



Achieving Excellence Together

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1
Trustees' report	2 - 8
Governance statement	9 - 11
Statement on regularity, propriety and compliance	12
Trustees' responsibilities statement	13
Independent auditors' report	14 - 15
Independent auditors' assurance report on regularity	16 - 17
Statement of financial activities	18
Balance sheet	19
Cash flow statement	20
Notes to the financial statements	21 - 41

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013**

Trustees

G Goodall, Chair of Trustees (appointed 22 August 2012)¹
H Brown (appointed 3 September 2013)
E Maher (appointed 6 July 2012, resigned 13 June 2013)¹
C Cox (appointed 22 August 2012)¹
T Oldershaw (appointed 22 August 2012, resigned 11 June 2013)
J Shaw (appointed 22 August 2012)
R Nathwani (appointed 22 August 2012)
M Rule (appointed 2 October 2012)
V Galloway (appointed 22 August 2012)¹
L Mallon (appointed 2 October 2012, resigned 23 September 2013)¹
B Mistry (appointed 22 August 2012)¹
K Rush (appointed 6 July 2012)
T Kinsley (appointed 12 September 2012)
R Kuca (appointed 12 September 2012, resigned 2 October 2012)
J Thompson (appointed 6 July 2012, resigned 18 January 2013)
P Gibbs (appointed 22 August 2012, resigned 29 November 2012)¹
C Hannaford (appointed 26 November 2013)
T Moyes (appointed 26 November 2013)¹
J O'Connor (appointed 26 November 2013)
R Coles, Principal (appointed 6 July 2012)¹
A Hall, Staff Trustee (appointed 12 September 2012, resigned 28 August 2013)
L Shellard, Staff Trustee (appointed 22 August 2012)¹
P Hollingshead (appointed 6 July 2012)

¹ Finance & Premises Committee

**Company registered
number**

08133601

**Principal operating
office**

Ratby Road
Groby
Leicester
Leicestershire
LE6 0GE

Principal

R Coles

Independent auditors

Clear & Lane
Chartered Accountants
340 Melton Road
Leicester
LE4 7SL

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

The Trustees (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 Groby Community College (the academy) for the period ended 31 August 2013. The Trustees 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

● **Constitution**

The school is an academy trust, company limited by guarantee and a registered charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company was incorporated on 6 July 2012. The school converted to academy status on 1 September 2012 when its operations, assets and liabilities were transferred to the academy from the local authority.

The governors act as the Trustees for the charitable activities of Groby Community College Limited and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Groby Community College.

Details of the Trustees who served throughout the year except as noted are included in the reference and administrative details.

● **Members' liability**

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

● **Method of recruitment and appointment or election of Trustees**

The governing body of Groby Community College is constituted as laid down in its articles of association and is made up of not less than three Trustees but has no stated maximum, allowing us to adjust membership to reflect the needs of the school as it evolves. All Trustees, other than the Principal, serve for a term of four years after which they are required to be re-elected/re-appointed. Staff Trustees are appointed through open election for all eligible members of staff.

● **Policies and procedures adopted for the induction and training of Trustees**

The training and induction for new Trustees will depend on their existing experience and will be tailored specifically to the needs of the individual. Groby Community College has a contract with the LA Trustees Development service, which provide Trustees with induction training and other specified courses as required. Copies of minutes, accounts, budgets, plans and other documents needed to undertake their role are available in hard copy on request.

Where a training need is identified the appropriate training is procured which may be on site, on-line or by attendance at an external event. The governing body hold a budget to allow for training needs to enable such needs to be financed where necessary. Reports of training undertaken and any action subsequently identified are submitted to the full governing body.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

● **Organisational structure**

The governors who are also the charity Trustees are responsible for the overall management and control of the school and meet a minimum of four times each academic year.

The work involved in reviewing and ratifying policies is delegated to the members of the strategic, finance & premises, teaching, learning & assessment, student wellbeing, pay and principal's pay sub-committees. These meet at least once per term and work as directed by a chair appointed at the first full Trustees meeting at the start of the academic year. Terms of reference of these committees are reviewed and ratified annually at this meeting. The clerk to the Trustees is responsible for arranging meetings, supporting the work of the Trustees, the preparation of agendas and the review of matters arising. The Assistant Principal - Business Manager is responsible for the preparation of accounts and the agenda and minutes of the Finance Committee & Premises. Other committees have a member of SLT nominated to convene.

Trustees were not paid any remuneration or expenses for carrying out their duties.

The Principal is responsible for the day to day running of the school including teaching and learning, pastoral and administrative functions and is supported by the senior leadership team. Day to day administration is undertaken within the policies and procedures agreed by the Trustees with major expenditure and other significant decisions being referred to the Trustees in line with agreed policy/procedure.

The Principal oversees the recruitment of all educational staff. He is a staff Trustee, Principal Accounting Officer and attends all governing body and sub-committee meetings. The Assistant Principal - Business Manager attends all finance & premises meetings and other meetings as required.

● **Connected organisations, including related party relationships**

The Principal and Assistant Principal - Business Manager are members of several professional organisations and regularly attend a range of local and county-wide meetings to enable them to keep up to date with current educational policies/practice and thinking.

The college is part of the BOSGRO Partnership family of schools which is a group of schools who work together to share knowledge, experience and expertise between its members. This partnership aims to provide its members with the support, challenge and networks previously provided through the local authority.

The academy is an independent company in all aspects. The Vision 4-19 Trust is an 'umbrella' trust within which members of Ratby Primary School, Groby Community College, Brookvale High School and Lady Jane Grey Primary School each contribute and account for one fourth of the trust. The primary financial aim of the The Vision 4-19 Trust is to secure pay and conditions for staff 'at least' at National Standards. The Vision 4-19 Trust holds no financial position.

● **Risk management**

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy (and its finances) and the systems that are in place to mitigate those risks. The Trustees have assessed the risks that the academy faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and relation to the control of finance. A financial risk register is in place taking account of established good practice, to ensure any financial risks identified are fully and properly assessed and necessary mitigation is put in place. The Trustees monitor systems, including operational procedures (vetting of CRB checks and cashflow monitoring) and internal financial controls in order to minimise risk. The academy has an effective system of internal financial controls which have been approved by a recent audit from the LA internal audit team.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

● **Trustees' indemnities**

The Companies Act 2006 S236 requires disclosure concerning qualifying third party indemnity provisions. In accordance, the college purchases insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions whilst on school business. The cover under this policy is £3 million with a premium of £1,269 being paid.

● **Principal activities**

The academy's principal activity is to educate the students within its care to the best of its ability with the funds provided. It aims to give a broad, balanced and inclusive curriculum that follows statutory guidance from the DfE. It aims to provide the above whilst taking into account the safeguarding and wellbeing of the students within its care.

OBJECTIVES AND ACTIVITIES

● **Objects and aims**

The principal objective of Groby Community College as a charitable company is to provide the best education it can for pupils of different abilities between the ages of 14-19 years.

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing of establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum and to promote for the benefit of individuals living in the Groby, Ratby and the surrounding areas, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life and prospects of said individuals.

Mission Statement:

Achieving Excellence Together

- Single-minded focus on outcomes for all young people.
- An outstanding school at the heart of the community.
- High challenge, high expectations and high support for all.
- An outstanding, creative learning environment, which engages and motivates all.
- Outward facing and working in partnership to achieve excellence for all 11-19.

● **Objectives, strategies and activities**

Our objectives are summarised as follows;

- Leadership – To become an outstanding 11-19 campus working in partnership.
- Behaviour and Safety – To strive that all students regardless of context, attend, behave and achieve well.
- Teaching and Learning – To have 100% of teaching being good or outstanding and that creative and challenging learning is embedded as a matter of course.
- Achievement – To ensure the achievement of all subjects at pre and post-16 does not vary and that progress is significantly above the national average.

The strategies in place to achieve these objectives are detailed within the plans for the future section of the Trustees report on pages 7 and 8.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

● **Public benefit**

The academy's Trustees have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission.

'Public benefit' is the legal requirement that every organisation up for one or more charitable aims must be able to demonstrate that it's aims are for the public benefit if it is so to be recognised and registered as a charity in England and Wales.

The three underlying principles for the Charity are as follows;

- it must be clear what the benefits are
- the benefits must be related to the aims
- benefits must be balanced against detriment or harm

The aims and objectives of Groby Community College are outlined in the section above but in ensuring the school focuses upon these aims the following has been taken into account by the governing body;

- the beneficiaries must be appropriate to the aims
- where the benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted
- any private benefits must be incidental

These principles underline the work undertaken at Groby Community College and, through monitoring and evaluation of procedures and policies, the governing body ensure that the academy has complied with their duties.

The academy's intake includes Groby, Ratby and surrounding villages as it's traditional catchment area; with more students coming from city areas which are classed as out of catchment. First time admissions to the school remain the decision of Leicestershire local authority and therefore based upon their criteria.

The OFSTED rating as a 'Good School' remains in place and the continual improvements in academic progress ensure that our pupils benefit from the education we provide with an aim to provide outstanding education.

ACHIEVEMENTS AND PERFORMANCE

● **Going concern**

After making appropriate enquiries, the board of Trustees 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.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

● **Key academic performance indicators**

Student Group	5A*-C with E/M	Capped Point Score
All	60	363
Boys	61	360
Girls	59	366
Girls Low KS2	0	344
Girls Mid KS2	51	356
Girls High KS2	90	391
Boys Low KS2	0	336
Boys Mid KS2	57	349
Boys High KS2	83	388
School Action	27	349
School Action +	12	327
Statement	76	382
Non FSM	62	364
FSM	32	352
LAC	0	377
Pupil Premium	30	341

2013 A Level Outcomes

Headline figures	2013	2012	2011
% A*/A	36 (26.3%)	22 (26.6%)	27
% A*/B	64 (52.8%)	46 (52.4%)	47
% A*/C	83 (77%)	77 (76.4%)	74
Av. point score per student	841	795	820
Av. point score per entry	213	203	199
% achieving 2 or more A levels (or equivalent)	100%	99%	97%
% achieving 3 or more A levels (or equivalent)	98%	87%	91%

FINANCIAL REVIEW

● **Financial review**

Excluding the funds received on conversion to academy status, the majority of the school's funding was provided by the Education Funding Agency (EFA). The school's total incoming resources for the year 1 September 2012 to 31 August 2013 amounted to £13,003,428 of which £8,421,332 related to donated assets received on conversion and £4,215,065 related to the EFA General Annual Grant.

At the end of the period the school held free reserves (unrestricted funds) of £208,846 which can be spent on any activities within the academy's charitable objects, and £29,786 restricted funds (excluding the fixed asset and pension funds) which are to be spent in line with the particular grant terms.

● **Financial and risk management objectives and policies**

The academy's exposure to risk is largely dependent on future intake numbers falling following changes to age ranges in local schools. The reserves policy of the academy aims to minimise any associated risks relating to this.

At 31 August 2013 the pension deficit on the Local Government Pension Scheme stood at £1,089,000. The academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contributions rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

● **Principal risks and uncertainties**

The principal risks for the academy in the future are;

1. The reduction in pupil NOR - the academy closely monitors applications for places in each year group and models the financial implications of any trends, trying to make any growth as sustainable as possible.
2. Changes to the funding formula. The Principal, Assistant Principal - Business Manager and Finance & Premises Committee monitor and aim to analyse the impact of any national and local changes and adjust the running of the academy to mirror these trends where possible.

● **Reserves policy**

The academy has a free reserves target of £200,000 to cover shortfalls due to possible reduction in numbers and the associated staffing issues equating to approximately 5% of annual incoming resources. The lettings programme will be used to generate further income where it is lost from the areas referred to in the above risk management area to help sustain building improvements.

As at 31 August 2013 actual free reserves were £208,846, of which the vast majority relates to the funds received on conversion so the trustees consider reserves levels to be appropriate.

● **Material investments policy**

The cash flow and bank account is monitored on a weekly basis to ensure that the immediate financial commitments of payroll and other payments can be met and that the academy has adequate balances to meet planned future commitments.

The fund balance is reviewed on a six monthly basis to consider interest rates and possible investment opportunities. The academy's current policy is only to invest funds in risk free deposit accounts with a maximum 6 months deposit term.

PLANS FOR THE FUTURE

● **Future developments**

Leadership – To become an outstanding 11-19 campus working in partnership

- Trustees are highly ambitious for the college and robustly hold the college to account for its performance of staff and students
- Students in all groups (vulnerable) and across subject areas have the highest levels of achievement
- All leaders and staff are highly ambitious for the performance of students and their own professional development
- The curriculum provides positive, challenging and enriching experiences which meet the individual needs, impacts on behaviour and contributes to their achievements (includes SMSC)
- The college develops highly successful strategies for engaging with parents especially those who are hard to reach
- The college works effectively with a range of partners to develop outstanding 11-19 progression, quality assurance and the development of future teachers and leaders
- To maintain an effective budget which enables suitable staffing and developing outstanding facilities

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

Behaviour and Safety – All students regardless of context, attend, behave and achieve well

- Further embed uniform and formality
- Improve attendance to above average for KS4 and continue to improve punctuality for all students
- To ensure greater collaboration across the college to maintain high standards of behaviour of all groups of students
- To further develop the assembly and effective tutoring programme
- To develop strategies for engaging with vulnerable students and their families

Teaching and Learning – 100% of teaching is good or outstanding. Creative and challenging learning is embedded as a matter of course

- Much of the teaching in all key stage and subjects is outstanding and never less than good. As a result students make rapid and sustained progress.
- Teachers must strengthen teacher pedagogy and practice to generate high levels of engagement and commitment to learning across the college
- Assessment is embedded so that teachers systematically effectively check students understanding
- The learning college CPD and Action Research programmes ensure focused professional for all staff especially NQT's and early years teachers. CPD challenges and supports improvement and is linked to performance management
- Teachers plan and deliver lessons that match the individual needs of students accurately and as a result students learn exceptionally well

Achievement – The achievement of all subjects at pre and post-16 does not vary. Progress is significantly above the national average

- Challenging and negotiated targets used to ensure outstanding progress
- Narrowing the gap – students in all groups and across all subjects have the highest level of achievement
- Increased teacher accountability for student progress
- Development of higher level numeracy and literacy skills for students – The teaching of RWCM is highly effective and cohesively planned and implemented across the curriculum

Funds held as custodian

The Academy does not hold funds on behalf of any other organisations.

Disclosure of information to auditors

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee 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 Academy has appointed Clear & Lane as their financial Auditors with the Audit section of the Local Authority carrying out a yearly check of the school financial systems.

This report was approved by order of the board of Trustees on 10 December 2013 and signed on its behalf by:

G Goodall
Chair of Trustees

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Groby Community College 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 board of Trustees has delegated the day-to-day responsibility to the Principal, 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 Groby Community College and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
G Goodall, Chair of Trustees	4	4
H Brown	0	0
E Maher	4	4
C Cox	4	4
T Oldershaw	4	4
J Shaw	3	4
R Nathwani	4	4
M Rule	2	2
V Galloway	3	3
L Mallon	2	2
B Mistry	2	2
K Rush	1	4
T Kinsley	3	4
R Kuca	0	1
J Thompson	1	2
P Gibbs	1	2
C Hannaford	0	0
T Moyes	0	0
J O'Connor	0	0
R Coles, Principal	4	4
A Hall, Staff Trustee	3	4
L Shellard, Staff Trustee	4	4
P Hollingshead	4	4

The governing body at Groby Community College has undergone a number of changes in the period covered by this report and the months preceding it. We have seen the resignation of two Trustees due to changes in personal circumstance, including the previous chair and a further Trustee who was chair of finance & premises committee, both have been replaced. A further three resignations have been received following the end of this accounting period which will require the appointment of a new vice chair and two further Trustees. As a result of these fundamental changes in membership we will take the opportunity to review the way in which our governing body operates, and to review and refine our committee structure, possibly resulting in changes to sub-committee membership in the new academic year. These changes, which will build on previous strengths and address areas for development, will be critical to our continuing success.

A key achievement, delivered with the leadership of our Principal and School Business Manager, has been the successful attainment of Academy status. The additional funding has assisted in increasing high performance in academic and other activities and our demonstrable success in attracting parents, pupils and staff to enable our school to maintain numbers in what is becoming a turbulent and restricted financial climate following reductions to funding and predicted decreasing intake from feeder high schools.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

During this academic year, Trustees agreed for the Principal and Business Manager to retract staffing to respond to these reductions in order to maintain staffing at appropriate levels but still maintain an outstanding educational establishment, and therefore a three year restructuring process has commenced starting with support staff.

The finance & premises committee is a sub-committee of the main governing body. Its purpose is to ensure that the academy meets the highest standards of financial control. During the period of accounts the committee has met on 4 occasions and dealt with the many and complex financial implications of converting to academy status.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
G Goodall, Chair of Trustees	4	4
E Maher	4	4
C Cox	4	4
V Galloway	4	4
L Mallon	2	2
B Mistry	2	4
P Gibbs	1	1
R Coles, Principal	1	1
L Shellard, Staff Trustee	4	4
P Hollingshead	4	4

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Groby Community College for the period 6 July 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Trustees 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 board of Trustees 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 6 July 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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 board of Trustees;
- regular reviews by the finance & premises committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint local authority audit section as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual basis, the internal auditor reports to the board of Trustees on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer, the Principal 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 internal auditor;
- the work of the external auditors;
- 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 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 board of Trustees on

and signed on their behalf, by:

G Goodall
Chair of Trustees

R Coles
Accounting Officer

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Groby Community College I have considered my responsibility to notify the academy board of Trustees 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 (2012).

I confirm that I and the academy board of Trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012).

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

R Coles
Accounting Officer

Date: 10/12/2013

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

The Trustees (who act as governors of Groby Community College and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and 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 business.

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

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

Approved by order of the members of the board of Trustees on 10 December 2013 and signed on its behalf by:

G Goodall
Chair of Trustees

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROBY COMMUNITY COLLEGE

We have audited the financial statements of Groby Community College for the period ended 31 August 2013 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 Academies Accounts Direction 2013 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 Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (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 Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 2013 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 Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROBY COMMUNITY COLLEGE

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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

Clear & Lane

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester
LE4 7SL

Date:

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO GROBY
COMMUNITY COLLEGE AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 12 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Groby Community College during the period 6 July 2012 to 31 August 2013 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 Groby Community College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Groby Community College 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 Groby Community College and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Groby Community College's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of Groby Community College's funding agreement with the Secretary of State for Education, and the Academies Financial Handbook extant from 1 September 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 2013. 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 6 July 2012 to 31 August 2013 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 2013 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.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO GROBY
COMMUNITY COLLEGE 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 6 July 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

Clear & Lane

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester
LE4 7SL

Date:

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income - transfer from local authority on conversion	2	209,544	(1,047,000)	9,258,788	8,421,332
Activities for generating funds	3	114,775	-	-	114,775
Investment income	4	422	-	-	422
Incoming resources from charitable activities	5	26,200	4,382,153	58,546	4,466,899
TOTAL INCOMING RESOURCES		350,941	3,335,153	9,317,334	13,003,428
RESOURCES EXPENDED					
Charitable activities	9	82,253	4,348,037	315,520	4,745,810
Governance costs	6	25,625	12,870	-	38,495
TOTAL RESOURCES EXPENDED		107,878	4,360,907	315,520	4,784,305
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS					
		243,063	(1,025,754)	9,001,814	8,219,123
Transfers between Funds	17	(34,217)	(34,460)	68,677	-
NET INCOME / (EXPENDITURE) FOR THE PERIOD		208,846	(1,060,214)	9,070,491	8,219,123
Actuarial gains and losses on defined benefit pension schemes		-	1,000	-	1,000
NET MOVEMENT IN FUNDS FOR THE PERIOD		208,846	(1,059,214)	9,070,491	8,220,123
Total funds at 6 July 2012		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		208,846	(1,059,214)	9,070,491	8,220,123

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

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

The notes on pages 21 to 41 form part of these financial statements.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)
REGISTERED NUMBER: 08133601

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	13		8,943,941
CURRENT ASSETS			
Stocks	14	7,538	
Debtors	15	154,407	
Cash at bank and in hand		434,993	
		596,938	
CREDITORS: amounts falling due within one year	16	(231,756)	
NET CURRENT ASSETS			365,182
TOTAL ASSETS LESS CURRENT LIABILITIES			9,309,123
Defined benefit pension scheme liability	24		(1,089,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			8,220,123
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	17	29,786	
Restricted fixed asset funds	17	9,070,491	
		9,100,277	
Restricted funds excluding pension liability		9,100,277	
Pension reserve		(1,089,000)	
		8,011,277	
Total restricted funds			8,011,277
Unrestricted funds	17		208,846
TOTAL FUNDS			8,220,123

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2013 and are signed on their behalf, by:

G Goodall
Chair of Trustees

The notes on pages 21 to 41 form part of these financial statements.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

	Note	2013 £
Net cash flow from operating activities	19	167,154
Returns on investments and servicing of finance	20	422
Capital expenditure and financial investment	20	(43,127)
Cash transferred on conversion to an academy trust	22	310,544
INCREASE IN CASH IN THE PERIOD		434,993

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

Increase in cash in the period		434,993
MOVEMENT IN NET FUNDS IN THE PERIOD		434,993
NET FUNDS AT 31 AUGUST 2013		434,993

The notes on pages 21 to 41 form part of these financial statements.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

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 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 Trustees.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

Transfers between funds and between categories of funds i.e. restricted, designated and unrestricted are only processed with due regard to grant terms, agreements of funders (where applicable) and due process where formal trustees' resolutions are required. Full disclosures are given within the notes to the accounts for any transfers processed.

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

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.3 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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.

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

1.4 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.

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 Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 GOING CONCERN

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

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.6 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.

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.

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:

Leasehold buildings	-	3% Straight line
Leasehold land	-	over 125 years
Fixtures and fittings	-	15% Straight line
Computer equipment	-	25% Straight line

1.7 OPERATING LEASES

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 STOCKS

Stocks are valued at the lower of cost and value in use.

1.9 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.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.10 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 24, 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.

1.11 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 Groby Community College to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees 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 Groby Community College. 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.

On conversion to an academy trust, the academy was gifted property from Leicestershire County Council. This was valued at depreciated replacement cost by the Education Funding Agency (EFA) at the date of conversion. The amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies. Other Fixed Assets have been valued on a the basis of open market value as at the date of conversion, by the trustees.

The pension liability inherited on conversion has been included at the valuation determined by the pension scheme actuary at the date of the conversion.

Further details of the transaction are set out in note 22.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Voluntary income - transfer from local authority on conversion	209,544	8,211,788	8,421,332
	<hr/>	<hr/>	<hr/>
Voluntary income	<u>209,544</u>	<u>8,211,788</u>	<u>8,421,332</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Hire of facilities	108,441	-	108,441
Other income	6,334	-	6,334
	<hr/>	<hr/>	<hr/>
	<u>114,775</u>	<u>-</u>	<u>114,775</u>

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank interest	422	-	422
	<hr/>	<hr/>	<hr/>
	<u>422</u>	<u>-</u>	<u>422</u>

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
General annual grant (GAG)	-	4,215,065	4,215,065
Other DfE/EFA grants	26,200	162,448	188,648
	<u>26,200</u>	<u>4,377,513</u>	<u>4,403,713</u>
Other grant funding			
Grants from other sources	-	63,186	63,186
	<u>-</u>	<u>63,186</u>	<u>63,186</u>
	<u>26,200</u>	<u>4,440,699</u>	<u>4,466,899</u>

6. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Governance internal audit costs	-	1,190	1,190
Governance Auditors' remuneration	-	6,525	6,525
Governance Auditors' non audit costs	625	5,155	5,780
Governance legal and professional fees	25,000	-	25,000
	<u>25,625</u>	<u>12,870</u>	<u>38,495</u>

7. DIRECT COSTS

	Educational Operations £	Total 2013 £
LGPS Pension interest cost (£75,000) less expected return on assets (£36,000)	39,000	39,000
Educational supplies	124,770	124,770
Examination fees	173,519	173,519
Staff development	16,667	16,667
Other direct costs	17,518	17,518
Support staff costs	47,035	47,035
Depreciation	236,640	236,640
Technology costs	24,937	24,937
Teaching and educational support staff costs - salaries	2,402,630	2,402,630
Teaching and educational support staff costs - NI	181,238	181,238
Teaching and educational support staff costs - pensions	346,770	346,770
	<u>3,610,724</u>	<u>3,610,724</u>

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

8. SUPPORT COSTS

	Educational Operations £	Total 2013 £
Recruitment	3,400	3,400
Maintenance of premises and equipment	175,686	175,686
Cleaning	9,893	9,893
Rent and rates	29,730	29,730
Insurance	48,150	48,150
Depreciation	78,880	78,880
Catering	21,633	21,633
Legal and professional fees	20,208	20,208
Other support costs	83,881	83,881
Security and transport	24,733	24,733
Technology costs	3,769	3,769
Energy costs	95,974	95,974
Support staff costs - salaries	446,873	446,873
Support staff costs - NI	23,096	23,096
Support staff costs - pensions	69,180	69,180
	<u>1,135,086</u>	<u>1,135,086</u>

9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £
Educational Operations	<u>3,610,724</u>	<u>1,135,086</u>	<u>4,745,810</u>

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

10. STAFF COSTS

Staff costs were as follows:

	2013 £
Wages and salaries	2,849,503
Social security costs	204,333
Other pension costs (Note 24)	415,950
	3,469,786
Supply teacher costs	47,035
	3,516,821

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:

	2013 No.
Teachers	46
Administration and support	38
Management	7
	91

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

	2013 No.
In the band £70,001 - £80,000	1
	1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for this staff member amounted to £10,512.

11. TRUSTEES' REMUNERATION AND EXPENSES

During the period retirement benefits were accruing to 4 Trustees in respect of defined benefit pension schemes.

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

	2013 £
R Coles	70,000-75,000

During the period, no Trustees received any reimbursement of expenses.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3 million on any one claim and the cost for the period ended 31 August 2013 was £131.

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

13. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
COST				
Additions	11,027	18,854	71,792	101,673
Transfer on conversion	8,781,000	293,830	82,958	9,157,788
At 31 August 2013	<u>8,792,027</u>	<u>312,684</u>	<u>154,750</u>	<u>9,259,461</u>
DEPRECIATION				
Charge for the period	235,028	45,254	35,238	315,520
At 31 August 2013	<u>235,028</u>	<u>45,254</u>	<u>35,238</u>	<u>315,520</u>
NET BOOK VALUE				
At 31 August 2013	<u><u>8,556,999</u></u>	<u><u>267,430</u></u>	<u><u>119,512</u></u>	<u><u>8,943,941</u></u>

The land and buildings are held on a 125 year lease with the local authority. The value of the land and buildings on transfer has been arrived at using the EFA standard valuation on a depreciated replacement cost basis to the academy.

14. STOCKS

	2013 £
Classroom and other materials	<u><u>7,538</u></u>

15. DEBTORS

	2013 £
Trade debtors	22,503
VAT recoverable	36,200
Prepayments and accrued income	95,704
	<u><u>154,407</u></u>

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

16. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £
Trade creditors	49,599
Taxation and social security	60,074
Other creditors	56,906
Accruals and deferred income	65,177
	231,756
	231,756

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
DESIGNATED FUNDS						
Designated Funds	-	-	-	28,554	-	28,554
	-	-	-	28,554	-	28,554
GENERAL FUNDS						
General Funds	-	350,941	(107,878)	(62,771)	-	180,292
Total Unrestricted funds	-	350,941	(107,878)	(34,217)	-	208,846
	-	350,941	(107,878)	(34,217)	-	208,846
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	4,215,065	(4,180,605)	(34,460)	-	-
Other DfE/EFA grants	-	143,902	(114,665)	-	-	29,237
Grants from other sources	-	23,186	(22,637)	-	-	549
Pension reserve	-	(1,047,000)	(43,000)	-	1,000	(1,089,000)
	-	3,335,153	(4,360,907)	(34,460)	1,000	(1,059,214)
	-	3,335,153	(4,360,907)	(34,460)	1,000	(1,059,214)

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

17. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

DfE/EFA capital grants	-	18,546	(2,782)	-	-	15,764
Transfer from local authority	-	9,157,788	(299,843)	-	-	8,857,945
Capital grants from other sources	-	40,000	-	-	-	40,000
Capital expenditure from GAG	-	-	(12,895)	60,677	-	47,782
Synthetic pitch repair fund	-	101,000	-	8,000	-	109,000
	-	9,317,334	(315,520)	68,677	-	9,070,491
Total restricted funds	-	12,652,487	(4,676,427)	34,217	1,000	8,011,277
Total of funds	-	13,003,428	(4,784,305)	-	1,000	8,220,123

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

The General Annual Grant (GAG) relates to the school's development and operational activities.

The DfE/EFA restricted funds grants consists of Pupil Premium, Special Educational Needs Additional Allowance (SENA), Post 16 Bursary, PE Teacher grant and Threshold grant. The above carried forward reserves relates to Pupil Premium of £23,125 and Post 16 Bursary of £6,112. All other grants were fully spent in the year.

Grants from other sources consist of the Behaviour Grant, Thomas Herbert Grant, Teacher Fellowship, Action Research for Physics, Enthuse Award, Duke of Edinburgh income and Initial Teacher Training income. All grants were fully spent in the year other than the above carried forward balance which relates to Action Research for Physics.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

DfE/EFA capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

The transfer from local authority relates to the value of £9,157,788 (buildings and moveable assets) transferred from the local authority to the academy on conversion.

Capital grants from other sources consists of income from The David Wilson Foundation Grant. The closing balance relates to the net book value of the assets concerned plus the remaining unspent capital grant of £17,550.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

The synthetic pitch repair fund was received from the local authority on conversion. This represents historic annual funds retained specifically for the future replacement of the pitch surface in line with the agreement entered into on its original construction. The balance carried forward relates to unspent funds for the future repairs works.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

17. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	-	-	-	28,554	-	28,554
General funds	-	350,941	(107,878)	(62,771)	-	180,292
	-	350,941	(107,878)	(34,217)	-	208,846
Restricted funds	-	3,335,153	(4,360,907)	(34,460)	1,000	(1,059,214)
Restricted fixed asset funds	-	9,317,334	(315,520)	68,677	-	9,070,491
	-	13,003,428	(4,784,305)	-	1,000	8,220,123

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	8,943,941	8,943,941
Current assets	208,846	261,542	126,550	596,938
Creditors due within one year	-	(231,756)	-	(231,756)
Provisions for liabilities and charges	-	(1,089,000)	-	(1,089,000)
	208,846	(1,059,214)	9,070,491	8,220,123

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £
Net incoming resources before revaluations	8,219,123
Returns on investments and servicing of finance	(422)
Gift of Land Buildings and assets from EFA.	(9,468,332)
Other capital grants	(40,000)
Depreciation of tangible fixed assets	315,520
Capital grants from DfE	(18,546)
Increase in stocks	(7,538)
Increase in debtors	(154,407)
Increase in creditors	231,756
FRS17 pension deficit on conversion	1,047,000
FRS17 pension cost less contributions payable	4,000
FRS17 pension finance costs	39,000
	167,154
NET CASH INFLOW FROM OPERATIONS	167,154

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	422
	422
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
Purchase of tangible fixed assets	(101,673)
Capital grants from DfE	18,546
Other capital grants	40,000
	(43,127)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(43,127)

21. ANALYSIS OF CHANGES IN NET FUNDS

	6 July 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	-	434,993	-	434,993
NET FUNDS	-	434,993	-	434,993

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

22. CONVERSION TO AN ACADEMY TRUST

On 1 September 2012 Groby Community College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Groby Community College from Leicestershire 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	-	-	8,781,000	8,781,000
- Other tangible fixed assets	-	-	376,788	376,788
Budget surplus/(deficit) on LA funds	209,544	-	101,000	310,544
LGPS pension surplus/(deficit)	-	(1,047,000)	-	(1,047,000)
Net assets/(liabilities)	<u>209,544</u>	<u>(1,047,000)</u>	<u>9,258,788</u>	<u>8,421,332</u>

The surplus cash balance transferred from Leicestershire County Council on conversion amounted to £315,476. (Consisting of the final bank balance transferred from Leicestershire County Council of £266,006 plus the School Private Account balances at conversion of £49,470).

The above net assets within unrestricted funds include this £315,476 transferred cash, accruals adjusted downwards for income/expenditure of £4,932 going through the incorrect bank account from the perspective of which income/expenditure relates to the Local Education Authority school and which relates to the academy less the synthetic pitch capital fund of £101,000 included within the transferred cash balance.

23. 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 exceed £10 for the debts and liabilities contracted before he/she ceases to be a member.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

24. 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 Leicestershire 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £34,023 were payable to the scheme at 31 August 2013 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers 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, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

24. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was 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 review, 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 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th ; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

24. PENSION COMMITMENTS (continued)

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

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 2013 was £170,000, of which employer's contributions totalled £130,000 and employees' contributions totalled £40,000. The agreed contribution rates for future years are 13% for employers and 5.5 - 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

As described in note 22 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.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

24. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.60	611,000
Bonds	3.80	249,000
Property	4.70	86,000
Cash	3.60	10,000
Total market value of assets		<u>956,000</u>
Present value of scheme liabilities		<u>(2,045,000)</u>
(Deficit)/surplus in the scheme		<u><u>(1,089,000)</u></u>

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS17 report for Fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2012 for the year to 31 August 2013, or date of joining the fund if later).

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

24. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

	2013 £
Present value of funded obligations	(2,045,000)
Fair value of scheme assets	956,000
	(1,089,000)
Net liability	(1,089,000)

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

	2013 £
Current service cost	(134,000)
Interest on obligation	(75,000)
Expected return on scheme assets	36,000
	(173,000)
Total	(173,000)
Actual return on scheme assets	89,000

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

	2013 £
Opening defined benefit obligation	1,744,000
Current service cost	134,000
Interest cost	75,000
Contributions by scheme participants	40,000
Actuarial Losses	52,000
	2,045,000
Closing defined benefit obligation	2,045,000

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

	2013 £
Opening fair value of scheme assets	697,000
Expected return on assets	36,000
Actuarial gains and (losses)	53,000
Contributions by employer	130,000
Contributions by employees	40,000
	956,000
	956,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £1,000.

The academy expects to contribute £134,000 to its Defined benefit pension scheme in 2014.

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

24. PENSION COMMITMENTS (continued)

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

	2013
Equities	64.00 %
Bonds	26.00 %
Property	9.00 %
Cash	1.00 %

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

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.70 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %
Inflation assumption (CPI)	2.90 %
Commutation of pensions to lump sums	50.00 %

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

	2013
Retiring today	
Males	20.9
Females	23.3
Retiring in 20 years	
Males	23.3
Females	25.6

Amounts for the current period are as follows:

Defined benefit pension schemes

	2013
	£
Defined benefit obligation	(2,045,000)
Scheme assets	956,000
	<hr/>
Deficit	(1,089,000)
	<hr/> <hr/>
Experience adjustments on scheme assets	53,000
	<hr/> <hr/>

GROBY COMMUNITY COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6 JULY 2012 TO 31 AUGUST 2013

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2013:

	Approximate % increase to Employer Liability	Approximate monetary amount
0.5% decrease in Real Discount Rate	14%	286,000
1 year increase in member life expectancy	3%	61,000
0.5% increase in the Salary Increase Rate	8%	156,000
0.5% increase in the Pension Increase Rate	6%	120,000

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has 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.

No material related party transactions took place in the period.