

**Registered company number: 07849731 (England and Wales)**

**PLUME SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 AUGUST 2012**

**PLUME SCHOOL**

**FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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# PLUME SCHOOL

## FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

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### Reference and Administrative Details

#### Governors (Trustees)

Albert Almond (appointed 1 March 2012)*	David Presswell (appointed 10 January 2012)*
Robert Barnes (appointed 10 January 2012)*	Clive Purdy (appointed 10 January 2012)*
Joan Binder (appointed 16 November 2011)* (Chairman)	James Raymond (appointed 10 January 2012)
Gordon Eve (appointed 10 January 2012)*	Jill Sims (appointed 10 January 2012)
John Everard (appointed 16 November 2011)	David Stephenson (appointed 16 November 2011) *
Mark Howell (appointed 10 January 2012)	Debra Thomas (appointed 10 January 2012)*
Rachel Mahoney (appointed 10 January 2012)	Hayley Trowbridge (appointed 10 January 2012)*
Alan Marjoram (appointed 10 January 2012)*	Charles Mackenzie (appointed 28 June 2012 -
Gillian McKinnell (appointed 10 January 2012)*	resigned 25 September 2012)

\*Members of the Finance and Estates Committee

#### Leadership team

Headteacher	David Stephenson
Deputy Headteacher	Ruth Crang
Deputy Headteacher	Nigel Brunt

#### Principal and Registered Office

Fambridge Road  
Maldon  
Essex  
CM9 6AS

#### Company Registration Number

07849731 (England and Wales)

#### Independent Auditors

UHY Hacker Young LLP  
Quadrant House  
4 Thomas Square  
London  
E1W 1YW

#### Bankers

Lloyds TSB Commercial  
1 Legg Street  
Chelmsford  
CM1 1JS

#### Solicitors

Stone King Solicitors LLP  
16 St Johns Lane  
London  
EC1M 4BS

# PLUME SCHOOL

## GOVERNORS' REPORT

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The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2012.

### **Structure, Governance and Management**

#### ***Constitution***

The Academy is a company limited by guarantee and charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Academy was incorporated on 16 November 2011, in the name of Plume School, and commenced as an academy on 1 January 2012. The Academy has entered into a funding agreement with the Department for Education which provides the framework within which the Academy must operate.

The Governors act as the trustees for the charitable activities of Plume School and an exempt charity are also the directors of the charitable company for the purposes of company law. The charitable company is known as Plume School.

Details of the Governors who served throughout the period are included in the Reference and Administrative Details on page 1.

#### ***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.

#### ***Principal Activities***

The Academy's objects are specifically restricted to the following:

- a) 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 ("the Academy");
- b) to promote for the benefit of the inhabitants of Maldon and the surrounding area 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 or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

#### ***Method of Recruitment and Appointment or Election of Governors***

The initial Members of the Academy shall be the subscribers to the Memorandum of Association.

The subsequent Members of the Academy shall comprise:

- 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;
- the chairman of the Governors;
- the vice-chairman of Governors;
- the Principal;
- the chair of finance and estates committee;
- the chair of student and curriculum committee;
- the chair of personnel committee; and
- any person appointed under Article 16.

The Secretary of State for Education may appoint Governors in certain circumstances; no such appointments were made in the period under review.

## PLUME SCHOOL

### GOVERNORS' REPORT

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The term of office for any governor shall be 4 years, save that this time limit shall not apply to either the Principal or the staff governor. Subject to remaining eligible to be a particular type of governor, any Governor may be re-appointed or re-elected.

A Governor shall cease to hold office if he resigns his office by notice to the Academy (but only if at least 3 Governors will remain in office when the notice of resignation is to take effect).

A Governor shall cease to hold office if he is removed by the person or persons who appointed him. The Article does not apply in respect of a Parent governor.

#### ***Policies and Procedures Adopted for the Induction and Training of Governors***

Governors are provided with copies of all essential documentation needed to undertake their role, including the memorandum and articles of association, Academies Financial Handbook and Plume School's Funding Agreement.

A Governor Handbook with key information is available for all Governors. This includes such aspects as:

- the structure of the academy and the relationship with the governing body
- a statement of values and expectations
- key elements of effective governance and the link to the Ofsted Handbook
- the committee structure of the governing body
- a brief description of the role of the chair and the role of the clerk/company secretary
- terms of reference for committees

The governing body subscribes to Essex Governor Services provision and in-house training is organised as and when required. Governors are informed of external training opportunities.

New Governors are mentored by existing Governors.

#### ***Organisational Structure***

The governing body of Plume School is constituted under the memorandum and articles of association. The governing body is responsible for ensuring high standards of corporate governance are maintained.

The Governors are responsible for the strategic direction of the Academy, setting policy and agreeing the annual budget. Governors are also responsible for monitoring the work of the Academy and ensuring the objectives of the academy are achieved.

In addition to the full governing body meetings, Plume School has a committee structure: the main committees are Finance and Estates, Personnel and Curriculum.

The Chair of Governors meets regularly with the Headteacher and all Governors visit Plume School to make first hand observations of the work of the Academy. Reports of these visits are shared with all Governors.

The Headteacher is required to provide strategic leadership and management of the Academy; he is assisted by the 2 Deputy Head teachers. In addition the Academy has 8 Assistant Head teachers, a Special Educational Needs Coordinator, a School Business Manager and School Support Manager. These staff comprise the Senior Leadership Team.

The Headteacher is the 'Accounting Officer' of Plume School.

***Risk Management***

The Academy has a formal risk management process in place to identify and assess all risks associated with the organisation; this enables the instigation of risk mitigation strategies. A Risk Register is in place which is subject to regular review and made available to all staff. Key members of staff and Governors are involved in the preparation of the Risk Register, overseen by the finance and estates committee. All members of staff are aware of the risk management policy and the controls in place to limit exposure to risk. The Risk Register identifies the types of risk the Academy might encounter and rates the risks in terms of likelihood and impact. This ensures that the most significant risks are highlighted, appropriate strategies to be implemented and the allocation of resources.

***Connected Organisations, including Related Party Relationships***

Plume School works closely with all of its local primary schools, working hard to maintain relationships to smooth the transition from primary to secondary education, and ensure a consistent curriculum. An effective summer school has been piloted for the year 7 intake this period to further this aim. The Academy is also following its ethos of community inclusion by developing links with the wider community and local businesses, this is an area that the school will continue to expand in forthcoming years. The Academy also maintains its joint use agreement with Maldon District Council in the promotion and shared risk of the 3G artificial pitch, trying to maximise community sports uptake

**Objectives and Activities.**

***Objects and Aims***

The principal object and activity of the charitable company is the operation of Plume School to enhance the life chances of all Plume School students; aged between 11 and 18 years of age.

The main objectives of Plume School during the period ended 31st August 2012 are summarised below:

- to enable every student to fulfil their potential;
- to focus on raising standards and progression of all students;
- to improve effectiveness by regular review of all aspects of educational provision and the organisational structure of the Academy;
- to improve the quality of teaching and learning;
- to provide good value for money in the use of delegated funds; and
- to conduct all business of the Academy in accordance with the highest standards of integrity, probity and openness.

***Objectives, Strategies and Activities***

The main priorities of the Academy are to ensure high standards of teaching and learning, to recruit and retain high quality teaching and support staff and to establish an excellent pastoral and student support team so that all students will be encouraged to achieve their full potential.

Activities provided include:

- Opportunities for all students to gain appropriate academic qualifications through consistently good teaching and on-going support;
- training and development opportunities for all staff;
- teaching staff professional development initiative to improve teaching & learning;
- a programme of enrichment activities for all students;
- careers advisory scheme to help students progress to further education, higher education, employment or training.

## PLUME SCHOOL

### GOVERNORS' REPORT

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#### *Public Benefit*

- Plume School has provided education to all registered students;
- The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties;
- Partnerships with local Primary schools have been established and maintained. Primary school students have attended educational activities at the Academy; including a 2 week summer school induction program for new intakes. Academy staff have also visited local Primary schools; and
- Leisure and sports facilities have been provided to the community through our continued partnership with Maldon District Council on the 3G artificial sports pitch and other school facilities.

#### **Achievements and Performance**

Total student numbers in the period ended 31st August 2012 were 1,804.

#### 2012 GCSE Examination Results:

- In 2012 Plume School students achieved excellent exam results, significantly beating the previous year's records;
- 58% of students gained five A\* to C including English and Maths – the Academy's best ever results, up from 54% the previous year;
- A record 79% per cent of students gained five or more A\* to C grades, up from 75%;
- 23% of all results were A\* or A grade – representing a new record up from 20%;
- Almost every student – a record-equalling 99 per cent - gained at least one GCSE with A\* to G grades;
- Average and capped points scores significantly improved to record levels;
- A record equalling 79% of all grades awarded were A\*-C; and
- These results are particularly impressive in the national context where GCSE results have not improved across the country as a whole.

#### 2012 A-level Examination Results:

- Again, Plume School celebrated its best ever Advanced level exam results for 2012 showing that students' hard work and dedication has paid off. Advanced level results show a 98.3 per cent pass rate in pupils achieving grades A to E. This matches the impressive performance of the last 4 years. The Academy's average points score per student is the highest ever recorded, increasing by approximately half a grade. Half of all entries resulted in A\*, A or B grades and 29.9% of all entries were A\* or A grade. These results are outstanding for the academy, particularly when seen in the context of a very large Sixth Form. Plume has one of the biggest Sixth Forms in Essex with an increasingly wide range of courses attracting students from other schools in the area. In addition to these impressive results, a large number of Plume students (74) have applied for a place at university. The vast majority have already achieved the places they aimed for, with a few awaiting decisions. A record 12 students exceeded the requirements of their university offer and can choose to apply for courses with a higher tariff.
- Plume continues to be committed to providing a broad curriculum, including Applied A levels and BTEC courses and this has led to some outstanding results. A remarkable 60% of all entries in Interactive Media, Musical Theatre, Sport and Health & Social Care achieved a Distinction or Distinction\*.

## PLUME SCHOOL

### GOVERNORS' REPORT

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To ensure that raising standards continue to be a central focus, the Academy operates an extensive staff development programme including both teaching and support staff. Our progress is evaluated through an internal review process (Raising Achievement Plan).

The Academy has continued its robust approach to discipline; the introduction of a 'shifted school' for short term exclusions has been seen to have a pronounced effect on the schools attendance figures.

The Academy will continue to work to improve the performance and achievement of its students in all aspects of Academy life. This will include continuing to make every effort to ensure all students enter higher education, further education, employment or training when they leave the Academy.

#### ***Going Concern***

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

#### ***Key Financial Performance Indicators***

The Governors regularly review Plume School's actual income and expenditure against the authorised budget. Changes to the budget to reflect new information with regard to income or expenditure are approved in line with the authorisation limits established in the Plume School Financial Regulations.

Ratio analysis and benchmarking is performed annually to ensure that the Academy is applying its resources efficiently and effectively to achieve the best possible educational outcomes. The figures below are not annual figures but for the period since conversion to 31 August 2012. They also exclude the effect of the one-off donations-in-kind to the Academy on conversion.

- a) Unrestricted income (excludes income from grants & delegated funding) as a percentage of total income: 7%
- b) Staff costs as a percentage of total costs: 71.6%  
Investing in quality staff has been fundamental in recruiting and retaining the right staff to raise pupil performance and improve teaching & learning standards.
- c) Salary Expenditure 2011-12: £5,424,089  
Total Income Grants: £6,782,329  
Staff costs as a percentage of income: 72.8%
- d) Net outgoing resources (before transfers and pension adjustments): £50,364
- e) Current Ratio (current assets/current liabilities): 2.33 : 1
- f) Liquidity: £1,416,635 cash at bank and in hand

#### **Financial Review**

The majority of Plume School's income is derived from the Education Funding Agency (EFA), an agent of the Department for Education (DfE), in the form of recurrent grants, the use of which is limited to specific purposes. The grants received from the EFA during the period ended 31st August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

#### ***Financial and Risk Management Objectives and Policies***

As the majority of the Academy's funding is derived from the EFA, via the Department for Education, the Governors consider this element of funding to be reasonably secure. The most significant risks relating to this income result from changing government policy on school funding (primarily around post 16 funding), and the effect of changing pupil numbers. The Governors have laid out their strategies for dealing with these risks within the Academy's risk register.



## **PLUME SCHOOL**

### **GOVERNORS' REPORT**

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#### ***Principal Risks and Uncertainties***

Plume School is currently a popular oversubscribed Academy; however the Governors are aware of falling student numbers feeding through from local primary schools as a result of reduced birth rates within the local area. Available data indicates that this is a relatively short term issue, and the Academy is reviewing its policies on intake and school promotion accordingly.

The Academy has carried forward a significant sum from its first period of operation; this has been essential to contend with the expected short term changes with pupil intake and reduced post 16 funding. Furthermore as a split site school, with an aging building stock, reserves are being retained to address known building condition issues especially surrounding disability access and under the grounds of health and safety

#### ***Reserves Policy***

The Governors review the reserve levels of Plume School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The level of reserves will be kept under review and is necessary to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and planned changes such as managing the declining income from post 16 funding in a sustainable fashion. The majority of the Academy's funding is from the EFA, via the DfE with restrictions on the amount that can be carried forward. The restriction does not include any school derived funding (unrestricted funding), this is eligible to be carried forward and utilised at the discretion of the trustees to achieve the objectives of the Academy at any time.

#### ***Investment Policy***

Within the Plume School investment policy, the Governors agree all investments made by Plume School are in line with the Charity Commission guidance. Investments are currently restricted to deposit accounts held with UK banks.

#### **Plans for Future Periods**

In setting our objectives and planning activities the Governors have given careful consideration to the Charity Commissions general guidance on public benefit. The Academy will continue to work to raise both the aspirations and outcomes of all its students at whatever age, closing gaps between the performances of different groups, where this is needed, and ensuring they are able to proceed successfully to the next stage of their education.

The Academy has plans to continue the Premises improvements to the school buildings, including remodelling and repositioning the Special Educational Needs department, making improvements to the sporting facilities and recladding existing buildings to make both environmental and energy efficiency improvements.

#### **Funds held as Custodian Trustee on behalf of others**

Neither Plume School nor any of its Governors act as a custodian trustee.

#### **Auditor**

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to 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:

**Joan Binder**

Chair of Governors

## PLUME SCHOOL

### GOVERNANCE STATEMENT

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#### Scope of Responsibility

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

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

#### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The governing body has formally met 3 times during the period. Attendance during the period at meetings of the governing body was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Almond, A J,	2	2
Barnes, R	3	3
Binder, J	3	3
Eve, G	2	3
Everard, J	3	3
Howell, M	3	3
Mahoney, R	2	3
Marjorum, A	2	3
Mackenzie, C	1	1
McKinnell, G	3	3
Presswell, D	3	3
Purdy, C	2	3
Raymond, J	3	3
Sims, J	2	3
Stephenson, D	3	3
Thomas, D	2	3
Trowbridge, H	3	3

The Finance and Estates Committee is a sub-committee of the main governing body. The purpose of the finance and estates committee is to share the workload of the Accounting Officer in managing and monitoring the organisation's finances and premises matters. The Finance and Estates Committee also act as the Audit Committee.

This sub-committee provides an opportunity for detailed discussion and consideration of financial and property matters, with regular reporting to the Full Governing Body. It is given delegated authority for most financial decision-making, but the Full Governing Body as a whole remains accountable and must still remain actively engaged in financial and premises matters.

## PLUME SCHOOL

### GOVERNANCE STATEMENT

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Benefits of the finance and estates committee include:

- Helping to prevent fraud by ensuring that all tasks associated with the finance function are not performed by one person without supervision from others (segregation of duties).
- Allowing the Full Governing Body meetings to focus on a wider range of issues, as detailed financial and property discussions can take place within the sub-committee.
- Enabling more democratic control of the organisation's finances and estate.
- Spreading the burden of financial and premises management, thereby also potentially improving its quality.
- Helping train new committee members in financial and premises related matters.

Matters discussed during the period 1 January 2012 to 31 August 2012 include:

- Full review of finance and estates policies
- Agreement of financial regulations and scheme of delegation
- Regular review of financial position
- Assurance work on health and safety matters relating to the estate
- Investigations into furthering the trusts charitable aim through community involvement
- Instigation of the audit committee to meet statutory needs
- Review of grants received in year for the improvement of the estate

Attendance at meetings in the period was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Almond, A J	2	3
Barnes, R	2	3
Binder, J	2	3
Eve, G	0	3
Marjorum, A	2	3
McKinnell, G	3	3
Presswell, D	2	3
Purdy, C	3	3
Stephenson, D	3	3
Thomas, D	2	3
Trowbridge, H	2	3

#### **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 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 Plume School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

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

## PLUME SCHOOL

### GOVERNANCE STATEMENT

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#### **The Risk and Control Framework**

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

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

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

The RO has visited the school to perform assessments during the spring and summer terms of 2012, with a final visit scheduled for the end of the Autumn term 2012. The reports produced follow the requirements as laid down by the DfE, and to date have not raised any significant material defects. Minor concerns that have been highlighted have been discussed by the finance and estates committee and an action plan for remedial action has been drawn up by the Business Manager for integration into the academies practices with immediate effect.

#### **Review of Effectiveness**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Estates 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:

**Joan Binder**  
Chair of Governors

**David Stephenson**  
Accounting Officer

## **PLUME SCHOOL**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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

**David Stephenson**  
Accounting Officer

## **PLUME SCHOOL**

### **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

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

Company law requires the Governors to prepare financial statements for each financial period. 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the governing body on 17 December 2012 and signed on its behalf by:

**Joan Binder**  
Chair of Governors

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLUME SCHOOL**

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

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and the academy'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 Governors' Responsibilities Statement set out on page 12, the Governors (who act as trustees for the charitable activities of Plume School 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](http://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 academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Accounts Direction 2011/12 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Opinion on other matter prescribed by the academy funding agreement with the Secretary of State for Education**

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

**Matters on which we are required to report by exception**

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

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

**Colin Wright (Senior Statutory Auditor)**  
**for and on behalf of UHY Hacker Young LLP, Statutory Auditor**

Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

17 December 2012



## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF PLUME SCHOOL AND THE EDUCATING FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 30 April 2012 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 Plume School during the period 16 November 2011 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 Plume School and the EFA, in accordance with the terms of our engagement letter. Our review work has been undertaken so that we might state to Plume School and the EFA those matters we are required to state to it 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 Plume School and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of the Plume School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Plume School's funding agreement with the Secretary of State for Education dated 18 October 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 confirm 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 16 November 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that, in all material respect, the expenditure disbursed and income received during the period 16 November 2012 to 31 August 2012, has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Colin Wright****Senior Statutory Auditor****For and on behalf of UHY Hacker Young LLP, Statutory Auditor**

Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

17 December 2012

UHY Hacker Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**PLUME SCHOOL**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE PERIOD ENDED 31 AUGUST 2012  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL  
RECOGNISED GAINS & LOSSES)**

	Notes	Unrestricted fund £	Restricted funds		Total 2012 £
			General funds £	Fixed asset fund £	
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary income	3	554,143	-	26,154,455	26,708,598
Activities for generating funds	4	506,133	-	-	506,133
Investment income	5	816	-	-	816
<i>Incoming resources from charitable activities</i>					
Funding for the academy's educational operations	6	-	6,782,329	144,019	6,926,348
<b>Total incoming resources</b>		1,061,092	6,782,329	26,298,474	34,141,895
<b>Resources expended</b>					
<i>Cost of generating funds:</i>					
Costs of activities for generating funds	7 & 8	403,720	-	-	403,720
<i>Charitable activities:</i>					
Academy's educational operations	7 & 9	200	6,386,225	587,385	6,973,810
Governance costs	10	-	130,832	-	130,832
Other finance costs	28	-	68,000	-	68,000
<b>Total resources expended</b>	7	403,920	6,585,057	587,385	7,576,362
<b>Net incoming resources before transfers</b>		657,172	197,272	25,711,089	26,565,533
<b>Gross transfers between funds</b>		-	-	-	-
<b>Net income for the period</b>		657,172	197,272	25,711,089	26,565,533
<b>Other recognised gains and losses</b>					
Inherited deficit on defined benefit pension scheme	28	-	(2,186,000)	-	(2,186,000)
Actuarial losses on defined benefit pension schemes	28	-	(372,000)	-	(372,000)
<b>Net movement in funds</b>		657,172	(2,360,728)	25,711,089	24,007,533
<b>Total funds carried forward at 31 August 2012</b>	18	657,172	(2,360,728)	25,711,089	24,007,533

All of the academy's activities derive from continuing operations during the financial period. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

# PLUME SCHOOL

## BALANCE SHEET AS AT 31 AUGUST 2012

	Notes	2012 £
<b>Fixed assets</b>		
Tangible assets	14	25,711,089
<b>Current assets</b>		
Stock	15	8,325
Debtors	16	205,793
Cash in hand and at bank		1,416,635
		1,630,753
<b>Liabilities</b>		
Creditors: amounts falling due within one year	17	(700,309)
<b>Net current assets</b>		930,444
<b>Net assets excluding pension liability</b>		26,641,533
Pension scheme liability	28	(2,634,000)
<b>Net assets including pension liability</b>		24,007,533
<b>The funds of the academy:</b>		
<b>Restricted income funds</b>		
Fixed asset funds	18	25,711,089
General funds	18	273,272
Pension reserve	18	(2,634,000)
<b>Total restricted funds</b>		23,350,361
<b>Unrestricted income fund</b>		
General fund	18	657,172
<b>Total funds</b>		24,007,533

The financial statements on pages 17 to 37 were approved by the Board of Governors, and authorised for issue on 17 December 2012 and are signed on their behalf by:

**David Stephenson**  
Governor  
Company registration no: 07849731

**PLUME SCHOOL**

**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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	<b>Notes</b>	<b>2012 £</b>
<b>Net cash inflow from operating activities</b>	22	1,559,838
<b>Returns on investments and servicing of finance</b>	23	816
<b>Capital expenditure</b>	24	(144,019)
		<hr/>
<b>Increase in cash in the period</b>		1,416,635
		<hr/> <hr/>
<b>Net funds at 31 August 2012 – Cash in hand and at bank</b>	25	1,416,635
		<hr/> <hr/>

# PLUME SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

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### 1 Statement of 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 Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006 (other than in respect of the disclosures of remuneration received by Staff Governors under employment contracts - see note 12 for details).

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **Going concern**

The Governors assess whether the use of going concern is appropriate 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 Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### **Incoming resources**

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

#### ***Grants receivable***

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.

#### ***Donations***

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

#### ***Other income***

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

#### ***Donated services and gifts in kind***

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured.

An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy's policies.

On becoming an academy, the land and property of the predecessor school was transferred to the academy for nil consideration. The valuation of the land and buildings as at the date of conversion was prepared by Lambert, Smith Hampton on a depreciated replacement cost basis.

# PLUME SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

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### 1 Statement of accounting policies (continued)

#### **Resources expended**

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

#### **Costs of generating funds**

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

#### **Charitable activities**

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

#### **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

#### **Tangible fixed assets**

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 or donated market value and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Fixed assets below £2,000 are not capitalised.

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 its expected useful lives, as follows:

Freehold buildings	2%
Freehold building improvements	5-10%
Artificial pitch	10%
Fixtures, fittings and equipment	20%
Motor vehicles	20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

## PLUME SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

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#### 1 Statement of accounting policies (continued)

##### **Leased assets**

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

##### **Stock**

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

##### **Taxation**

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

##### **Pensions benefits**

Retirement benefits to employees of the academy 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 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 28, 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 as allowed by the relevant accounting standard FRS 17 'Retirement Benefits'.

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 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.

##### **Fund accounting**

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

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

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



**PLUME SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**2 General Annual Grant (GAG)**

<b>a. Results and carry forward for the period</b>	<b>2012</b>
	<b>£</b>
GAG allocation for current period (note 6)	6,262,112
<b>Total GAG available to spend</b>	<b>6,262,112</b>
Recurrent expenditure from GAG (note 18)	(5,988,840)
<b>GAG carried forward to next year</b>	<b>273,272</b>
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	751,453
<b>GAG to surrender to DfE</b> (12% rule breached if result is positive)	(478,181)
	=====
	no breach

**3 Voluntary income**

	<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>Total 2012 £</b>
Funds inherited on conversion	537,442	-	537,442
Assets transferred on conversion (note 14)	-	26,154,455	26,154,455
Other donations	16,701	-	16,701
	=====	=====	=====
	554,143	26,154,455	26,708,598
	=====	=====	=====

**4 Activities for generating funds**

	<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>Total 2012 £</b>
Hire of facilities	35,643	-	35,643
Catering income	206,701	-	206,701
Fees charged for music tuition	27,270	-	27,270
Trip income	84,077	-	84,077
Sale of school uniform	36,617	-	36,617
Other income	115,825	-	115,825
	=====	=====	=====
	506,133	-	506,133
	=====	=====	=====

**PLUME SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**5. Investment income**

	<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>Total 2012 £</b>
Bank interest receivable	816	-	816
	<u>816</u>	<u>-</u>	<u>816</u>
	=====	=====	=====

**6 Funding for academy's educational operations**

	<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>Total 2012 £</b>
<b>Restricted general funds</b>			
<b>DfE / EFA revenue grants</b>			
- General Annual Grant (GAG) (note 2)	-	6,262,112	6,262,112
- Other DfE / EFA grants	-	410,378	410,378
	<u>-</u>	<u>6,672,490</u>	<u>6,672,490</u>
<b>Other Government grants</b>			
- Local authority grants	-	109,839	109,839
	<u>-</u>	<u>6,782,329</u>	<u>6,782,329</u>
<b>Restricted fixed asset funds</b>			
- DfE/EFA capital grant	-	144,019	144,019
	<u>-</u>	<u>6,926,348</u>	<u>6,926,348</u>
	=====	=====	=====

**PLUME SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**7 Resources expended**

	<b>Staff costs £ (note 11)</b>	<b>Depreciation £</b>	<b>Non pay expenditure</b>		<b>Total 2012 £</b>
			<b>Premises £</b>	<b>Other costs £</b>	
Costs of activities for generating funds (note 8)	111,399	-	-	292,321	403,720
Academy's educational operations (note 9)					
- direct costs	4,763,714	-	-	422,228	5,185,942
- allocated support costs	548,976	587,385	330,744	320,763	1,787,868
	<u>5,312,690</u>	<u>587,385</u>	<u>330,744</u>	<u>742,991</u>	<u>6,973,810</u>
Governance costs including:					
- allocated support costs (note 10)	-	-	-	130,832	130,832
- other finance costs (note 28)	-	-	-	68,000	68,000
	<u>5,424,089</u>	<u>587,385</u>	<u>330,744</u>	<u>1,234,144</u>	<u>7,576,362</u>
	=====	=====	=====	=====	=====

**8 Costs of activities for generating funds**

	<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>Total 2012 £</b>
Catering expenses	261,987	-	261,987
Music services expenses	28,672	-	28,672
Uniform expenses	21,495	-	21,495
Costs of school trips	91,566	-	91,566
	<u>403,720</u>	<u>-</u>	<u>403,720</u>
	=====	=====	=====

**PLUME SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**9 Charitable activities – Academy’s educational operations**

	<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>Total 2012 £</b>
<i>Direct costs</i>			
Teaching and educational support staff costs	-	4,763,714	4,763,714
Educational supplies	-	283,018	283,018
Examination fees	-	103,252	103,252
Staff development	-	35,958	36,958
	-----	-----	-----
	-	5,185,942	5,185,942
	-----	-----	-----
<i>Allocated support costs</i>			
Support staff costs	-	548,976	548,976
Depreciation (fixed asset restricted fund)	-	587,385	587,385
Recruitment and support	-	616	616
Maintenance of premises and equipment	-	147,992	147,992
Rent & rates	-	129,141	129,141
Insurance	200	53,412	53,612
Security and transport	-	21,028	21,028
IT support costs	-	69,676	69,676
Legal and professional fees	-	56,857	56,857
Travel and trip expenses	-	47,044	47,044
Office expenses	-	125,538	125,538
	-----	-----	-----
	200	1,787,668	1,787,868
	-----	-----	-----
	200	6,973,610	6,973,810
	=====	=====	=====

**10 Governance costs**

	<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>Total 2012 £</b>
Legal and professional fees	-	121,332	121,332
Auditors’ remuneration	-	9,500	9,500
- audit of financial statements	-	-	-
	-----	-----	-----
	-	130,832	130,832
	=====	=====	=====

# PLUME SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

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### 11 Staff costs

Staff costs during the period were:

	<b>2012 Total £</b>
Wages and salaries	4,559,639
Social security costs	260,602
Pension costs	576,195
	<hr/>
	5,396,436
Supply teacher costs	27,653
	<hr/>
	5,424,089
	<hr/> <hr/>

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

	<b>2012 Number</b>
<i>Charitable Activities</i>	
Teachers	102
Administration and support	97
Management	14
	<hr/>
	213
	<hr/> <hr/>

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

	<b>2012 Number</b>
£60,001 - £70,000	3
£90,001 - £100,000	1
	<hr/> <hr/>

Four of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £30,729.

## PLUME SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

#### 12 Governors' remuneration and expenses

The Headteacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the academy in respect of their role as Governors. Full disclosure of the Headteacher's and individual Staff Governors' remuneration in line with the requirements of the Academies Accounts Direction 2011/12 and the Charities SORP has not been provided on the grounds that disclosure of this information may compromise the academy's ability to retain and attract Staff Governors. The total value of Staff Governors' remuneration under employment contracts was £94,475.

During the period ended 31 August 2012, travel expenses totalling £16 were reimbursed to one Governor.

Other related party transactions involving the trustees are set out in note 29.

#### 13 Governors' and Officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1,195.

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

#### 14 Tangible fixed assets

	<b>Freehold Land and Buildings £</b>	<b>Artificial Pitch £</b>	<b>Furniture and Equipment £</b>	<b>Computer Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost</b>						
Acquired on conversion (notes 1 & 3)	25,659,000	487,455	-	-	8,000	26,154,455
Additions	125,185	-	15,828	3,006	-	144,019
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2012	25,784,185	487,455	15,828	3,006	8,000	26,298,474
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>						
Charge in period	545,029	40,565	408	51	1,332	587,385
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2012	545,029	40,565	408	51	1,332	587,385
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book values</b>						
At 31 August 2012	25,239,156	446,890	15,420	2,955	6,668	25,711,089
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

On becoming an academy trust, the land and property of the predecessor school was transferred to the academy for nil consideration. The valuation of the land and buildings as at the date of conversion was prepared by Lambert, Smith Hampton on a depreciated replacement cost basis.

**PLUME SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**15 Stock**

	<b>Total £</b>
Clothing	200
Catering	8,125
	<hr/>
	8,325
	<hr/> <hr/>

**16 Debtors**

	<b>2012 £</b>
Trade debtors	2,736
Other debtors	175,157
Prepayments	27,900
	<hr/>
	205,793
	<hr/> <hr/>

**17 Creditors: amounts falling due within one year**

	<b>2012 £</b>
Trade creditors	319,855
PAYE & NIC creditor	247,654
Other creditors	6,593
Accruals and deferred income (see below)	126,207
	<hr/>
	700,309
	<hr/> <hr/>

**Deferred income**

	<b>2012 £</b>
Capital grant deferred in the period	24,373
	<hr/>
Deferred income at 31 August 2012 included in accruals and deferred income above	24,373
	<hr/> <hr/>

At the balance sheet date the academy was holding funds of £24,373 received in advance for building work carried out in the autumn term 2012.

**PLUME SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**18 Funds**

	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains, losses &amp; transfers £</b>	<b>Balance at 31 August 2012 £</b>
<b>Restricted general funds</b>				
General Annual Grant (GAG) (note 2)	6,262,112	(5,988,840)	-	273,272
Other DfE/EFA grants (note 6)	410,378	(410,378)	-	-
Other government grants	109,839	(109,839)	-	-
Pension reserve (note 28)	-	(76,000)	(2,558,000)	(2,634,000)
	<u>6,782,329</u>	<u>(6,585,057)</u>	<u>(2,558,000)</u>	<u>(2,360,728)</u>
<b>Restricted fixed asset funds</b>				
Acquired on conversion (note 14)	26,154,455	(586,697)	-	25,567,758
DfE/EFA capital grants	144,019	(688)	-	143,331
	<u>26,298,474</u>	<u>(587,385)</u>	<u>-</u>	<u>25,711,089</u>
<b>Total restricted funds</b>	<u>33,080,803</u>	<u>(7,172,442)</u>	<u>(2,558,000)</u>	<u>23,350,361</u>
<b>Unrestricted fund</b>				
Unrestricted fund	1,061,092	(403,920)	-	657,172
<b>Total unrestricted fund</b>	<u>1,061,092</u>	<u>(403,920)</u>	<u>-</u>	<u>657,172</u>
<b>Total funds</b>	<u>34,141,895</u>	<u>(7,576,362)</u>	<u>(2,558,000)</u>	<u>24,007,533</u>

**19 Analysis of net assets between funds**

Fund balances at 31 August 2012 are represented by:

	<b>Unrestricted funds £</b>	<b>Restricted general funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
Tangible fixed assets	-	-	25,711,089	25,711,089
Current assets	663,591	942,789	24,373	1,630,753
Current liabilities	(6,419)	(669,517)	(24,373)	(700,309)
Pension scheme liability	-	(2,634,000)	-	(2,634,000)
<b>Total net assets</b>	<u>657,172</u>	<u>(2,360,728)</u>	<u>25,711,089</u>	<u>24,007,533</u>



# PLUME SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

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### 20 Capital commitments

**Freehold Land  
& Buildings  
2012  
£**

Contracted for, but not provided in the financial statements 624,815  
=====

### 21 Financial commitments

The school has no annual commitments under non-cancellable operating leases at the period end.

### 22 Reconciliation of net income to net cash inflow from operating activities

**2012  
£**

Net income for the period 26,565,533  
Depreciation (note 14) 587,385  
Interest receivable (note 5) (816)  
FRS 17 pension cost less contributions payable (note 28) 8,000  
FRS 17 pension finance income (note 28) 68,000  
Increase in stocks (8,325)  
Increase in debtors (205,793)  
Increase in creditors 700,309  
Donation in kind for property transferred on conversion (note 14) (26,154,455)

**Net cash inflow from operating activities** 1,559,838  
=====

### 23 Returns on investments and servicing of finances

**2012  
£**

Interest received 816  
-----

**Net cash inflow from returns on investment and servicing of finance** 816  
=====

### 24 Capital expenditure and financial investment

**2012  
£**

Purchases of tangible fixed (note 14) 26,298,474  
Less: assets transferred on conversion (26,154,455)  
-----

**Net cash outflow from capital expenditure and financial investment** 144,019  
=====

## PLUME SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

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#### 25 Analysis of changes in net funds

	Cash flows £000	At 31 August 2012 £000
Cash in hand and at bank	1,416,635	1,416,635
	<u>1,416,635</u>	<u>1,416,635</u>

#### 26 Contingent liabilities

There are no contingent liabilities at 31 August 2012.

#### 27 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the academy 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.

#### 28 Pension and similar obligations

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

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

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

##### Teachers' Pension Scheme

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

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

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

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

**28 Pension and similar obligations (continued)**

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

The last valuation of the TPS related to the period 1 April 2001 – 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

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

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

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

Under the definitions set out in Financial Reporting Standard (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 and the implications for the academy in terms of the anticipated contribution rates.

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £211,000, of which employer’s contributions totalled £161,000 and employees’ contributions totalled £50,000. The agreed contribution rates for future years are 12.3 per cent for employers and between 5.5 and 7.5 per cent for employees.

**PLUME SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**28 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

<b>Principal Actuarial Assumptions:</b>	<b>At 31 August 2012 £</b>
Rate of increase in salaries	3.7%
Rate of increase for pensions	1.9%
Discount rate for scheme liabilities	3.9%
Inflation assumption (CPI)	1.9%

The below table, as produced by Barnett Waddingham (actuary) sets out the impact of a small change in the discount rates on the defined benefit obligations and projected service cost along with a plus/minus 1 year age rating adjustment to the mortality assumption.

	<b>£'000 + 0.1%</b>	<b>£'000 0.00%</b>	<b>£'000 - 0.1%</b>
<b>Adjustment to discount rate</b>			
Present Value of Total Obligation	2,787	2,874	2,963
Projected Service Cost	291	302	314
<b>Adjustment to mortality age rating assumption</b>	<b>+ 1 Year</b>	<b>None</b>	<b>- 1 Year</b>
Present Value of Total Obligation	2,773	2,874	2,975
Projected Service Cost	289	302	315

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

	<b>At 31 August 2012 (years)</b>
<b>Retiring today</b>	
Males	22.7
Females	25.3
<b>Retiring in 20 years</b>	
Males	24.1
Females	26.8

## PLUME SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

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#### 28 Pension and similar obligations (continued)

##### Local Government Pension Scheme (continued)

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

	<b>Expected Return at 31 Aug 2012</b>	<b>Fair value at 31 August 2012</b>
Equities	5.9%	163,000
Bonds	3.9%	22,000
Property	4.9%	31,000
Gilts	2.8%	14,000
Cash	0.5%	10,000
	<hr/>	<hr/>
<b>Total market value of assets</b>	5.2%	240,000
		=====
Present value of scheme liabilities		
- Funded		(2,874,000)
		<hr/>
<b>Deficit in the scheme – recognised on balance sheet at 31 August 2012</b>		(2,634,000)
		=====

The actual return on scheme assets was £7,000.

##### Amounts recognised in the statement of financial activities

	<b>2012 £</b>
Current service cost (net of employee contributions)	(8,000)
Past service cost	-
	<hr/>
Total operating charge	(8,000)
	=====
<b>Analysis of pension finance income/(costs)</b>	
Expected return on pension scheme assets	5,000
Interest on pension liabilities	(73,000)
	<hr/>
<b>Pension finance income/(costs) (note 7)</b>	(68,000)
	=====

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £372,000 loss.

# PLUME SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

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### 28 Pension and similar obligations (continued)

#### Local Government Pension Scheme (continued)

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

	<b>2012</b>
	<b>£</b>
At 1 January 2012	2,230,000
Current service cost	169,000
Interest cost	73,000
Employee contributions	50,000
Actuarial loss	373,000
Benefits paid	(21,000)
	<hr/>
At 31 August 2012	2,874,000
	<hr/> <hr/>

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

	<b>2012</b>
	<b>£</b>
At 1 January 2012	44,000
Expected return on assets	5,000
Actuarial loss	1,000
Employer contributions	161,000
Employee contributions	50,000
Benefits paid	(21,000)
	<hr/>
At 31 August 2012	240,000
	<hr/> <hr/>

The estimated value of employer contributions for the period ended 31 August 2013 is £245,000.

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

	<b>2012</b>
	<b>£</b>
Present value of defined benefit obligations	(2,874,000)
Fair value of share of scheme assets	240,000
	<hr/>
Deficit in the scheme	(2,634,000)
	<hr/> <hr/>

##### Experience adjustments on share of scheme assets:

Amount £'000	1
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##### Experience adjustments on scheme liabilities:

Amount £'000	-
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## **PLUME SCHOOL**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

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#### **29 Related party transactions**

Owing to the nature of the academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures. There are no related transactions in the period.