

Myton School Trust
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the period ended
31 August 2012

Myton School Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Governors	Mr D Kelham Mrs D Burley Mr E P MacIntyre Mr J Atkinson Mr G Basi Mrs J Bessant Mrs A Bond Mr R M Davies-Colley Mrs E Dodson Mrs J Fell Mr J Findlay Mr S Larke Mrs C Lee Mr D Leigh-Hunt Mr P Mayor Mrs M Morris Mr S Nicklin Mr D Witham	Chair of Governors Vice Chair & Parent Governor Headteacher & Accounting officer Parent Governor Parent Governor Parent Governor Parent Governor Staff Governor Parent Governor (appointed 1 January 2012) Staff Governor
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All of the above governors were appointed on 14 June 2011 with the exception of Mrs C Lee, who was appointed on 1 January 2012.

Company Secretary	Ms A Lawson Mrs E J Burrows	(appointed 26 March 2012) (appointed 26 March 2012)
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Leadership Team	Mr E P MacIntyre Mrs H Bridge Mr S Jones Mr A Perry Mrs E J Burrows Ms E Guirguis Mr G Owen Mrs A C Round Mr M Sykes Mr J Targett	Headteacher Deputy Headteacher Deputy Headteacher Deputy Head teacher Finance Director Assistant Headteacher Assistant Headteacher Assistant Headteacher Assistant Headteacher Assistant Headteacher
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Principal and Registered Office	Myton School Myton Road Warwick Warwickshire CV34 6PJ
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Company Registration Number (England and Wales)	07669416
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Independent Auditor	Baker Tilly UK Audit LLP St Philips Point Temple Row Birmingham B2 5AF
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Myton School Trust

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Bankers

Barclays Bank plc
Barclays House
Ground Floor Dominus Way
Meridian Business Park
Leicester LE19 1RP

Solicitors

Darbys Solicitors LLP
52 New Inn Hall Street
Oxford
OX1 2DN

Myton School Trust

GOVERNORS' REPORT

The governors present their first annual report together with the financial statements and auditors' report of Myton School Trust for the 14 months ended 31 August 2012.

Structure, Governance and Management

History

Myton School was founded in 1968 following the amalgamation of 2 single sex high schools located on the current Myton School site. In 1992 Myton School was incorporated as a grant maintained school. Following the demise of the grant maintained structure, Myton School became a Foundation School in 1999. On 1st July 2011, Myton School converted to academy status and Myton School Trust was incorporated.

Constitution

Myton School Trust (the "Trust") is a company limited by guarantee and has exempt charity status.

The governors act as the board of Trustees (the "Board") for the charitable activities of the Trust and are also the directors of the Trust for the purposes of company law. The trading name of the Trust is Myton School.

Details of the governors who served throughout the 14 months ended 31 August 2012 are included in the Reference and Administrative Details on page 1.

Members' liability

The current members of Myton School Trust are listed below:

Mr D Kelham

Mrs D Burley

Mr R M Davies-Colley

Mrs M Morris

Mr D Witham

Every member undertakes to contribute an amount not exceeding £10 to the Trust's assets in the event of the Trust being wound up during the period of membership, or within one year thereafter.

The Trust is governed by the rules and regulations set down in its memorandum and articles of association dated 14 June 2011.

Governors' indemnities

The governors of the Trust benefit from indemnity insurance purchased by the Trust to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. The insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not.

Method of recruitment and appointment or election of governors

The governors have set up procedures that will enable regular reviews of the mix of skills that should be available to the board. New governors will then be sought with these skills, either as additional governors or replacements when existing governors stand down. It is anticipated that the great majority of new governors will be drawn from the local community being either parents or carers of students at the Trust or others that have shown an interest in the future well-being of the Trust and its students. Recruitment is therefore likely to be through a combination of approaches to individuals with known skills and by wider communications to those within the local community.

Myton School Trust

GOVERNORS' REPORT (continued)

In accordance with the Trust's articles of association, governors can be appointed / elected as follows:

- Members of the Trust may appoint up to 11 governors.
- Members of the Trust may appoint **staff governors** providing that the total number of governors (including the Headteacher) who are employees of the Trust does not exceed one third of the total number of governors.
- The Local Authority (LA) may appoint an **LA governor**.
- The Board must include at least 2 **parent governors**. Parent governors are elected by parents of registered students at the Trust and then appointed by the Members.
- The governors may appoint up to 3 co-opted governors
- In special circumstances the Secretary of State can appoint additional governors to the Board of the Trust

As at 31 August 2012, the board comprised 2 staff governors (excluding the Headteacher) and 6 parent governors.

New governors are given an induction pack which includes relevant terms of references, copies of key school policies and guidance on suitable governor training courses.

A training link governor has been appointed by the board who is responsible for identifying relevant training courses and conferences organised by appropriate bodies. The training link governor informs the board of relevant training opportunities on a regular basis throughout the school year which ensures that individual governors attend relevant courses and that their knowledge and understanding of their role is fully up to date.

Organisational structure

The governors have responsibility for setting and monitoring the overall strategic direction of the Trust, approving decisions reserved for governors and as set out in the scheme of delegation. The governors are also involved in appointing key members of staff. The governors set strategic objectives and educational targets for the Trust with some of these functions delegated to sub-committees.

The governors meet as a board 4 times a year. All decisions reserved for the governors are taken by the board as a whole. The board has established a number of sub-committees which meet to consider detailed matters and recommend decisions to the full board. These sub-committees meet at least 4 times a year.

There are currently four sub-committees:

- Personnel and Health & Safety Committee
- Quality Assurance and Standards Committee
- Student Welfare/ Care & Guidance & Safeguarding Committee
- Finance & Facilities Committee / Audit Committee

Additionally, working groups with clear terms of reference are formed on an ad hoc basis to consider specific issues and make recommendations to the board.

Stephen Larke (governor) is the Responsible Officer ("RO") and as such has an oversight role in relation to the systems and processes of contract and risk management that operate within the Trust. The RO's detailed work has been delegated, upon approval by the Finance & Facilities Committee, to Baker Tilly Tax and Accounting Limited.

The Headteacher is the Accounting Officer and works closely with governors and the senior staff of the Trust.

The day-to-day management rests with the Headteacher who has overall responsibility for the Trust. The Headteacher is responsible for establishing a Leadership Team, including the Finance Director, Deputy Headteachers and Assistant Headteachers. The Leadership Team is responsible for the students' education and welfare, organising all staff and the day to day operations, resources and facilities.

Myton School Trust

GOVERNORS' REPORT (continued)

Risk management

The Trust has been through a process to assess various risks and to identify and implement strategies for mitigating these risks. This process identified various risk categories and their potential operational and financial impact, the probability of such occurrences and hence the overall gross risk. The governors have identified clear mechanisms to manage these risks in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust and its finances. Appropriate and adequate insurance cover is in place as well as an effective system of internal financial controls.

Connected organisations, including related party relationships

The Trust has no connected organisations to report.

Objectives and Activities

Objects and aims

The charitable objectives for which the Trust was established are set out in the articles of association, which can be found on our website www.mytonschool.co.uk, as follows:

- “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;
- to promote for the benefit of the inhabitants of Warwick the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances of for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.”

Charitable Activities

The principal activity of the Trust is to run a fully inclusive secondary school for boys and girls aged between 11- 18 located in Warwick and the surrounding areas.

Objectives, strategies and activities

Myton School is a very successful, 11-18 age range, co-educational comprehensive school with an excellent reputation, in both the local area and nationally. The socio-economic profile of the Trust's students is diverse and reflects its comprehensive and multi-cultural nature.

Myton School's mission statement is “to enable us all to be successful by achieving our full potential as learners and individuals”. To achieve this, the Trust's strategic improvement plan 2011 – 2013 focused on **narrowing the gap**. This meant that the Trust had ambitious plans for everyone in its community to achieve, succeed and to reach their full potential. It meant reducing in-school variation and volatility; that is where departments sometimes perform better with one particular group of students and some lag behind; where some departments excel and other departments do not; or where a department might perform well one year and less well the next. It was about raising performance across the school to a consistently high standard for all.

To achieve this aim, the main strategic objectives throughout the 14 months ended 31 August 2012 were:

1. To ensure high levels of achievement for all by empowering all members of the Trust's community to continuously improve standards of teaching and learning.
2. To ensure high levels of achievement for all by providing a personalised learning experience which is inclusive and challenging.
3. To ensure high levels of achievement for all through effective and inspirational leadership at all levels.
4. To ensure high levels of achievement for all by fostering a positive culture based on effective professional and caring relationships within and across our community.

Myton School Trust

GOVERNORS' REPORT (continued)

5. To ensure high levels of achievement for all through a culture of partnerships, networks and collaboration.

Indicators, Milestones and Benchmarks

The following indicators are used as key milestones in the students' education: these are benchmarked against Fischer Family Trust Model D ("FFT D") estimates to ensure comparison with the upper quartile of schools nationally.

At Key Stage 3

- % Level 5 and above in English
- % Level 6 and above in English
- % Level 7 and above in English
- % Level 5 and above in Maths
- % Level 6 and above in Maths
- % Level 7 and above in Maths

Attainment at GCSE

- % achieving 5A*-C including English and Maths
- % achieving 5A*-C grades
- % achieving 5A*-G grades
- % achieving 5A*-A grades
- Average capped point score
- Average capped point score without equivalences
- Attainment of students eligible for free school meals ("FSM") and students with special educational needs or disabilities ("SEND") compared to target

Achievement at GCSE

- Value Added for whole cohort
- Value Added for students with SEND and FSM
- % of students achieving expected levels of progress in English
- % of students achieving expected levels of progress in Maths
- % of students who become "NEET" – not in education, employment or training

Key Stage 5 / Post 16

- A*/A grades as a percentage of those awarded
- A*-B grades as a percentage of those awarded
- Value Added Score from the Advanced level performance system – ("ALPS")
- Average point score per student
- Average point score per entry

Public benefit

The governors have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public benefit") into consideration in preparing their statements on public benefit contained within the governors' annual report and in reviewing the activities and achievements of the Trust.

Benefits & Beneficiaries

In accordance with its charitable objectives, the Trust strives to advance the education of the students attending the school. The Trust's primary beneficiaries are therefore the students, and benefits to students are provided through continuing to maintain a high standard of education throughout the Trust.

Myton School Trust

GOVERNORS' REPORT (continued)

Governors' Assessment of Public Benefit

In order to determine whether or not the Trust has fulfilled its charitable objectives for public benefit, the Governors gather evidence of the success of Myton School Trust's activities.

Achievements and Performance

Impact of Activities & Events and Assessment of Public benefit

Attainment at GCSE

At GCSE, Myton School met all its stated aims with the exception of 5A*-C grades including English and Maths. Both subjects saw a decline in outcomes due to the very late shift in grade boundaries which have been well publicised this year. This also affected the percentage of students who achieved expected levels of progress and by targeting the C/D borderline, the exam boards disproportionately affected students with SEND and FSM. Despite this, both these groups of students gained record achievement.

The 5A*-C including English and Maths was 64%. Our calculations show that had our students sat their English and Maths exams early, they would have achieved 76% by this measure which would have met the upper quartile estimate from FFT D. 95% of our students gained 5A*-C grades which is a significant improvement over previous years (78% in 2011 and 84% in 2010). This figure also demonstrates the extent to which we are an inclusive school. Further evidence of the inclusive nature of Myton School is that 100% of our students gained 5A*-G grades and we have no students who have gone on to become NEET. 2012 also saw the hard work invested in challenging the most able students come to fruition with 33% of the year achieving 5A*-A grades, a phenomenal achievement.

Our average capped point score increased again from 354 in 2011 to 370 in 2012. The national average in 2011 was 335. This was achieved with an overwhelming majority of students undertaking GCSE qualifications and not relying on equivalences to maintain or prop up the scores. Removing the equivalences causes our capped point score to drop by 40 points to 330. Nationally, removing equivalences causes the capped point score to drop by around 60 points. The national average in 2011 was 275.

Achievement at GCSE

In 2012, students with SEND and FSM achieved outcomes far closer to their FFT D target than ever before. Using the 5A*-C including English and Maths measure, students with FSM achieved 29% compared to an FFT D target of 52%. If they had sat the exam in January, prior to grade boundary shifts, they would have achieved 43%. Students with SEND achieved 25% compared to a target of 38%. If they had been entered for English and Maths in January, they would have been exactly on target by this measure.

Our Value Added ("VA") score will be around 1003, above 1000 for the first time in 4 years and continuing the upward trend begun last year. Significantly, the VA score for students with SEND will also be above 1000 which is a huge improvement on recent years' performance. The percentage of students achieving expected progress in English and Maths has dropped due to the grade boundary shifts. 70% of students achieved at least 3 levels of progress in English and 66% in Maths. Both lower than last year but both above average. Prior to the grade boundary shift, these scores stood at 82% for English and 73% for Maths.

Myton School Trust

GOVERNORS' REPORT (continued)

Key Stage 5 / Post-16

All the attainment trends at A Level are upwards. 29% of grades awarded were A* or A which is an improvement on last year's 23%. The A*-B measure of 56% is very positive as is the big rise to 81% in the A*-C measure. Combined, these measures have ensured another year with exceptionally high numbers of students gaining entry to their first choice University.

87% of our Year 13 have gone on to gain a place at university (this includes 5% securing a university place but taking a gap year). 7% went on to full-time employment, 3% have taken a gap year, 2% are in part-time employment and 1% have gone on to College.

The VA score according to ALPS has risen from 0.69 to 0.79.

The average point score per entry and per student have remained consistent or has risen despite national A level results declining. The average point score per student is 852 against a national average of 746 in 2011, an achievement all the more impressive as Myton students follow traditional A level courses and do not undertake general studies on mass. The average point score per student is now 213, up 3 points on last year and in line with the national average.

Financial Review

Financial Outcome of Activities & Events

The Trust's accounting period is from 14 June 2011 to 31 August 2012.

Most of the Trust's income is obtained from the Education Funding Agency ("EFA") in the form of recurrent grants, the use of which is restricted to particular 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 received grants for fixed assets from the Partnership for Schools, Local Authority and a number of Foundations and Trusts. Such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

Unrestricted income comprises sports centre, other lettings and departmental sales.

Under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme ("LPGS"), provided to support staff, to the restricted fund. This resulted in reducing the reserves in the restricted fund. It should be noted that this does not present the Trust with any current liquidity problems.

The Trust's General Annual Grant (GAG) to carry forward for the period ended 31 August 2012 is minimal due to three significant projects being undertaken during the period

- £1.5million new English department replacing 11 severely dilapidated mobile classrooms
- £100k outdoor learning area to provide a state of the art learning environment
- £150k ICT infrastructure upgrade to support future ICT development

Key Financial Performance Indicators

The key financial performance indicators monitored by the Leadership Team and Board on a regular basis are as follows:

- Employee costs as a percentage of income
- Quarterly management accounts versus budget
- Forecast management accounts up to period end versus budget (in last quarter)
- GAG income versus expenditure

Myton School Trust

GOVERNORS' REPORT (continued)

Reserves Policy

The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The Governors intend to review the reserves policy annually to ensure that this aim is being achieved.

At the balance sheet date, the Trust had free reserves of £407,000.

The Governors intend to utilise these reserves in the near future to improve the infrastructure of the school's premises which include developing a new 6th form / adult learning centre and a new development centre with a specialism in autism.

Investment Policy

The Governors' investment powers are set out in the Trust's Memorandum and Articles of Association, which permit the investment of monies of the Trust that are not immediately required for its purposes in such investments as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The Trust's current policy is to invest surplus funds in short-term cash deposits.

For the period ended 31 August 2012 and in the current economic climate, the Trust's cash held in the interest bearing account generated interest of between 0.6% and 0.7%.

Financial and Risk Management Objectives and Policies

In accordance with the Trust's risk management policy, the following main risks were identified throughout the period ended 31 August 2012 and are being monitored / managed by the Governors:

- Risk that future budgets could be in deficit and cannot be met by reserves due to external factors
- Risk that financial information cannot be recovered in the event of a disaster – e.g. theft, vandalism etc
- Risk that the pre-16 and post-16 funding reviews led by the EFA / DfE will have an adverse effect on the school finances leading to projected shortfalls in budget
- Risk that there is insufficient demand for school places reducing its ability to fulfil its charitable objects
- Risk that the LGPS - deficit creates an unsustainable deficit
- Risk that Myton School Trust will not be part of the educational solution to support the housing development plans as outlined in the Warwick District Council – Local Plan
- Risk that Myton School Trust is part of the educational solution to support the housing development plans as outlined in the Warwick District Council – Local Plan but that insufficient funding is provided to Myton School to meet the increase in student places

Principal Risks and Uncertainties

Refer above

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the 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.

Myton School Trust

GOVERNORS' REPORT (continued)

Plans for future years

Future Strategy

The Trust's strategic focus in 12/13 and beyond continues to be "narrowing the gap" via the strategies outlined in Objectives, Strategies and Activities. The academic targets for the academic year 12/13 have been set as follows:

Upper quartile attainment and achievement targets for GCSE:

- 77% 5A*-C including English and Maths
- 84% 3 levels progress in English
- 80% 3 levels progress in Maths
- Capped point score 375

Key stage 5 / post 16 targets have been set as

- A* to A – over 30%
- A* to B – over 60%
- A* to C – over 90%

Future Activities & Events

The Trust has three significant site development initiatives planned for 12/13 and beyond as follows:

- New 6th Form / Adult Learning Centre. This is the last phase of the governors' 10 year site development plan and is a £4 million project to both replace our very old and dilapidated current 6th form facilities and to provide a state-of-the-art facility that will enable our current 6th form numbers to expand from 300 students to 400.
- Expansion of Development Centre. This is a £1 million project to expand and enhance our current development centre provision to provide a centre of autism expertise within Warwickshire County Council.
- Expansion of Playing Fields/Sports Facilities.

Public Benefit

It is the objective of the Trust to continue its work to provide the best education possible for its students both in terms of academic rigour and personal and social qualities

Funds held as custodian trustee on behalf of others

Although the Trust maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose, the Trust does not hold, and the governors do not anticipate that it will in the future hold, any funds as custodians for any third party.

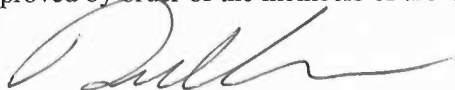
Auditor

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

In so far as the governors are aware:

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

Approved by order of the members of the Governing Body on 17 December 2012 and signed on its behalf by:



David Kelham
(Chair of Governors)

Myton School Trust

GOVERNANCE STATEMENT

Scope of responsibility

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

Governance

The Governing Body has formally met 4 times during the 14 months ended 31 August 2012. Attendance at meetings of the Governing Body during the 14 month period was as follows:

Governor	Meetings Attended	Out of a Possible
Mr D Kelham (Chairman)	4	4
Mrs D Burley (Vice-Chair and Chair of Student Welfare/ Care & Guidance & Safeguarding sub-committee)	4	4
Mr E P MacIntyre (Headteacher & Accounting Officer)	4	4
Mr J Atkinson	4	4
Mr G Basi (Chair of QA and Standards sub-committee)	4	4
Mrs J Bessant	4	4
Mrs A Bond	4	4
Mr R M Davies-Colley	3	4
Mrs E Dodson	3	4
Mrs J Fell	4	4
Mr J Findlay	3	4
Mr S Larke (Responsible Officer)	2	4
Mrs K Lee (appointed 1 January 2012)	2	2
Mr D Leigh-Hunt	2	4
Mr P Mayor	3	4
Mrs M Morris (Chair of Personnel and Health & Safety Committee)	4	4
Mr S Nicklin	2	4
Mr D Witham (Chair of Finance & Facilities Sub Committee and Audit Committee)	4	4

The Finance & Facilities Committee is a sub-committee of the main Governing Body. Its purpose, as set out in the Terms of Reference updated annually, is to:

- assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility, to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity
- make appropriate comments and recommendations on such matters to the Governing Body on a regular basis
- to ensure major issues will be referred to the full Governing Body for ratification

The Finance & Facilities Committee is chaired by Mr D Witham, a Chartered Accountant and Director in his own accounting practice. 5 Finance & Facilities sub-committee meetings were held during the 14 months ended 31 August 2012. Attendance at these meetings was as follows:

Myton School Trust

GOVERNANCE STATEMENT (continued)

Governor	Meetings Attended	Out of a possible
Mr D Witham (Chair of Finance & Facilities committee))	5	5
Mr J Atkinson (withdrew from Finance & Facilities committee Oct 2011)	1	1
Mr G Basi (withdrew from Finance & Facilities committee Oct 2011)	1	1
Mr R M Davies-Colley	5	5
Mr D Kelham (Chair of Governors)	3	5
Mr D Leigh-Hunt	5	5
Mr P Mayor	5	5
Mr E P MacIntyre (Headteacher & Accounting Officer)	5	5
Mr S Nicklin	4	5

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 on-going process designed to identify and prioritise the risks to the achievement of the Trust's 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 Myton School Trust for the 14 months 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate these risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been put in place for the 14 months ending 31 August 2012 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the Governing Body.

The Risk and Control Framework

The 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 Facilities sub-committee of reports which indicate financial performance against the budgets / 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

The Governing Body has considered the need for a specific internal audit function and decided to appoint Baker Tilly Tax and Accounting Limited to conduct the detailed RO work, similar to that performed by an internal audit function. The governors have also appointed Mr S Larke, a governor, as RO. Following the RO visit, as performed by Baker Tilly, the RO will report the findings of the review to the Finance & Facilities committee.

Myton School Trust

GOVERNANCE STATEMENT (continued)

During the 14 months ended 31 August 2012, 2 RO visits took place. The first visit covered the period from 1 July 2011 until 31 March 2012 with the second visit covering the period from 1 April 2012 to 31 August 2012. No fundamental control weaknesses were identified during these reviews.

Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the 14 months in question the review has been informed by:

- the work of the RO
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the Finance Director, Finance team and Finance & Facilities Committee who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications for the result of their review of the system of internal control by the Finance & Facilities 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 17 December 2012 and signed on its behalf by:



Mr D Kelham
(Chair)



Mr E P MacIntyre
(Accounting Officer)

Myton School Trust

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities of Myton School 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 Academies: Accounts Direction 2011/12 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 governors are required to:

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

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

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

Myton School Trust

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Myton School Trust I have considered my responsibility to notify the Trust's 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 Trust's governing body are able to identify any irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook.

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



Mr E P Macintyre
Accounting Officer

17 December 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYTON SCHOOL TRUST

We have audited the financial statements of Myton School Trust for the period ended 31 August 2012 on pages 17 to 36. 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 Academies: Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 14, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies: Accounts Direction 2011/12 issued by the Education Funding Agency.

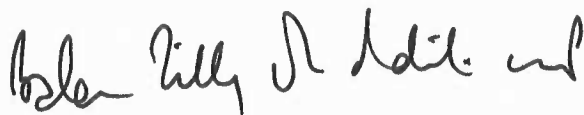
Opinion on other requirement of the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



PAUL OXTOBY (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
St Philips Point
Temple Row
Birmingham
B2 5AF

 2012

Myton School Trust

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

for the period ended 31 August 2012

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2012 £'000
INCOMING RESOURCES					
Income from generated funds:					
Voluntary income	2	158	-	1,265	1,423
Voluntary income - transfer from local authority on conversion	2/25	258	(1,093)	22,823	21,988
Activities for generating funds		171	-	-	171
Investment income		10	-	-	10
Income from charitable activities:					
Funding for the Academy's educational operations	3	-	9,466	-	9,466
Total incoming resources		597	8,373	24,088	33,058
RESOURCES EXPENDED					
Cost of generating funds:					
Costs of generating voluntary income		38	-	-	38
Costs of activities for generating funds		152	-	-	152
Charitable activities:					
Academy's educational operations	5	-	8,545	656	9,201
Governance costs	6	-	33	-	33
Total resources expended	4	190	8,578	656	9,424
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
		407	(205)	23,432	23,634
Gross transfers between funds		-	(701)	701	-
NET INCOME/(EXPENDITURE) FOR THE PERIOD					
		407	(906)	24,133	23,634
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial losses on defined benefit schemes	23	-	(275)	-	(275)
NET MOVEMENT IN FUNDS		407	(1,181)	24,133	23,359
RECONCILIATION OF FUNDS					
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST	13	407	(1,181)	24,133	23,359

All of the Academy Trust's activities derive from acquisitions in the current financial period.

Myton School Trust

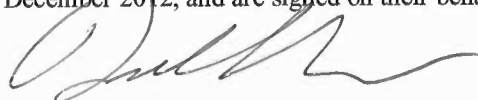
BALANCE SHEET

31 August 2012

Company Registration No. 07669416

	<i>Notes</i>	2012 £'000	2012 £'000
FIXED ASSETS			
Tangible assets	10		24,133
CURRENT ASSETS			
Debtors	11	540	
Cash at bank and in hand		836	
		<hr/>	
		1,376	
CREDITORS: Amounts falling due within one year	12	(706)	
		<hr/>	
NET CURRENT ASSETS			670
			<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			24,803
			<hr/>
NET ASSETS EXCLUDING PENSION LIABILITY			24,803
Pension scheme liability	23		(1,444)
			<hr/>
NET ASSETS INCLUDING PENSION LIABILITY			23,359
			<hr/> <hr/>
THE FUNDS OF THE ACADEMY TRUST:			
RESTRICTED FUNDS			
Fixed asset fund	13		24,133
General fund	13		263
			<hr/>
Restricted funds excluding pension reserve			24,396
Pension reserve	13		(1,444)
			<hr/>
TOTAL RESTRICTED FUNDS			22,952
TOTAL UNRESTRICTED FUNDS	13		407
			<hr/>
TOTAL FUNDS			23,359
			<hr/> <hr/>

The financial statements on pages 17 to 36 were approved by the governors and authorised for issue on 17 December 2012, and are signed on their behalf by:



Mr D Kelham
Chair

Myton School Trust
CASH FLOW STATEMENT
for the period ended 31 August 2012

	Notes	2012 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	17	1,147
Returns on investments and servicing of finance	18	10
Capital expenditure	19	(701)
Financing	20	(82)
Cash transferred on conversion to an academy trust	20A	462
		<hr/>
INCREASE IN CASH IN THE PERIOD	21	836
		<hr/> <hr/>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		
Increase in cash in the period		836
Cash outflow from decrease in lease and debt financing		82
		<hr/>
Change in net funds resulting from cashflows		918
New finance leases		(33)
Loans transferred on acquisition		(93)
		<hr/>
NET FUNDS AT 31 AUGUST	21	792
		<hr/> <hr/>

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

Myton School Trust

ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2011/12 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The governors have reviewed the forecasts of incoming resources and resources expended of the Academy and believe there are adequate resources which will enable the Academy to meet its liabilities for at least one year from the date the financial statements are signed. For this reason, the governors have adopted the going concern basis in preparing 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

Fixed asset grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Donations

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

Other income

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

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

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 to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges 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 on the Academy Trust's educational operations.

Governance costs include the 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 expended are inclusive of irrecoverable VAT.

Myton School Trust

ACCOUNTING POLICIES (continued)

Fund accounting

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency/Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education, and other funders, where the asset acquired or created is held for a specific purpose.

Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

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

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

Freehold buildings	50 years
Fixtures, fittings and equipment	5 years
ICT equipment	3 years

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2011 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 3 Part 11 Corporation Tax Act 2011 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.

Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the Statement of Financial Activities in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Myton School Trust

ACCOUNTING POLICIES (continued)

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Conversion to an Academy Trust

The conversion from 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 maintained school, Myton 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 Myton School Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed asset funds. Further details of the transaction are set out in note 25.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA in creditors.

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

1 GENERAL ANNUAL GRANT (GAG)

	2012 £'000
a) Results and carry forward for the period	
GAG brought forward from previous period	-
GAG allocation for current period	8,875
	<hr/>
TOTAL GAG AVAILABLE TO SPEND	8,875
	<hr/>
Recurrent expenditure from GAG	(7,981)
Fixed assets purchased from GAG	(701)
	<hr/>
GAG CARRIED FORWARD TO NEXT YEAR	193
	<hr/>
Maximum permitted GAG carry forward at end of current period (12% of allocation for current year)	1,065
	<hr/> <hr/>
GAG TO SURRENDER TO DfE	-
	<hr/> <hr/>
	no breach
b) Use of GAG brought forward from previous period for recurrent purposes (of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)	
Recurrent expenditure from GAG in current period	7,981
GAG allocation for current period	(8,875)
GAG allocation for previous period x 2%	-
	<hr/>
GAG brought forward from previous period in excess of 2%, used on recurrent expenditure in current period	-
	<hr/> <hr/>
	no breach

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

2 VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2012 Total £'000
Assets inherited from the local authority upon conversion	258	(1,093)	22,823	21,988
Capital grants:				
EFA	-	-	532	532
Local authority	-	-	733	733
Donations	158	-	-	158
	<u>416</u>	<u>(1,093)</u>	<u>24,088</u>	<u>23,411</u>

3 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2012 £'000
DfE/EFA REVENUE GRANTS				
General annual grant (GAG) (note 1)	-	8,875	-	8,875
Other DfE/EFA grants	-	591	-	591
	<u>-</u>	<u>9,466</u>	<u>-</u>	<u>9,466</u>

Myton School Trust
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2012

4 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2012 £'000
Costs of activities for generating funds	84	-	68	152
Costs of generating voluntary income	-	-	38	38
Academy's educational operations				
Direct costs	6,336	656	380	7,372
Allocated support costs	766	-	1,063	1,829
	<u>7,186</u>	<u>656</u>	<u>1,549</u>	<u>9,391</u>
Governance costs including allocated support costs	-	-	33	33
	<u>7,186</u>	<u>656</u>	<u>1,582</u>	<u>9,424</u>
Net incoming/(outgoing) resources for the year is stated after charging:				2012 £'000
Operating leases - plant and machinery				5
Fees payable to Baker Tilly UK Audit LLP and its associates for:				
- audit				9
- other services				3
Loss on disposal of fixed assets				192
				<u><u>192</u></u>

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

5 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	2012 £'000
DIRECT COSTS	
Teaching and educational support staff costs	6,336
Depreciation	464
Educational supplies	56
Staff development	24
Educational consultancy	126
Exam fees	174
Loss on disposal of fixed assets	192
	<hr/>
	7,372
	<hr/>
ALLOCATED SUPPORT COSTS	
Support staff costs	766
Recruitment and support	37
Maintenance of premises and equipment	112
Cleaning	185
Rent and rates	41
Utilities	161
Insurance	56
Catering	50
Printing, postage and stationery	129
IT costs	90
Other support costs	202
	<hr/>
	1,829
	<hr/>
	9,201
	<hr/>

6 GOVERNANCE COSTS

	2012 £'000
Legal and professional fees	21
Auditors' remuneration	
Audit of financial statements	9
Responsible officer	3
	<hr/>
	33
	<hr/>

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2012

7 STAFF COSTS

2012
£'000

Staff costs during the period were:

Wages and salaries	5,796
Social security costs	442
Pension costs	875

7,113

Supply teacher costs	63
Other staff costs	10

7,186

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

	2012 No
Teachers	105
Administration and support	75
Management	14

194

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

	2012 No
£60,001 - £70,000	4
£90,001 - £100,000	1

All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £76,274.

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

8 GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff governors and not in respect of their services as governors. Other governors did not receive any payments from the Academy Trust in respect of their role as governors. The value of the Principal's remuneration was £95,213 in 2012. The value of the two staff governors' remuneration was £52,972.

During the period ended 31 August 2012, travel and subsistence expenses totalling £Nil were reimbursed to governors.

Related party transactions involving the trustees are set out in note 24.

9 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2012 was £963.

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

10 TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i> £'000	<i>Fixtures fittings and equipment</i> £'000	<i>Total</i> £'000
Cost:			
Transfer on conversion (note 25)	22,823	-	22,823
Additions	1,688	278	1,966
Disposals	(192)	-	(192)
	<hr/>	<hr/>	<hr/>
31 August 2012	24,319	278	24,597
	<hr/>	<hr/>	<hr/>
Depreciation			
Charged in the period	429	35	464
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
31 August 2012	429	35	464
	<hr/>	<hr/>	<hr/>
Net book value			
31 August 2012	23,890	243	24,133
	<hr/>	<hr/>	<hr/>

11 DEBTORS

	2012 £'000
Trade debtors	112
Other debtors	269
Prepayments	159
	<hr/>
	540
	<hr/>

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

12	CREDITORS: Amounts falling due within one year	2012 £'000
	Loans (unsecured)	33
	Obligations under finance leases	11
	Trade creditors	304
	Other taxation and social security	118
	Other creditors	37
	Accruals	203
		<hr/>
		706
		<hr/> <hr/>

Obligations under finance leases are secured on related assets.

13	FUNDS	<i>Incoming resources £'000</i>	<i>Resources expended £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>At 31 August 2012 £'000</i>
	RESTRICTED GENERAL FUNDS				
	General Annual Grant (GAG)	8,875	(7,981)	(701)	193
	Other DfE/YPLA grants	591	(521)	-	70
		<hr/>	<hr/>	<hr/>	<hr/>
		9,466	(8,502)	(701)	263
	Pension reserve	(1,093)	(76)	(275)	(1,444)
		<hr/>	<hr/>	<hr/>	<hr/>
		8,373	(8,578)	(976)	(1,181)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	RESTRICTED FIXED ASSET FUNDS				
	Fixed assets	24,088	(656)	701	24,133
		<hr/>	<hr/>	<hr/>	<hr/>
		24,088	(656)	701	24,133
		<hr/>	<hr/>	<hr/>	<hr/>
	TOTAL RESTRICTED FUNDS	32,461	(9,234)	(275)	22,952
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	UNRESTRICTED FUNDS				
	Unrestricted funds	597	(190)	-	407
		<hr/>	<hr/>	<hr/>	<hr/>
	TOTAL UNRESTRICTED FUNDS	597	(190)	-	407
		<hr/>	<hr/>	<hr/>	<hr/>
	TOTAL FUNDS	33,058	(9,424)	(275)	23,359
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2012

13 FUNDS (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of an Academy. Each Academy is allowed to carry forward up to 12% of the current year's GAG. Of the carried forward amount, up to 2% of the carry forward GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

Other restricted general funds were funded by government grants or donations from sponsors.

Restricted fixed asset funds were funded by government grants or sponsor donations.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	24,133	24,133
Current assets	407	969	-	1,376
Current liabilities	-	(706)	-	(706)
Pension scheme liability	-	(1,444)	-	(1,444)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	407	(1,181)	24,133	23,359
	<hr/>	<hr/>	<hr/>	<hr/>

15 CAPITAL COMMITMENTS	2012 £'000
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Contracted for, but not provided in the financial statements	-
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16 FINANCIAL COMMITMENTS

OPERATING LEASES

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

	2012 £'000
Other:	
Expiring within two and five years inclusive	5

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

17	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2012 £'000
	Net income	23,634
	Impact of transfer on conversion	(22,192)
	Depreciation (note 10)	464
	Loss on disposal of fixed assets	192
	Capital grants from DfE and others	(1,265)
	Interest receivable	(10)
	FRS 17 pension cost less contributions payable (note 23)	13
	FRS 17 pension finance costs (note 23)	63
	Increase in debtors	(540)
	Increase in creditors	788
		<hr/>
	NET CASH INFLOW FROM OPERATING ACTIVITIES	1,147
		<hr/> <hr/>
18	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2012 £'000
	Interest received	10
		<hr/>
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	10
		<hr/> <hr/>
19	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
	Purchase of tangible fixed assets	(1,966)
	Capital grants from DfE/EFA	1,265
		<hr/>
	NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(701)
		<hr/> <hr/>
20	FINANCING	
	Capital element of finance lease rental payments	(22)
	Repayments of loan	(60)
		<hr/>
	CASH OUTFLOW FROM FINANCING	(82)
		<hr/> <hr/>
20A	CASH TRANSFERRED ON CONVERSION TO AN ACADEMY	
	Cash balance transferred on conversion	462
		<hr/> <hr/>

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

21	ANALYSIS OF CHANGES IN NET FUNDS	Cash flows £'000	Acquisition £'000	Non Cash flows £'000	At 31 August 2012 £'000
	Cash in hand and at bank	836	-	-	836
	Debt due within one year	60	(93)	-	(33)
	Finance leases	22	-	(33)	(11)
		<u>918</u>	<u>(93)</u>	<u>(33)</u>	<u>792</u>

22 MEMBERS' LIABILITY

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

23 PENSION AND SIMILAR OBLIGATIONS

The Academy 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 Hymans Robertson LLP. Both are defined-benefit schemes.

As described in note 25, 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 year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2011.

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

Teachers' Pension Scheme

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

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

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

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

Proportion of members' accrued benefits covered
by the notional value of the assets 98.88%

Following the implementation of Teacher's Pension (Employer's Supplementary Contribution) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 July 2011 to 31 August 2012 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the period to 31 March 2012 with rates between 6.4% and 8.8% depending on member's salary from 1 April 2012.

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

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August was £265,000, of which employer's contributions totalled £194,000 and employees' contribution totalled £71,000. The agreed rates for future years are 17.3 per cent for employers and 5.5 to 7.5 per cent for employees.

Principal actuarial assumptions	2012 %
Rate of increase in salaries	4.5
Rate of increase for pensions in payment	2.2
Discount rate	4.1
Inflation (CPI)	2.2

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

	2012 Years
Retiring today:	
Males	21.9
Females	23.6
Retiring in 20 years:	
Males	22.8
Females	25.9

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £'000
Equities	5.6	455
Bonds	3.3	124
Property	3.7	65
Cash	2.8	7
		<hr/>
TOTAL MARKET VALUE OF ASSETS		651
Present value of scheme liabilities		
- Funded		(2,095)
		<hr/>
DEFICIT IN THE SCHEME		(1,444)
		<hr/> <hr/>

The actual return on scheme assets was £17,000.

Amounts recognised in the statement of financial activities	2012 £'000
Current service cost (net of employee contributions)	207
	<hr/>
Total operating charge	207
	<hr/> <hr/>
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	40
Interest on pension liabilities	(103)
	<hr/>
Pension finance costs	(63)
	<hr/> <hr/>

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

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £275,000.

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2012

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

Movements in the present value of defined benefit obligations were as follows: 2012
£'000

At 1 July 2011	1,463
Current service cost	207
Interest cost	103
Employee contributions	71
Actuarial loss	251

At 31 August 2012 2,095

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

At 1 July 2011	370
Expected return on assets	40
Actuarial loss	(24)
Employer contributions	194
Employee contributions	71
Benefits paid	-

At 31 August 2012 651

The estimated value of employer contributions for the year ended 31 August 2013 is £167,000.

The five-year history of experience adjustments is as follows:

	2012 £'000
Present value of defined benefit obligations	(2,095)
Fair value of share of scheme assets	651
Deficit in the scheme	(1,444)
Experience adjustments on share of scheme assets	(24)
Experience adjustments on scheme liabilities	-

24 RELATED PARTIES

Owing to the nature of the Academy Trust'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 Trust's financial regulations and normal procurement procedures.

Myton School Trust

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2012

25 CONVERSION TO AN ACADEMY TRUST

On 1 July 2011 Myton School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Myton School from the Warwickshire County Council Local Authority for £Nil consideration.

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

The following table sets out the fair value of the identifiable assets and liabilities transferred and an analysis of the recognition in the SOFA:

	Total £'000	Unrestricted funds £'000	Voluntary income analysis	
			Restricted general fund £'000	Restricted fixed asset funds £'000
Tangible fixed assets:				
Freehold land and buildings	22,823	-	-	22,823
School budget surplus	258	258	-	-
LGPS Pension deficit	(1,093)	-	(1,093)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	21,988	258	(1,093)	22,823
	<hr/>	<hr/>	<hr/>	<hr/>

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MYTON SCHOOL 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 Myton School Trust during the period 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 Myton School 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 Myton School 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 Myton School Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Myton School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Myton School Trust's funding agreement with the Secretary of State for Education dated 1 July 2011 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 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.

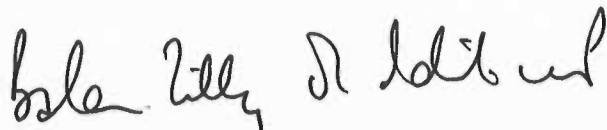
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO MYTON SCHOOL TRUST 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 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.



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2012