	2012	
		£	£
Fixed assets			
Tangible assets	20		12,705,337
Current assets			
Debtors	21	120,695	
Cash at bank and in hand		352,406	
		473,101	
Creditors: amounts falling due within one year	22	(398,008)	
Net current assets			75,093
Total assets less current liabilities			12,780,430
Creditors: amounts falling due after more than one year	23		(318,003)
Net assets excluding pension scheme liabilities			12,462,427
Defined benefit pension scheme liability	30		(686,000)
Net assets including pension scheme liabilities			11,776,427
Funds of the academy			
Restricted funds:			
Restricted funds	24	41,814	
Restricted fixed asset funds	24	12,300,917	
		12,342,731	
Restricted funds excluding pension liability			
Pension reserve		(686,000)	
Total restricted funds			11,656,731
Unrestricted funds	24		119,696
Total funds			11,776,427

The financial statements were approved by the Governors, and authorised for issue, on 19 December 2012 and are signed on their behalf, by:

L Jalili-Hodges

J Prideaux

The notes on pages 19 to 36 form part of these financial statements.

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Cash flow statement
for the period ended 31 August 2012

	Note	Period ended 31 August 2012 £
Net cash flow from operating activities	26	(7,938)
Returns on investments and servicing of finance	27	467
Capital expenditure and financial investment	27	(44,543)
Cash outflow before financing		(52,014)
Financing	27	404,420
Increase in cash in the period		352,406

Reconciliation of net cash flow to movement in net debt
for the period ended 31 August 2012

	Period ended 31 August 2012 £
Increase in cash in the period	352,406
Cash outflow from decrease in debt and lease financing	(404,420)
Movement in net debt in the period	(52,014)
Net debt at 31 August 2012	(52,014)

The notes on pages 19 to 36 form part of these financial statements.

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Company status

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

1.3 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

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

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

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

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

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

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

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

1. Accounting policies (continued)

1.5 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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

L/Term Leasehold Property	-	2%
Fixtures and fittings	-	10%
Computer equipment	-	20%

1.8 Taxation

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

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

1. Accounting policies (continued)

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 30, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.10 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from The Maplesden Noakes School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

1.11 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 the useful economic life in accordance with academy trust's policies.

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

2. General Annual Grant (GAG)

	2012 £
Result and Carry Forward for the Year	
GAG Allocation for current year	2,917,832
Total GAG Available to spend	2,917,832
Recurrent expenditure from GAG	(2,820,759)
Fixed assets purchased from GAG	(5,676)
Repayment of loans	(49,583)
GAG Carried forward to next year	41,814
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(350,140)
GAG to surrender to DfE	(308,326)
(12% rule breached if result is positive)	No breach

3. Voluntary income

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Transfer on conversion	103,384	12,919,255	13,022,639
	103,384	12,919,255	13,022,639
Voluntary income	103,384	12,919,255	13,022,639

4. Activities for generating funds

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Lettings income	66,936	-	66,936
GTP income	-	14,339	14,339
School trips	94,836	-	94,836
Other income	20,706	-	20,706
	182,478	14,339	196,817
	182,478	14,339	196,817

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

5. Investment income

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Short term deposit	467	-	467
	467	-	467

6. Funding for Academy's educational operations

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
DfE/EFA revenue grant			
GAG	-	2,917,832	2,917,832
Pupil premium	-	27,900	27,900
Start up grant	-	25,000	25,000
Other DfE/EFA grants	-	77,637	77,637
	-	3,048,369	3,048,369
Other government grants			
Other government income	-	118,762	118,762
	-	118,762	118,762
Capital funding			
Capital income	-	38,866	38,866
	-	38,866	38,866
	-	3,205,997	3,205,997

7. Other incoming resources

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Supply teacher insurance	-	300	300
	-	300	300

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

8. Costs of generating voluntary income

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
School trips	95,816	-	95,816
Lettings	12,373	-	12,373
	<u>108,189</u>	<u>-</u>	<u>108,189</u>

9. Governance costs

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Auditors' fees	-	13,675	13,675
Legal and professional	-	24,297	24,297
	<u>-</u>	<u>37,972</u>	<u>37,972</u>

10. Other resources expended

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Loan on conversion	-	454,003	454,003

11. Direct costs

	Educational operations £	Total 2012 £
Educational supplies	58,142	58,142
Examination fees	48,325	48,325
Staff development	10,170	10,170
Educational consultancy	23,745	23,745
Other direct costs	117,294	117,294
Wages and salaries	1,660,547	1,660,547
National insurance	123,706	123,706
Pension cost	329,331	329,331
Depreciation	258,460	258,460
	<u>2,629,720</u>	<u>2,629,720</u>

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

12. Support costs

	Educational operations £	Total 2012 £
LGPS costs	15,000	15,000
Recruitment and support	9,225	9,225
Maintenance of premises and equipment	108,726	108,726
Cleaning	13,736	13,736
Rent & rates	37,067	37,067
Light & heat	69,258	69,258
Insurance	60,344	60,344
Security & transport	3,509	3,509
Catering	28,738	28,738
Interest and charges	3,074	3,074
Computer costs	127,280	127,280
Printing, postage and stationery	24,912	24,912
Other support costs	35,124	35,124
Wages and salaries	167,658	167,658
National insurance	17,359	17,359
Pension cost	37,899	37,899
	<u>758,909</u>	<u>758,909</u>

13. Analysis of resources expended by expenditure type

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £
Costs of generating voluntary income	-	-	108,189	108,189
Costs of generating funds	-	-	108,189	108,189
Educational operations	2,336,500	258,460	793,669	3,388,629
Governance	-	-	37,972	37,972
Other resources expended	-	454,003	-	454,003
	<u>2,336,500</u>	<u>712,463</u>	<u>939,830</u>	<u>3,988,793</u>

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

14. Net incoming resources

This is stated after charging:

	Period ended 31 August 2012 £
Depreciation of tangible fixed assets:	
- owned by the charity	712,463
Auditors' fees	13,675
	<hr/> <hr/>

15. Auditors' remuneration

	Period ended 31 August 2012 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	9,000
Internal audit services	1,500
All other non-audit services not included above	3,175
	<hr/> <hr/>

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

**Notes to the financial statements
for the period ended 31 August 2012**

16. Staff costs

Staff costs were as follows:

	Period ended 31 August 2012 £
Wages and salaries	1,828,205
Social security costs	141,064
Other pension costs (Note 30)	367,230
	2,336,499
Supply teacher costs	117,294
	2,453,793

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

	Period ended 31 August 2012 No.
Teaching	84
Admin	14
Support	30
	128
	128

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

	Period ended 31 August 2012 No.
In the band £60,001 - £70,000	3
In the band £100,001 - £110,000	1
	4
	4

17. Governors' remuneration

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration was as follows:

J Prideaux	£105,000 - £110,000
------------	---------------------

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

18. Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2012 was £864.50.

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

19. Other finance income

	Period ended 31 August 2012 £
Expected return on pension scheme assets	8,000
Interest on pension scheme liabilities	(23,000)
	(15,000)
	(15,000)

20. Tangible fixed assets

	Long leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
Additions	12,419,536	329,114	215,148	12,963,798
At 31 August 2012	12,419,536	329,114	215,148	12,963,798
Depreciation				
Charge for the period	169,049	47,996	41,416	258,461
At 31 August 2012	169,049	47,996	41,416	258,461
Net book value				
At 31 August 2012	12,250,487	281,118	173,732	12,705,337

21. Debtors

	2012 £
Trade debtors	6,055
Other debtors	34,990
Prepayments and accrued income	79,650
	120,695
	120,695

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

22. Creditors:
Amounts falling due within one year

	2012
	£
Other loans	86,417
Trade creditors	142,003
Social security and other taxes	96,084
Accruals and deferred income	73,504
	<hr/>
	398,008
	<hr/> <hr/>

23. Creditors:
Amounts falling due after more than one year

	2012
	£
Other loans	318,003
	<hr/> <hr/>

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

24. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	-	286,329	(166,633)	-	-	119,696
Restricted funds						
General Annual Grant (GAG)	-	2,917,832	(2,820,759)	(55,259)	-	41,814
Other DfE/EFA grants	-	127,937	(127,937)	-	-	-
Other grants	-	97,875	(97,875)	-	-	-
Generated income	-	38,126	(38,126)	-	-	-
Pension reserve	-	-	(25,000)	-	(661,000)	(686,000)
	-	3,181,770	(3,109,697)	(55,259)	(661,000)	(644,186)
Restricted fixed asset funds						
Assets acquired on conversion	-	12,919,255	(258,460)	44,542	-	12,705,337
DfE/EFA capital grants	-	38,866	-	(38,866)	-	-
Loan on conversion	-	-	(454,003)	49,583	-	(404,420)
	-	12,958,121	(712,463)	55,259	-	12,300,917
Total restricted funds	-	16,139,891	(3,822,160)	-	(661,000)	11,656,731
Total of funds	-	16,426,220	(3,988,793)	-	(661,000)	11,776,427
Summary of funds						
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	286,329	(166,633)	-	-	119,696
Restricted funds	-	3,181,770	(3,109,697)	(55,259)	(661,000)	(644,186)
Restricted fixed asset funds	-	12,958,121	(712,463)	55,259	-	12,300,917
	-	16,426,220	(3,988,793)	-	(661,000)	11,776,427

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

25. Analysis of net assets between funds

	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
Tangible fixed assets	-	-	12,705,337	12,705,337
Current assets	174,685	298,417	-	473,102
Creditors due within one year	(54,989)	(256,603)	(86,417)	(398,009)
Creditors due in more than one year	-	-	(318,003)	(318,003)
Provisions for liabilities and charges	-	(686,000)	-	(686,000)
	<u>119,696</u>	<u>(644,186)</u>	<u>12,300,917</u>	<u>11,776,427</u>

26. Net cash flow from operations

	Period ended 31 August 2012 £
Net incoming resources before revaluations	12,437,427
Returns on investments and servicing of finance	(467)
Exceptional items	(12,919,255)
Depreciation of tangible fixed assets	258,461
Increase in debtors	(120,695)
Increase in creditors	311,591
FRS 17 adjustments	25,000
Net cash outflow from operations	<u><u>(7,938)</u></u>

27. Analysis of cash flows for headings netted in cash flow statement

	Period ended 31 August 2012 £
Returns on investments and servicing of finance	
Interest received	467
	<u><u>467</u></u>
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(44,543)
	<u><u>(44,543)</u></u>

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

27. Analysis of cash flows for headings netted in cash flow statement (continued)

	Period ended 31 August 2012 £
Financing	
Other new loans	404,420
	404,420

28. Analysis of changes in net debt

	5 January 2012 £	Cash flow £	31 August 2012 £
Cash at bank and in hand:	-	352,406	352,406
Debt:			
Finance leases	-	-	-
Debts due within one year	-	(86,417)	(86,417)
Debts falling due after more than one year	-	(318,003)	(318,003)
Net debt	-	(52,014)	(52,014)

29. Conversion to an academy trust

On 01/02/12 The Maplesden Noakes School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Maplesden Noakes School from Kent County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	14,489,839	14,489,839
- Other tangible fixed assets	-	-	499,719	499,719
Budget surplus/(deficit) on other school funds	103,384	-	-	103,384
LGPS pension surplus/(deficit)	-	(634,000)	-	(634,000)
Borrowing obligations	-	(454,003)	-	(454,003)
Net assets/(liabilities)	103,384	(1,088,003)	14,989,558	14,004,939

The above net assets include £103,384 that were transferred as cash.

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

30. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

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

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

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

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

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

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

30. Pension commitments (continued)

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £104,000, of which employer's contributions totalled £83,000. The agreed contribution rate for future years are 23.1% for employers and var% for employees.

As described in note 29 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	Period ended 31 August 2012 £
Present value of funded obligations	(1,009,000)
Fair value of scheme assets	323,000
	(686,000)
Net liability	(686,000)

The amounts recognised in the Statement of financial activities are as follows:

	Period ended 31 August 2012 £
Current service cost	(93,000)
Interest on obligation	(23,000)
Expected return on scheme assets	8,000
	(108,000)
Total	(108,000)

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

30. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	Period ended 31 August 2012 £
Current service cost	93,000
Interest cost	23,000
Contributions by scheme participants	21,000
Actuarial Losses	872,000
	1,009,000
	1,009,000

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

	Period ended 31 August 2012 £
Expected return on assets	8,000
Actuarial gains and (losses)	211,000
Contributions by employer	83,000
Contributions by employees	21,000
	323,000
	323,000

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

The academy expects to contribute £NIL to its Defined benefit pension scheme in 2013.

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

	2012
Equities	70.00 %
Gilts	1.00 %
Other bonds	13.00 %
Property	10.00 %
Cash	3.00 %
Targer return portfolio	3.00 %

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

	2012
Discount rate for scheme liabilities	3.90 %
Expected return on scheme assets at 31 August	5.20 %
Rate of increase in salaries	4.10 %
Rate of increase for pensions in payment / inflation	1.90 %
Inflation assumption (CPI)	1.90 %
Discount Rate	3.90 %
RPI increases	2.70 %

THE MAPLESDEN NOAKES SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2012

30. Pension commitments (continued)

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

	2012
Retiring today	
Males	20.0
Females	24.0
Retiring in 20 years	
Males	22.0
Females	25.9

Amounts for the current period are as follows:

Defined benefit pension schemes

	2012 £
Defined benefit obligation	(1,009,000)
Scheme assets	323,000
	(686,000)
Deficit	(686,000)
Experience adjustments on scheme liabilities	(872,000)
Experience adjustments on scheme assets	211,000
	(661,000)

31. Related party transactions

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