

COMPANY LIMITED BY GUARANTEE
REGISTRATION NUMBER 07733109
(ENGLAND AND WALES)

FRED LONGWORTH HIGH SCHOOL
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2012

HW

Chartered Accountants & Registered Auditors

Bridge House
157 Ashley Road

Hale
Altrincham
Cheshire
WA14 2UT

FRED LONGWORTH HIGH SCHOOL

FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2012

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FRED LONGWORTH HIGH SCHOOL
REFERENCE AND ADMINISTRATIVE INFORMATION
PERIOD ENDED 31 AUGUST 2012

Governors (trustees):	Mr B M Wilson* (Chair) Mrs J H Garretts* Mrs S Prescott* Dr G Armstrong Mrs J Alderson Rev J Hartley Mr D Trussell* Mrs S Partington Mr C Cohen Mr D Aspden Mrs E Marks-Parker* Mr I Williams Mrs C Gradwell* Ms D Reynolds Mr S Rigby Ms L Massey (resigned 31 December 2011) Ms J Rea (resigned 19 February 2012) Mrs A Mullineaux Mr P Bean* (appointed 10 October 2011) Miss G Dobson (appointed 10 October 2011) Ms Y Carrick (appointed 1 January 2012) Mr A Fallows (appointed 20 February 2012)
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Unless otherwise stated all governors were appointed on 1 September 2011.

* Members of the finance and premises committee

Directors:	Mrs J Alderson Mrs J H Garretts Mrs C Gradwell Rev J Hartley Mrs S Prescott Mr B M Wilson
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Unless otherwise stated all directors were appointed on 8 August 2011.

Company secretary:	Mr A Gallimore
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FRED LONGWORTH HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE INFORMATION *(continued)*

PERIOD ENDED 31 AUGUST 2012

Senior leadership team:	Headteacher	Mrs J H Garretts
	Deputy Headteacher	Mr P Hodgkinson
	Deputy Headteacher	Mr J Thomson
	Director of Business & Finance	Mr A Gallimore
	Assistant Headteacher	Mr C Hallett
	Assistant Headteacher	Mr P Davies
	Director of Learning	Mrs G Maher
	Director of Learning	Mrs A Michalakakos
	Director of Numeracy	Mr F Macarthur
	Director of Literacy	Mrs C Rimmer

Registered office & academy site: Printshop Lane, Tyldesley, Manchester M29 8JN

Company registration number: 07733109

Auditors: HW, Chartered Accountants & Registered Auditors
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Bankers: Lloyds TSB plc
9 Hotel Street
Bolton
BL1 1DB

Investec Bank plc
2 Gresham Street
London
EC2V 7QP

Solicitors: Eversheds LLP
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

FRED LONGWORTH HIGH SCHOOL

REPORT OF THE GOVERNORS AND DIRECTORS

PERIOD ENDED 31 AUGUST 2012

The governors and directors present their report with the financial statements of the charitable company for the period ended 31 August 2012.

Structure, governance and management

Constitution

The academy was incorporated on 8 August 2011 as a company limited by guarantee with no share capital, registration no: 07733109. The company commenced operation as an academy on 1 September 2011. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy. The initial members of the charitable company were nominated by the governing body of Fred Longworth High School. The Articles of Association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

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 period 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.

Governors

Six of the governors are directors of the charitable company for the purposes of the Companies Act 2006 and all governors are trustees for the purposes of charity legislation.

The governors who were in office at 31 August 2012 and served during the period are listed on page 1.

Governors' indemnities

In accordance with normal commercial practice the academy has purchased professional indemnity and directors and officers insurance to protect the governors and officers from claims arising from negligence, errors or omissions occurring whilst on academy business. Further details are disclosed at Note 13.

Principal activities

Fred Longworth High School converted to academy trust status on 1 September 2011 at which point the entity's current operations commenced. The academy trust's principal activities are 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.

FRED LONGWORTH HIGH SCHOOL

REPORT OF THE GOVERNORS AND DIRECTORS *(continued)*

PERIOD ENDED 31 AUGUST 2012

Method of recruitment and appointment or election of governors

The academy's board of governors is subject to retirement by rotation. Governors are eligible for re-election at the meeting at which they retire. The directors to retire are those who have served the longest in office since their appointment or re-election. New directors are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors.' The term of office for any governor is 4 years, although this time limit does not apply to the Head teacher. The board of directors who were in office on 31 August 2012 and served since 1 September 2011, the period of these accounts, are listed in the reference and administrative details on page 1.

The members of the trust are responsible for the appointment of governors except seven parent governors and four staff governors who will be appointed through an election process directed by the governing body. The number of governors shall be not less than three and shall not be subject to a maximum.

Policies and procedures adopted for the induction and training of governors

Governors are appointed based on the skills that they will bring to the governing body or based on a proposal to the governing body by representative groups. On appointment, governors receive information relating to the trust, attend a briefing and receive an induction pack on the role and responsibilities of governors. The training and induction provided for new governors will depend on their existing experience. All new governors will be given a tour of the academy and the chance to meet with staff and students. All relevant governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only two or three new governors a period, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The governance of the trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department for Education.

The structure consists of three levels: the governors, senior leadership team and heads of faculty areas/heads of year. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

FRED LONGWORTH HIGH SCHOOL

REPORT OF THE GOVERNORS AND DIRECTORS *(continued)*

PERIOD ENDED 31 AUGUST 2012

The senior leadership team are the headteacher, deputy headteachers and assistant headteachers. These leaders control the academy at an executive level implementing the policies laid down by the governors and reporting back to them. As a group, the senior leadership team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for middle and senior leader posts will contain a governor(s). Some spending control is devolved to heads of departments/years, with limits above which a senior leader must countersign.

The board of governors has established three sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the headteacher (the accounting officer) and to the senior management team. The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the board of governors annually. The terms of reference for the finance and premises sub-committee detail the school's authorised spending limits.

The sub-committees of the governing body are the:

- Finance and premises committee
- Pastoral and community committee
- Staffing and curriculum committee

Groups of governors may be formally organised outside of the sub-committee structure to support the School as required, to consider:

- Headteacher, and SLT recruitment.
- Performance management of the headteacher
- Pupil discipline
- Staff discipline
- Complaints
- Significant areas of change management

Risk management

The board of governors has considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT.

The board of directors have implemented a number of systems to assess and reduce risks that the school faces, especially in operational areas in relation to teaching, health and safety, (including school trips), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk.

Adequate insurance has been arranged where significant financial risk remains. The school has an effective system of internal financial control as explained in the statement on internal control.

FRED LONGWORTH HIGH SCHOOL

REPORT OF THE GOVERNORS AND DIRECTORS *(continued)*

PERIOD ENDED 31 AUGUST 2012

The academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

Connected organisations, including related party relationships

Fred Longworth High School is not connected to any other organisations as defined by the relevant Charities SORP. The members, directors, trustees, governors, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

Objectives and activities

Objects and aims

Fred Longworth High School is a mixed 11-16 comprehensive school and a vibrant Arts and Applied Learning College. Our aim is to inspire all our students to achieve their BEST by Belonging, Engaging, Succeeding Together. We believe in treating each student as a unique and valued individual.

The curriculum is designed to give students choice and to nurture their talents and abilities, whatever they may be.

Our conversion to academy status was community driven and our focus was on protecting and building on the proud name of Fred Longworth and to enable us to continue serving our local community.

The board of governors continue to set the school's strategic aims through the school improvement plan. These aims are monitored closely by the board of governors by way of headteacher and senior leadership team reports and through the work of the sub committees.

The school improvement plan is designed to drive improvements in the following key areas of our work:

- Achievement – our aim is to continue to improve outcomes for students by developing them as effective learners and improving our practice in targeting and intervention strategies to raise achievement for all.
- Teaching – our aim is to make the best possible provision for students through a relentless focus upon developing outstanding teaching and learning. We actively encourage innovation and creativity in the classroom.
- Pastoral, behaviour & safety – excellent pastoral care is at the heart of everything we do; our aim is to ensure that students' behaviour is outstanding but we also focus on ensuring that our learners are safe and happy in school.
- Leadership – our aim is to foster outstanding leadership at all levels to ensure that there is a maximum impact upon students' achievement.
- Resource Development – we aim to maintain and improve Fred Longworth High School to provide value for money by ensuring that resources are directed to have maximum impact on learning and achievement. We aim to keep and improve upon our vibrant, IT rich learning environment.

FRED LONGWORTH HIGH SCHOOL

REPORT OF THE GOVERNORS AND DIRECTORS *(continued)*

PERIOD ENDED 31 AUGUST 2012

Objectives, strategies and activities

The Fred Longworth community values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit Fred Longworth High School.

Students will be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at school. They will be independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers will enthuse and inspire others to explore new ideas.

Parents will fulfill their roles as true partners, recognising their role in the student - school - parent partnership to ensure that their child realises his/her potential.

Governors will contribute to the life of the school on a wider scale, acting as critical friends to support the school and its objectives.

The key targets for the forthcoming year are:

1. 66% of students achieve 5 A*-C at GCSE including Maths & English
2. 87% of students achieve 5 A*-C at GCSE
3. 76% of students achieve 3 levels of progress in GCSE English
4. 73% of students achieve 3 levels of progress in GCSE Maths
5. Average Capped Points Score of 355
6. 33% of students achieve the English Baccalaureate
7. Overall absence of 5% or less

FRED LONGWORTH HIGH SCHOOL

REPORT OF THE GOVERNORS AND DIRECTORS *(continued)*

PERIOD ENDED 31 AUGUST 2012

Our key priorities for the forthcoming year are:

- Increase levels of literacy and develop excellent numeracy skills in order to improve students' ability to access the whole curriculum at all levels.
- Ensure the most effective use of student tracking, academic mentoring & intervention across the school to increase the impact upon attainment across all groups.
- Address anomalies in levels of achievement across groups within the school, to include emphasis on ensuring that high prior attainment is reflected in students' final results.
- Strengthen whole school use of meeting time, staff development groups and the role of the ASTs to impact upon the levels of good and outstanding teaching.
- Develop the key learning skills of independence and resilience including through the development of more effective homework and e-learning.
- Further refine the use of assessment, data and differentiation within lessons to provide further stretch and challenge for all students.
- Increase levels of engagement, including with our more hard to reach learners, parents and carers.
- Continue development of the TASC (Tyldesley & Atherton Schools Cluster) to have an impact upon student achievement across cluster schools.
- Develop the parent and student voice to impact upon the future development of the school.
- Further refine the QA and performance management protocols to ensure that they impact fully upon the quality of provision (including teaching and learning).
- Continue development of middle leadership in order to ensure best practice across the school, build capacity for further school improvement and plan for succession over the next 5 years.
- Build capacity to enable the school to support other schools and seek further opportunities to engage in support activities.
- Embed curriculum changes (especially the development of PSHE theme days) and plan for further refinement in response to the national agenda.
- Maintain an excellent climate for learning including a rolling programme of refurbishment.
- Develop Fred Longworth as a successful academy through creative marketing and sound financial strategies.
- Continue to prepare for a sustainable future.

Public benefit

The trust will promote for the benefit of inhabitants of Tyldesley 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.

The academy trust's 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.

FRED LONGWORTH HIGH SCHOOL

REPORT OF THE GOVERNORS AND DIRECTORS *(continued)*

PERIOD ENDED 31 AUGUST 2012

Achievements and performance

Fred Longworth High School, as an academy, was legally formed on 1 September 2011. This Annual Report covers the academy's first period of operation.

The school was graded as outstanding by Ofsted in May 2010.

There were 1,283 students on roll on 31 August 2012.

The academy is committed to continual improvement which is achieved in a number of ways including: improvement planning, review meetings, continual professional development, lesson observations, performance management, learning walks, self-evaluation, data analysis and action planning.

For the past 4 years, performance has improved continuously year on year and we continue to outperform our targets.

The table below provides a summary of the performance in the summer 2012 examination season:

Summary of GCSE examination results (2012)

	Overall
5A*-C	87%
5A*-C Inc. English and Maths	66%
5A*-G	98%
Average Capped Points Score	353
3 Levels of Progress in English	77
3 Levels of Progress in Maths	78

Attendance has been at or above 95% since September 2011.

Going concern

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

Key performance indicators

The Fischer Family trust is the adopted performance measure and target monitoring tool and is used for Key Stages 3 and 4.

Standards at Key Stage 4 (GCSE) have improved year on year from 2009 to 2012. Examination results for 5A* - C including Maths and English have increased from 59% to 66% during the period.

FRED LONGWORTH HIGH SCHOOL

REPORT OF THE GOVERNORS AND DIRECTORS *(continued)*

PERIOD ENDED 31 AUGUST 2012

Attendance levels are regularly at, or above, 95%.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2011/12 were 1,283, a decrease of 3 over 2010/11. It is anticipated that this number will remain consistent over the next 5 years.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2011/12 this was 76.94% and is projected at 78.50% for 2012/13.

The academy places importance on staff retention and development in order to maintain the highest standards of teaching and learning.

Financial review

Most of the academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The trust's financial position for the period to August 31, 2012 demonstrates total income of £18,757,000 with a surplus at the 31 August 2012 of £10,095,000. The surplus has been allocated to reserves.

The reserves will be utilised for continuous improvements and for projects for the repair and replacement of educational equipment and materials. Reserves will also be allocated to the repair, replacement and updating of the academy's buildings, its plant, equipment and contents.

A strategic capital plan has been prepared and reviewed by the governors in order that reserves can be prioritised and spent according to the needs of the academy.

The principal financial management policies adopted in the year are:

- regular financial reviews of income and expenditure versus planned budgets at finance & premises committee meetings;
- consideration as to whether income streams demonstrate a robust and stable position to continue to enable the provision of resources of sufficient quality to fulfil the academy's educational obligations.

FRED LONGWORTH HIGH SCHOOL

REPORT OF THE GOVERNORS AND DIRECTORS *(continued)*

PERIOD ENDED 31 AUGUST 2012

Reserves carried forward at 31 August 2012 will be utilised as part of the medium and long term plans of the academy to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the site and facilities.

Financial and risk management objectives and policies

The objective of the academy's risk management procedure is to identify the principal risks facing the academy so that existing controls may be considered and further action taken if required, including external insurance.

The board of governors has a comprehensive risk management process to identify and monitor the risks faced by the academy.

The financial risks considered include: economic / financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial / statutory requirements.

Principal risks and uncertainties

Fred Longworth High School has adopted a risk management process including the creation of a risk register and risk review process. The objectives will be to determine an approach and, where it is considered necessary, put in place measures of control and mitigation in order to manage risk.

The principal risks are seen as the loss of reputation through falling standards, falling student rolls and failure to safeguard our students.

Key controls in place are:

- an organisational structure with defined roles, responsibilities and authorisation levels;
- terms of reference for the committees of the governing body;
- financial planning, budgeting and regular management reporting highlighting areas of financial risk;
- formal written and published policies for employees;
- vetting procedures as required by law for the protection of the vulnerable.

The academy has recognised its share of the local government pension scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard No. 17. A deficit has been recognised at 31 August 2012.

FRED LONGWORTH HIGH SCHOOL

REPORT OF THE GOVERNORS AND DIRECTORS *(continued)*

PERIOD ENDED 31 AUGUST 2012

Reserves policy

The governors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be equivalent to 1 month of the GAG, approximately £580k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets restricted fund but excluding pension reserve) is £591k.

Plans for future periods

Fred Longworth High School strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The school believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the school strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities.

The school has an outstanding understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The school also makes good use of external validation to secure its judgement on the quality of provision and subsequent outcomes. The school improvement plan has all the correct areas identified for improvement and is based on regular analysis of data which is meticulously analysed by the headteacher and the senior leadership team. The SIP is regularly monitored and amended annually by the SLT and governors. It is underpinned by appropriate budget links.

School improvement strategies are highly effective because subjects identified as previously underperforming have been successfully addressed through a combination of rigorous monitoring, outstanding CPD, including coaching and thorough analysis of examination results. The school makes good provision for personalised learning, support and intervention programmes for individual students and the quality of provision for inclusion is outstanding due to bespoke programmes aimed at raising achievement.

FRED LONGWORTH HIGH SCHOOL

REPORT OF THE GOVERNORS AND DIRECTORS *(continued)*

PERIOD ENDED 31 AUGUST 2012

Auditors

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 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.

The audit business HW, Chartered Accountants has been appointed as the company's auditor. The audit report has therefore been issued by HW, Chartered Accountants.

The report of the governors was approved by the governors on 12 December 2012 and signed on their behalf by Mr B M Wilson, chair of governors.

Mr B M Wilson
Chair of Governors

FRED LONGWORTH HIGH SCHOOL

GOVERNANCE STATEMENT

PERIOD ENDED 31 AUGUST 2012

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Fred Longworth High 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 to 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 Fred Longworth High 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 4 times during the period. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of possible
Mr B M Wilson (Chair)	4	4
Mrs J H Garretts*	4	4
Mrs S Prescott	4	4
Dr G Armstrong	3	4
Mrs J Alderson	3	4
Rev J Hartley	4	4
Mr D Trussell	3	4
Mrs S Partington	4	4
Mr C Cohen	4	4
Mr D Aspden	4	4
Mrs E Marks-Parker	3	4
Mr I Williams	4	4
Mrs C Gradwell	4	4
Mrs D Reynolds	2	4
Mr S Rigby*	2	4
Ms L Massey (resigned 31 December 2011)	0	2
Ms J Rea (resigned 19 February 2012)*	1	2
Mrs A Mullineaux*	4	4
Mr P Bean (appointed 10 October 2011)	3	3
Miss G Dobson (appointed 10 October 2011)*	3	3
Ms Y Carrick (appointed 1 January 2012)	2	2
Mr A Fallows (appointed 20 February 2012)*	2	2

FRED LONGWORTH HIGH SCHOOL

GOVERNANCE STATEMENT *(continued)*

PERIOD ENDED 31 AUGUST 2012

The finance and premises committee is a sub-committee of the main governing body. Its purpose is to:

- ensure the effective deployment of all funds available to the school so that they have maximum impact upon teaching, learning and achievement;
- ensure that the premises are safe and provide an excellent learning environment for students, staff and community groups;
- ensure that the school has sound financial management.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of possible
Mrs E Marks-Parker (Chair)	3	3
Mr B M Wilson	2	3
Mrs J H Garretts	3	3
Mrs S Prescott	1	3
Mr D Trussell	3	3
Mrs C Gradwell	2	3
Mr P Bean	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 ongoing process designed to identify and prioritise the risks to the achievement of academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Fred Longworth High 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 trust is exposed together with the operation, 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 of identifying, evaluating and managing the academy trust's significant risks that have been in place for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statement. This process is regularly reviewed by the governing body.

FRED LONGWORTH HIGH SCHOOL

GOVERNANCE STATEMENT *(continued)*

PERIOD ENDED 31 AUGUST 2012

The risk and control framework

The academy trust's system of internal 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 system with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular review by the finance and premises committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defining purchasing (assets purchase or capital investment) guidelines;
- delegation of authority and segregations of duties;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided to appoint Wigan Council Audit Services as internal auditor as well as a responsible officer (RO). The RO role included giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the governing body on the operation of the systems or control and on the discharge of the governing body's financial responsibilities.

During the year the RO has produced three reports which were presented to the Finance and Premises committee.

Review of effectiveness

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

- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the responsible officer;
- the work of the external auditors;
- the financial management and governance self-assessment process.

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 Premises 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 12 December 2012 and signed on its behalf by:

.....
B M Wilson
Chair of governors

.....
Mrs J H Garretts
Headteacher and accounting officer

FRED LONGWORTH HIGH SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

PERIOD ENDED 31 AUGUST 2012

As accounting officer of Fred Longworth High School I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the secretary of state. As part of my consideration I have had due regard to the requirements of the academies financial handbook.

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

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

.....

Mrs J H Garretts

Headteacher and accounting officer

FRED LONGWORTH HIGH SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

PERIOD ENDED 31 AUGUST 2012

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

Company law requires the governors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in operation.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 academy 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 academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Young People's Learning Agency, Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the governors are aware:

- there is no relevant audit information of which the academy'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.

FRED LONGWORTH HIGH SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES *(continued)*

PERIOD ENDED 31 AUGUST 2012

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy'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 12 December 2012 and signed on its behalf by:

.....

Mr B M Wilson
Chair of governors

FRED LONGWORTH HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRED LONGWORTH HIGH SCHOOL

PERIOD ENDED 31 AUGUST 2012

We have audited the financial statements of Fred Longworth High School for the period ended 31 August 2012 which comprises the statement of financial activities (income and expenditure account and the statement of total recognised gains and losses), the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the statement of governors' responsibilities set out on pages 18 & 19, the governors (who are also the directors of the academy trust 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

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

FRED LONGWORTH HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRED LONGWORTH HIGH SCHOOL *(continued)*

PERIOD ENDED 31 AUGUST 2012

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

JOHN WHITTICK (Senior Statutory
Auditor)

For and on behalf of
HW

Chartered Accountants
& Statutory Auditor

Bridge House
157 Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

Date.

FRED LONGWORTH HIGH SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

PERIOD 1 SEPTEMBER 2011 TO 31 AUGUST 2012

Independent reporting accountant's assurance report on regularity to Fred Longworth High School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 22 November 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 Fred Longworth High School during the period 1 September 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 Fred Longworth High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Fred Longworth High School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fred Longworth High School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Fred Longworth High School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Fred Longworth High School funding agreement with the secretary of state for education dated 8 August 2012 and the academies financial handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

FRED LONGWORTH HIGH SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

(continued)

PERIOD 1 SEPTEMBER 2011 TO 31 AUGUST 2012

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. A summary of the work undertaken is listed below:

- We have confirmed that the activities conform with the academy trust's framework of authorities as identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the Accounting Officer's Statement on Regularity, Propriety and Compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

FRED LONGWORTH HIGH SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

(continued)

PERIOD 1 SEPTEMBER 2011 TO 31 AUGUST 2012

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2011 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.

JOHN WHITTICK FCA
HW, Chartered Accountants
Bridge House
157 Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

Date.

FRED LONGWORTH HIGH SCHOOL

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

FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Unrestricted funds £000	Restricted general funds	Restricted fixed asset funds £000	Total 2012 £000
Incoming resources					
Transfer from local authority on conversion	3	787	-	10,372	11,159
Activities for generating income	4	388	-	-	388
Investment income	5	5	-	-	5
Funding for the academy's educational operations	6	-	7,205	-	7,205
Total incoming resources		1,180	7,205	10,372	18,757
Resources expended					
Cost of generating income	8	258	-	-	258
Academy's educational operations	9	31	7,075	394	7,500
Governance costs	10	-	13	-	13
Transfer from local authority on conversion	3	-	568	-	568
Total resources expended	7	289	7,656	394	8,339
Net incoming / (outgoing) resources before transfers		891	(451)	9,978	10,418
Gross transfers between funds	17	(417)	-	417	-
Net income/(expenditure) for the period		474	(451)	10,395	10,418
Other recognised gains and losses					
(Losses) on defined benefit pension schemes	24	-	(323)	-	(323)
Net movement in funds		474	(774)	10,395	10,095
Funds carried forward at 31 August 2012		474	(774)	10,395	10,095

All of the academy trust'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 28 to 47 form part of these financial statements.

FRED LONGWORTH HIGH SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2012

	Note	2012 £000	2012 £000
Fixed assets			
Tangible assets	14		10,395
Current assets			
Debtors	15	37	
Cash at bank and in hand		887	
		<u>924</u>	
Current liabilities			
Creditors: Amounts falling due within one period	16	333	
		<u>591</u>	
Net current assets			591
Total assets less current liabilities			<u>10,986</u>
Pension scheme liability	24		891
Net assets including pension liability			<u>10,095</u>
Funds			
Restricted funds			
Restricted fixed asset fund	17		10,395
Restricted general fund	17		117
Pension reserve	17		(891)
			<u>9,621</u>
Unrestricted funds			
General fund	17		474
Total funds			<u>10,095</u>

The financial statements were approved and authorised for issue by the governors on 12 December 2012 and signed on their behalf by:

.....

.....

Governor and director

Company Limited by Guarantee

Registration Number 07733109

The notes on pages 28 to 47 form part of these financial statements.

FRED LONGWORTH HIGH SCHOOL

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	2012 £000
Net cash inflow from operating activities	19	1,299
Returns on investments and servicing of finance	20	5
Capital expenditure	21	(417)
Increase in cash in the period		<u>887</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 31 August 2012 (of which cash transferred on conversion to an academy trust £812,000)	22	<u>887</u>

All of the cash flows are derived from acquisitions to an academy trust.

The notes on pages 28 to 47 form part of these financial statements.

FRED LONGWORTH HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE PERIOD ENDED 31 AUGUST 2012

Principal accounting policies

Format of financial statements

The financial statements are prepared under the historic cost convention except for the transfer of assets at valuation and in accordance with applicable UK accounting standards (UK Generally Accepted Accounting Practice). The standard format for the financial statements as required by part 15 of the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP') and the Academies Account Direction issued by the EFA. The principal accounting policies are set out below.

Going concern

The governors have assessed whether the use of going concern is appropriate, that is whether there are any material uncertainties related to events or conditions that may cast significant doubt in the ability of the company to continue as a going concern. The governors agree that going concern is appropriate for the company and have made this assessment in respect of a period of one period from the date of approval of the financial statements.

Incoming resources

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

Grants receivable

Grants are included in the statement of financial activities on an accruals basis. The balance of income received for specific purposes but not matched to relevant expenditure during the period is shown in the relevant funds on the balance sheet. When income is received in advance of entitlement of receipt its recognition is deferred and included as deferred income within creditors. Where the academy is entitled to the funds before the income is received the income is accrued and included in debtors.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Fund raising activities and other income

Fund raising activities are recognised in the period in which the activity takes place. Letting income is recognised the day the facility is let. Trip income is matched to the period in which the trips take place.

Resources expended and the basis of apportioning costs

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT where applicable. Costs have been attributed to particular headings allocated according to the nature of the expenditure.

FRED LONGWORTH HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE PERIOD ENDED 31 AUGUST 2012

Principal accounting policies *(continued)*

Costs of generating funds

These costs are incurred in raising voluntary and trading income.

Charitable activities

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

Governance costs

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

Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the academy at the discretion of the governors.

Restricted funds comprise grants from the EFA and other donors which are to be used for specific purposes as explained in Note 17.

Restricted fixed asset funds are resources applied to specific capital purposes as imposed by the EFA and other funders where the asset acquired or created is held for a specific purpose.

Conversion to an academy

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 Fred Longworth High School to Fred Longworth High School have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item except for land and buildings valued at replacement cost. Their fair value is in accordance with the accounting policies set out for Fred Longworth High School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in Note 3.

FRED LONGWORTH HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2012

Tangible fixed assets

Tangible fixed assets acquired since the academy was established are included in the accounts at cost. Assets only above a value of £5,000 are recognised in the balance sheet.

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 carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The transitional provision of FRS 15 has been followed on donated valued assets. The principal annual rates used:

Leasehold Land	nil
Leasehold Buildings	50 years
Furniture and equipment	10 years
Computer equipment and software	3 years

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.

FRED LONGWORTH HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE PERIOD ENDED 31 AUGUST 2012

Pensions

Academy staff are members of one of two pension schemes, both of which are multi-employer defined benefit schemes. More details of the schemes are given in Note 24.

Defined benefit schemes

Teachers' pension scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education. As the academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the academy in the period.

Local government pension scheme

Non teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS) which is managed by the relevant local authority. The LGPS is a defined benefit pension scheme and is able to identify the academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have therefore been followed.

The academy's share of the LGPS assets is measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

FRED LONGWORTH HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE PERIOD ENDED 31 AUGUST 2012

		2012 £(000)
1	General annual grant (GAG)	
	a. Results and carry forward for the period	
	GAG brought forward from previous period	-
	GAG allocation for current period	6,925
	Total GAG available to spend	6,925
	Recurrent expenditure from GAG	(6,808)
	Fixed assets purchased from GAG	-
	GAG carried forward to next period	117
	Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	(831)
	GAG to surrender to DfES	(714)
	(12% rule breached if result is positive)	(no breach)
	b. Use of GAG brought forward from previous period for recurrent purposes	
	(Of the amount carried forward each period, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)	
	Recurrent expenditure from GAG in current period	6,808
	GAG allocation for current period	(6,925)
	GAG allocation for previous period x 2%	-
	GAG b/fwd from previous period in excess of 2%, used on recurrent expenditure in current period	(117)
	(2% rule breached if result is positive)	(no breach)

FRED LONGWORTH HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2012

2 Net income

Net income stated after charging:

	Period to 31 Aug 12 £000
Directors' remuneration	-
Operating leases - other	-
Depreciation of owned fixed assets	394
	<hr/>

3 Conversion to an academy trust

On 1 September 2011 Fred Longworth High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the academy trust from Wigan Council Local Authority for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA. Leasehold buildings are transferred on a 125 year lease.

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets:				
Leasehold land and buildings	-	-	10,132	10,132
Other tangible assets	-	-	240	240
Other LA fund brought over	175	-	-	175
Budget surplus / (deficit) on other school funds	612	-	-	612
LGPS pension surplus / (deficit)	-	(568)	-	(568)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets / (liabilities)	787	(568)	10,372	10,591
	<hr/>	<hr/>	<hr/>	<hr/>

The above net assets include £812,000 that was transferred as cash.

FRED LONGWORTH HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2012

4	Activities for generating income	2012 £000	2012 £000 General restricted	2012 £000 Fixed asset restricted
		Unrestricted		
	Income from facilities and services	15	-	-
	Catering	7	-	-
	Sales and charges	342	-	-
	Trips and educational supplies	24	-	-
		388	-	-
5	Investment income	2012 £000	2012 £000 General restricted	2012 £000 Fixed asset restricted
		Unrestricted		
	Short term deposits	5	-	-
		5	-	-
6	Funding for the academy's educational operations			Restricted 2012 £000
	EFA capital grants			
	Devolved formula capital allocation			26
	EFA revenue grants			
	▪ General Annual Grant (GAG)			6,925
	▪ Start Up Grant			25
	▪ Other EFA grants			114
	Other grants			
	▪ Local Authority grants			115
	Total grants receivable			7,205

FRED LONGWORTH HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2012

7	Resources expended	Staff costs £000	Depreciation £000	Other costs £000	Total 2012 £000
	Academy's educational operations				
	▪ Direct costs	4,048	355	378	4,781
	▪ Allocated support costs	1,397	39	1,283	2,719
		5,445	394	1,661	7,500
	Pension deficit transferred	-	-	568	568
	Costs for generating income	-	-	258	258
	Governance costs including allocated support costs	-	-	13	13
		5,445	394	2,500	8,339

8	Costs for generating income	2012 £000	2012 £000	2012 £000
			General	Fixed
		Unrestricted	restricted	Asset
				restricted
	School activities	258	-	-
		258	-	-
		258	-	-

FRED LONGWORTH HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2012

9	Charitable activities - academy's educational operations	2012 £000	2012 £000	2012 £000
		Unrestricted	General restricted	Fixed asset restricted
	Teaching and educational support staff	-	4,048	-
	Depreciation	-	-	355
	Educational supplies	24	167	-
	Staff development	-	6	-
	Examination fees	-	120	-
	Agency supply costs	-	15	-
	Education consultancy	-	46	-
		24	4,402	355
	Allocated support costs			
	Support staff costs	-	1,397	-
	Depreciation	-	-	39
	Maintenance of premises and equipment	-	733	-
	Cleaning	-	8	-
	Rent and rates	-	73	-
	Insurance	-	51	-
	Transport	-	14	-
	Catering	7	56	-
	Other support costs	-	69	-
	Heat and light	-	101	-
	Telephone	-	18	-
	Printing, postage and stationery	-	14	-
	Advertising	-	8	-
	Licences and subscriptions	-	35	-
	Service contracts	-	44	-
	Professional fees	-	11	-
	Agency supply costs	-	41	-
		7	2,673	39
	Total charitable activities	31	7,075	394

FRED LONGWORTH HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE PERIOD ENDED 31 AUGUST 2012

10	Governance costs	2012 £000	2012 £000 General restricted
		Unrestricted	
	Responsible officer costs	-	4
	Auditors' remuneration:		
	Audit of financial statements	-	6
	Governors costs	-	3
		-	13
		-	13

11 Staff costs

The average number of persons (including senior management team) employed by the academy during the period ended 31 August 2012 was as follows:

	2012
	No.
Charitable activities	
Teachers and teaching assistants	78
Administration and support	66
Management	8
	152
Staff costs comprise:	2012
	£000
Wages and salaries	4,486
Social security costs	338
Other pension costs	621
	5,445

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

	2012
	£000
£90,001 - £100,000	1

The above employee participated in the Teacher's Pension Scheme. During the period ended 31 August 2012 pension contributions for that member of staff amounted to £12,256.

FRED LONGWORTH HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2012

12 Governors' remuneration and expenses

The headteacher and staff governors (trustee governors) only received remuneration in respect of services they provided undertaking the roles of headteacher and staff and not in respect of their services as governors or trustees.

Mrs J H Garretts	£95k – 100k.
------------------	--------------

No other governor or trustee received any payments from the academy in respect of their role as governors or trustees.

During the period ended 31 August 2012, no travel and subsistence expenses were reimbursed. Related party transactions involving the governors are set out in Note 26.

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 £10,000,000 on any one claim and the cost for the period is included in the total insurance cost.

FRED LONGWORTH HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE PERIOD ENDED 31 AUGUST 2012

14 Fixed assets

	Leasehold land & buildings £000	Furniture & equipment £000	Computer equipment & software £000	Total £000
Cost				
Transfer on conversion	10,132	140	100	10,372
Additions	417	-	-	417
At 31 August 2012	10,549	140	100	10,789
Depreciation				
Charged in period	347	14	33	394
At 31 August 2012	347	14	33	394
Net book values				
At 31 August 2012	10,202	126	67	10,395

Included within leasehold land and buildings is land at a valuation of £1,097,000.

15 Debtors

	2012 £000
Trade debtors	8
VAT recoverable	27
Other debtors	2
	37

16 Creditors amounts falling due within one year

	2012 £000
Social Security and other taxation	10
Accruals and deferred income	323
	333

FRED LONGWORTH HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2012

17 Funds	Incoming resources £000	Resources expended £000	Transfers £000	Balance at 31.8.12 £000
Restricted general funds				
General Annual Grant (GAG)	6,925	(6,808)	-	117
Start up grant	25	(25)	-	-
Other EFA grants	114	(114)	-	-
Local authority grants	115	(115)	-	-
Devolved Formula Capital	26	(26)	-	-
	7,205	(7,088)	-	117
Pension reserve	-	(568)	(323)	(891)
Restricted fixed asset funds	10,372	(394)	417	10,395
Total restricted funds	17,577	(8,050)	94	9,621
Unrestricted funds				
Unrestricted funds	1,180	(289)	(417)	474
Total unrestricted funds	1,180	(289)	(417)	474
Total funds	18,757	(8,339)	(323)	10,095

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted fund are funds which the governing body may use in the pursuance of the academy's objectives and are expendable at the discretion of the governors.

FRED LONGWORTH HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2012

18 Analysis of net assets between funds

Fund balances as at 31 August 2012 are represented by:

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets	-	-	10,395	10,395
Current assets	474	450	-	924
Current liabilities	-	(333)	-	(333)
Pension scheme liability	-	(891)	-	(891)
	474	(778)	10,395	10,095

19 Reconciliation of net income to net cash inflow from operating activities

	2012 £000
Net income	10,418
Depreciation	394
Capital donations	(10,372)
Transfer of pension fund deficit	568
Interest receivable	(5)
(Increase) in debtors	(37)
Increase in creditors	333
Net cash inflow from operating activities	1,299

20 Returns on investments and servicing of finance

	2012 £000
Interest received	5
Net cash outflow from returns on investments and servicing of finance	5

21 Capital expenditure and financial investment

	2012 £000
Purchasing of tangible fixed assets	(10,789)
Donations	10,372
Net cash outflow from capital expenditure and financial investment	(417)

FRED LONGWORTH HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2012

22 Analysis of changes in net funds

	As at 31.8.2012 £000	As at 01.9.2011 £000	Cashflows £000
Cash in hand and at bank	887	-	887

23 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the secretary of state for education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the secretary of state.

Upon termination of the funding agreement, whether as a result of the secretary of state or the academy serving notice, the academy shall repay to the secretary of state sums determined by reference to :

- (a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy: and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the secretary of state under the funding agreement.

24 Pension commitments

The Teachers' Pension Scheme

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 Tameside MBC. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 August 2012.

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

FRED LONGWORTH HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2012

24 Pension commitments *(continued)*

Teachers' Pension Scheme

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

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

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

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

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

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

FRED LONGWORTH HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE PERIOD ENDED 31 AUGUST 2012

24 Pension commitments *(continued)*

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 periods). 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 academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS). The LGPS obligation relates to the employees of the academy trust who were the employees transferred as part of the conversion and who were obliged to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative services at both the predecessor school and the academy trust at the balance sheet date.

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the period ended 31 August 2012 was £232,000 of which employer's contributions totalled £171,000 and employees' contributions totalled £61,000. The agreed contribution rates for the period ended 31 August 2012 varied depending on the pay scale. The actual 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 £891,000 loss.

FRED LONGWORTH HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

24 Pension commitments (continued)

The following information is based upon a full actuarial valuation of the fund at 31 August 2012 by a qualified independent actuary.

The major assumptions used by the actuary were:

	At 31.8.12
Discount rate for liabilities	4.1%
Rate of increase in pensions in payment and deferred pensions	2.2%
Expected return on assets	4.8%
Rate of increase in salaries	4.0%

The mortality assumptions used in the valuation of the liabilities were as follows:

	2012 periods
Longevity at age 65 for current pensioners	
Men	20.1
Women	22.9
Longevity at age 65 for future pensioners	
Men	22.5
Women	25.0

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

	Long-term rate of return expected at 31 August 2012	Value at 31 August 2012 £000
Equities	5.5%	933
Bonds	3.4%	270
Property	3.7%	68
Cash	2.8%	81
Total fair value of assets		1,352
Present value of scheme liabilities - funded		(2,243)
Surplus / (deficit) in the scheme		(891)

FRED LONGWORTH HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE PERIOD ENDED 31 AUGUST 2012

24 Pension commitments *(continued)*

Local Government Pension Scheme *(continued)*

Analysis of amount chargeable to income and expenditure account

	2012 £000
Employer service cost (net of employee contributions)	173
Past service cost	-
	173
Total operating charge	173

Actual return on employee assets £92,000

Analysis of pension finance income / (costs)

	2012 £000
Expected return on employer's share of scheme assets	69
Interest on pension liabilities	(91)
	(22)
Pension finance income / (costs)	(22)

Changes in the fair value of scheme assets are as follows:

	2012 £000
Fair value of scheme assets at 1 September 2011	1,029
Expected return on scheme assets	69
Actuarial gains / (losses)	22
Contributions by employer	171
Contributions by members	61
	1,352
Fair value of scheme assets at 31 August 2012	1,352

Changes in the present value of scheme liabilities are as follows:

	2012 £000
Scheme liabilities at 1 September 2011	1,597
Current service costs	173
Interest cost	91
Contributions by members	61
Actuarial losses / (gains)	321
	2,243
Scheme liabilities at 31 August 2012	2,243

FRED LONGWORTH HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE PERIOD ENDED 31 AUGUST 2012

24 Pension commitments *(continued)*

Local Government Pension Scheme *(continued)*

Amounts for the current period

	2012
	£000
Present value of scheme liabilities	(2,243)
Fair value of scheme assets	1,352
Surplus / (deficit) in the scheme	(891)

The estimated value of employer contributions for the period ended 31 August 2013 is £177,000.

25 Members' liability

Each member of the academy undertakes to contribute to the assets of the academy in the event of its being wound up while he/she is a member, or within one period 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.

26 Related parties

Governors who are also members of the staff of the academy have been paid in accordance with national agreed levels as members of staff. There have been no other transactions with related parties that require reporting under FRS8.