

**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
<b>Reference and Administrative Details of the Academy, its Trustees and Advisers</b>	1 - 2
<b>Trustees' Report</b>	3 - 7
<b>Governance Statement</b>	8 - 11
<b>Statement on Regularity, Propriety and Compliance</b>	12
<b>Trustees' Responsibilities Statement</b>	13
<b>Independent Auditor's Report to the members of The Pochin School</b>	14 - 15
<b>Independent Reporting Accountant's Assurance Report on Regularity to The Pochin School and the Education Funding Agency</b>	16 - 17
<b>Statement of Financial Activities</b>	18
<b>Balance Sheet</b>	19
<b>Cash Flow Statement</b>	20
<b>Notes to the Financial Statements</b>	21 - 40

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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**Trustees**

S Boulton<sup>2,3</sup>  
J Mount<sup>3</sup>  
A White<sup>1</sup>  
G Hussey, Vice Chair<sup>3,4,5</sup>  
P Kent<sup>2,5</sup>  
S Cotton, Head Teacher<sup>1,2</sup>  
P Price<sup>1,3,5</sup>  
M Wheatley, Chair of Trustees<sup>1,5</sup>  
W West<sup>1,2,3,4</sup>  
K Colville<sup>2,3</sup>  
D Bartram<sup>3,4</sup>  
K Leah<sup>3</sup>  
E Shabtay-White<sup>1</sup>  
A Kirk, Staff Trustee  
A Johnson, Staff Trustee  
K Skinner  
X Kent, Staff Trustee (term expired 3 October 2013)  
L Cohen, Staff Trustee (resigned 12 July 2013)  
L Durrant (resigned 7 June 2013)<sup>2,3</sup>

- <sup>1</sup> Finance and Audit Committee
- <sup>2</sup> Premises Committee
- <sup>3</sup> Standards and Self Evaluation Committee
- <sup>4</sup> Staff, Salaries and Personnel Committee
- <sup>5</sup> Pupil Exclusions Committee

**Company registration number**

08204075

**Principal and registered office**

School Lane, Barkby, Leicester, LE7 3QL

**Senior management team**

S Cotton, Head Teacher  
D Woolerton, School Business Manager  
M Wheatley, Chair of Governors

**Independent auditor**

MHA MacIntyre Hudson, Lyndale House, Ervington Court, Harcourt Way, Meridian Business Park, Leicester, LE19 1WL

**Bankers**

National Westminster Bank Plc, Loughborough Business Centre, Market Place, Loughborough, Leicestershire LE11 3EA

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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**Advisers (continued)**

**Solicitors**

Browne Jacobson LLP, Victoria Square House, Victoria Square, Birmingham, B2 4BU

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Pochin School (the Academy) for the period from 6 September 2012 to 31 August 2013. The Trustees confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**CONSTITUTION**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of The Pochin School are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Pochin School.

Details of the trustees who served during the year 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.

**TRUSTEES' INDEMNITIES**

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the period was £1,429.

**PRINCIPAL ACTIVITIES**

The Pochin School has a good reputation as a provider of quality education, sitting at the heart of the community with a firm commitment to ensuring that all of our pupils feel secure and challenged during their time in school. Our aim is to make everyone feel engaged and excited by learning and to experience the pleasure of achieving personal goals as well as working together as active and valued members of our school.

We are committed to creating and maintaining a working environment where pupils are keen to learn and respond positively to differing needs and priorities with the right balance of support and challenge. In so doing we believe that all our pupils have every opportunity to leave our school as confident, articulate and socially adept members of society. We aim to work effectively and proactively with home to provide the quality of education that our pupils need and deserve.

**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

Recruitment of Governors is outlined in the Memorandum of Articles and states there is no limit to the number of Members that may be appointed, but it shall not be fewer than five. The appointment of staff Governors is via a process of a staff ballot. Appointment of Parent Governors is made via parent ballot.

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Governor induction training alongside a menu of extensive specialised training is available through the LA Governor Development Service which the Academy has a contract with. A skills matrix is being developed to identify areas of strength and weakness by the Link Governor.

A decision planner agreed by the Governing Body is in place and shows to which level the Governing Body may legally delegate functions. There are four levels on the planner:

- Level 1: Full Governing Body
- Level 2: A committee of the Governing Body
- Level 3: An individual Governor
- Level 4: Head Teacher.

**ORGANISATIONAL STRUCTURE**

The Head Teacher, Stephen Cotton, is the Accounting Officer for the Academy. The Accounting Officer is supported by the School Business Manager and the Governing Body there are staff who provide classroom support and there are eight teachers at the Pochin School, each responsible for different areas of the curriculum:

- Jill Marvell – Music
- Andrew Johnson – Geography, History, French, and the school garden
- Zoe Macefield – PSHCE and Numeracy
- Ann Cook – SEND and Assessment
- Julia Dodge – Design & Technology, PE, Art, Higher Attaining Pupils
- Wendy Cain (retired August 2013 – Louisa Cohen from September 2013) – Literacy, EYFS
- Stephen Cotton – Science and ICT
- Pete Randall – Religious Education

**CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

There are no relationships which impact on the Academy's operating policies.

**RISK MANAGEMENT**

A thorough Risk Management Assessment has been conducted using guidelines provided by the EFA and has been assessed and approved via Personnel and Finance Committees along with the Statement of Internal Control. The assessment involved identifying the types of risk the Academy faces, prioritising them into operational and financial impacts, assessing the likelihood of occurrence and the impact that the occurrence would have on the Academy, putting in place controls to mitigate such risks. Whilst reviewed via the Personnel and Finance Committees on an annual basis the Risk Register is a live document which will be reviewed regularly with Governors and Management.

**OBJECTIVES AND ACTIVITIES**

We are a small school that values high expectations in which individual children are nurtured through:

- quality teaching and learning;
- opportunity for children to achieve their full potential;
- a caring, happy, secure learning environment in a rural setting;

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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- high expectations of behaviour and discipline;
- strong leadership and teamwork with all staff;
- valuing partnership with the wider community, especially parents; and
- providing equal opportunity for all.

**PUBLIC BENEFIT**

In setting objectives the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

**ACHIEVEMENTS AND PERFORMANCE**

Here are our SATs Results for the 2012/13 academic year:

<b>Subject</b>	<b>Level 4</b>	<b>Level 5</b>
Reading	95%	68%
Writing	84%	47%
Maths	100%	68%
Reading, Writing and Maths Combined	84%	42%
Grammar, Punctuation and Spelling	89%	68%

**GOING CONCERN**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

**KEY FINANCIAL PERFORMANCE INDICATORS**

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

- The work of the Responsible Officer;
- The work of the external auditor;
- The financial management and governance self-assessment procedures; and
- The work of the School Business Manager within the Academy Trust who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the result of the review of the system of internal control by the Local Authority's Internal Audit visit and subsequent report and a plan to ensure continuous improvement of the system is in place.

**FINANCIAL REVIEW**

The following principle financial policies were agreed by the Governing Body:

- Accounting Policies & Procedures
- Academy Financial Regulations
- Financial Procedures
- Anti-fraud Policy
- Risk Register

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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- Risk Management Policy
- Debit Card Policy

The principle source of income for expenditure on the pupils' education has been the GAG/LACSEG and reserves brought forward from the LA. We have also been fortunate enough to secure a DfE grant for the building of our new ground floor reception and offices.

The school is in a healthy financial position. Unspent GAG funding at 31 August 2013 was £15,000 and the balance of unrestricted income funds was £51,000

The pupils of The Pochin School have again attained excellent results in the annual SATs testing. Children eligible for Pupil Premium have made good and outstanding progress in relation to national norms. This year we have purchased 30 notebooks and the children are making excellent use of them.

#### **FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Academy Trust practices through its Board, namely the Governing Body and the constituted sub-committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by the Head Teacher.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks facing the Academy are included in the Risk Register and Management Plan and include:

- Strategic and Reputational Risks
- Operational Risks
- Compliance Risk
- Financial Risks

Control measures are in place to manage the identified risks, the key risks being that of reduced pupil numbers that affect the level of funding and future Government cuts. Active promotion of the Academy is maintained and budgets monitored carefully over a 3 year period to manage any reduction in funding.

#### **RESERVES POLICY**

A reserve funding policy is to be agreed by the FAC and will be presented to the full Governing Body in due course.

#### **INVESTMENTS POLICY**

The Academy does not have an investment policy in place. Prior to conversion, the School Business Manager, along with the Natwest Business Manager, looked into the benefits of investing surplus funds and bank charges. The conclusion was that free banking would be financially beneficial to the Academy.

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**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**PLANS FOR THE FUTURE**

The Academy's future plans will be financed mainly by the DfE Grant and reserves carried forward. The Governors need to maintain an equitable balance, ensuring current pupils benefit, whilst ensuring a sound financial base is preserved for future pupils in the same way as our current pupils benefit today from the financial decisions made in the past.

**FUNDS HELD AS CUSTODIAN**

No funds are held as custodian trustee on behalf of others.

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

**M Wheatley**  
**Chair of Trustees**

**S Cotton**  
**Accounting Officer**

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**THE POCHIN SCHOOL**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that The Pochin 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 Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Pochin School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
S Boulton	3	3
J Mount	2	3
A White	2	3
G Hussey, Vice Chair	3	3
P Kent	3	3
S Cotton, Head Teacher	3	3
P Price	2	3
M Wheatley, Chair of Trustees	3	3
W West	2	3
K Colville	3	3
D Bartram	3	3
K Leah	2	3
E Shabtay-White	3	3
A Kirk, Staff Trustee	0	0
A Johnson, Staff Trustee	0	0
K Skinner	0	0
X Kent, Staff Trustee	3	3
L Cohen, Staff Trustee	3	3
L Durrant	3	3

The Finance & Audit Committee is a sub-committee of the main Governing Body and its purpose is to approve and evaluate the budget against whole school priorities, monitor expenditure and monitor and evaluate finance policies. The agreed terms of reference are below:

Title: The Finance and Audit Committee

Membership: The committee shall consist of at least four governors.

Quorum: Three governors.

Meetings: The committee shall meet at least once a term and otherwise as necessary.

Chair: There will be a chair for these meetings agreed by the membership.

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**THE POCHIN SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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Minutes: Minutes will be taken by someone nominated for the purpose from the committee at each meeting.

Terms of reference:

- to provide guidance and assistance to the Head Teacher and the Governing Body in all matters relating to budgeting, finance and audit
- to review financial policy statements, including consideration of long term planning, resourcing and the audit programme
- to consider each year's annual School Development Plan, identify the priorities and present an annual budget by the end of September to the Governing Body for approval
- to monitor the whole school pay policy
- to consider the Local Authority Internal Audit reports along with the external audit reports
- to confirm the statement of internal control is adhered to
- the committee must review the potential risks to internal financial control at the Academy Trust and must agree a programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors
- the Academy Trust will manage this programme of risk review through the work of an internal audit service (bought-in from the Local Authority) and the work of the responsible officer who will be a member of the Local Authority's internal audit team
- consider internal audit reports, including value for money reports and the arrangements for their implementation
- consider any other matters where requested to do so by the Governing Body and report at least annually to the Governing Body on the discharge of the above duties

The Finance and Audit Committee met formally 6 times throughout the period.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
S Cotton, Head Teacher	6	6
M Wheatley, Chair of Trustees	5	6
W West	5	6
P Price	6	6
A White	4	6
E Shabtay-White	2	6

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

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

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**THE POCHIN SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 6 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Audit 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 Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Services as internal auditor.

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

This year's internal audit visit was completed in July 2013 and did not find any major improvements to be made that were not already in hand. The audit stated that "overall, based on the audit tests undertaken and enquiries made, we have concluded that the Academy's financial management is well above the standard we measure against".

**REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor;
- the work of the external 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10 December 2013 and signed on their behalf,

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**THE POCHIN SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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by:

**M Wheatley**  
**Chair of Trustees**

**S Cotton**  
**Accounting Officer**

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**THE POCHIN SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Pochin School I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

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

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

**S Cotton**  
**Accounting Officer**

10 December 2013

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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

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

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

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

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

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

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

**M Wheatley**  
**Chair of Trustees**

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**THE POCHIN SCHOOL**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE POCHIN SCHOOL**

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We have audited the financial statements of The Pochin School for the period ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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**THE POCHIN SCHOOL**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE POCHIN SCHOOL**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditor

Lyndale House  
Ervington Court  
Harcourt Way  
Meridian Business Park  
Leicester  
LE19 1WL

24 December 2013

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE POCHIN SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 24 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Pochin School during the period 6 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Pochin School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Pochin School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Pochin School and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE POCHIN SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of The Pochin School's funding agreement with the Secretary of State for Education dated 1 October 2012, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 6 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- reviewing the information in the Financial Management and Governance Self-assessment (FMGS) return and making appropriate enquiries of the Head Teacher Accounting Officer;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE POCHIN SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 6 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Lyndale House  
Ervington Court  
Harcourt Way  
Meridian Business Park  
Leicester  
LE19 1WL

24 December 2013

**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000
Note				
<b>INCOMING RESOURCES</b>				
Incoming resources from generated funds:				
Assets transferred on conversion	2	45	(155)	975
Voluntary income	2	2	-	33
Activities for generating funds	3	26	-	-
Funding for the Academy Trust's educational operations	4	-	558	98
<b>TOTAL INCOMING RESOURCES</b>	<b>73</b>	<b>403</b>	<b>1,106</b>	<b>1,582</b>
<b>RESOURCES EXPENDED</b>				
Costs of activities for generating funds	5	22	-	-
Charitable activities	6	-	517	18
Governance costs	7	-	22	-
<b>TOTAL RESOURCES EXPENDED</b>	<b>22</b>	<b>539</b>	<b>18</b>	<b>579</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>				
	51	(136)	1,088	1,003
Transfers between funds	17	-	(10)	10
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>	<b>51</b>	<b>(146)</b>	<b>1,098</b>	<b>1,003</b>
Actuarial losses on defined benefit pension schemes	-	(30)	-	(30)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>	<b>51</b>	<b>(176)</b>	<b>1,098</b>	<b>973</b>
Total funds at 6 September 2012	-	-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2013</b>	<b>51</b>	<b>(176)</b>	<b>1,098</b>	<b>973</b>

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

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

The notes on pages 21 to 40 form part of these financial statements.

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08204075**

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**BALANCE SHEET**  
**AS AT 31 AUGUST 2013**

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	<b>Note</b>	<b>£000</b>	<b>2013 £000</b>
<b>FIXED ASSETS</b>			
Tangible assets	14		<b>1,098</b>
<b>CURRENT ASSETS</b>			
Debtors	15	<b>25</b>	
Cash at bank		<b>125</b>	
		<b>150</b>	
<b>CREDITORS: amounts falling due within one year</b>	16	<b>(84)</b>	
<b>NET CURRENT ASSETS</b>			<b>66</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,164</b>
Defined benefit pension scheme liability	22		<b>(191)</b>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>973</b>
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds:			
Restricted funds	17	<b>15</b>	
Restricted fixed asset funds	17	<b>1,098</b>	
		<b>1,113</b>	
Restricted funds excluding pension liability			
Pension reserve		<b>(191)</b>	
Total restricted funds			<b>922</b>
Unrestricted funds	17		<b>51</b>
<b>TOTAL FUNDS</b>			<b>973</b>

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

**M Wheatley**  
**Chair of Trustees**

**S Cotton**  
**Accounting Officer**

The notes on pages 21 to 40 form part of these financial statements.

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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	<b>Note</b>	<b>2013 £000</b>
Net cash flow from operating activities	19	<b>90</b>
Capital expenditure and financial investment		<b>(10)</b>
Cash transferred on conversion to an Academy Trust	21	<b>45</b>
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>125</b>

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

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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Increase in cash in the period	<b>125</b>
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>125</b>
<b>NET FUNDS AT 31 AUGUST 2013</b>	<b>125</b>

The notes on pages 21 to 40 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Fund accounting**

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

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

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

**1.3 Incoming resources**

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Resources expended**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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

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

Assets transferred at conversion have been included at the estimated depreciated replacement cost.

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 and fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold property	-	2% Straight line
Leasehold property improvements	-	2% Straight line
Computer equipment	-	25% Straight line

The land included in long leasehold property is not being depreciated.

**1.7 Operating leases**

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

**1.8 Taxation**

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

**1.9 Pensions**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

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

**1.10 Conversion to an Academy Trust**

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for no consideration and has been accounted for under the acquisition accounting method.

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

Further details of the transaction are set out in note 21.

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2013 £000</b>	<b>Restricted funds 2013 £000</b>	<b>Total funds 2013 £000</b>
Assets transferred on conversion	45	820	865
Donations	2	33	35
Voluntary income	47	853	900

**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Catering income	25	-	25
Other income	1	-	1
	<u>26</u>	<u>-</u>	<u>26</u>

**4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
<b>DfE/EFA grants</b>			
General Annual Grant (GAG)	-	507	507
Pupil Premium	-	3	3
Capital grants	-	98	98
Start up grants	-	25	25
Other EFA/DfE grants	-	3	3
	<u>-</u>	<u>636</u>	<u>636</u>
<b>Other government grants</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other funding</b>			
Parental contributions and trip income	-	20	20
	<u>-</u>	<u>20</u>	<u>20</u>
	<u>-</u>	<u>656</u>	<u>656</u>

**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**5. COSTS OF GENERATING VOLUNTARY INCOME**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Catering costs	8	-	8
Kitchen staff costs	14	-	14
	<u>22</u>	<u>-</u>	<u>22</u>

**6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
<b>DIRECT COSTS</b>			
Wages and salaries	-	287	287
National insurance	-	18	18
Pension costs	-	43	43
Depreciation	-	18	18
Educational supplies	-	5	5
Staff development	-	1	1
Other direct costs	-	22	22
Insurance	-	6	6
	<u>-</u>	<u>400</u>	<u>400</u>
<b>SUPPORT COSTS</b>			
Wages and salaries	-	47	47
National insurance	-	2	2
Pension costs	-	9	9
Pension finance costs (note 13)	-	5	5
Travel and subsistence	-	4	4
Maintenance of premises and equipment	-	20	20
Rent and rates	-	14	14
Energy costs	-	6	6
Insurance	-	13	13
Other support costs	-	15	15
	<u>-</u>	<u>135</u>	<u>135</u>
	<u>-</u>	<u>535</u>	<u>535</u>

**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**7. GOVERNANCE COSTS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Internal audit costs	-	1	1
Auditors' remuneration	-	6	6
Legal fees	-	15	15
	<u>-</u>	<u>22</u>	<u>22</u>
	<u>-</u>	<u>22</u>	<u>22</u>

**8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000
Costs of generating voluntary income	14	-	8	22
<b>Costs of generating funds</b>	<u>14</u>	<u>-</u>	<u>8</u>	<u>22</u>
Educational Operations	348	18	34	400
Support costs	58	-	77	135
<b>Charitable activities</b>	<u>406</u>	<u>18</u>	<u>111</u>	<u>535</u>
<b>Governance</b>	<u>-</u>	<u>-</u>	<u>22</u>	<u>22</u>
	<u>420</u>	<u>18</u>	<u>141</u>	<u>579</u>

**9. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging:

	2013 £000
Depreciation of tangible fixed assets	18
Auditor's remuneration	6
Internal audit costs	1
	<u>25</u>

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**10. STAFF COSTS**

Staff costs were as follows:

	<b>2013</b>
	<b>£000</b>
Wages and salaries	346
Social security costs	21
Other pension costs	53
	<hr/>
	<b>420</b>
	<hr/> <hr/>

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

	<b>2013</b>
	<b>No.</b>
Teaching	5
Administration and support	7
Management	2
	<hr/>
	<b>14</b>
	<hr/> <hr/>

No employee received remuneration amounting to more than £60,000 in either year.

**11. TRUSTEES' REMUNERATION AND EXPENSES**

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

The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration (including employer's pension contributions) fell within the following bands:

	<b>2013</b>
	<b>£000</b>
S Cotton (Head Teacher)	<b>55-60</b>
Staff Trustee 1	<b>15-20</b>
Staff Trustee 2	<b>5-10</b>
Staff Trustee 3	<b>20-25</b>

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

**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,429.

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

**13. PENSION FINANCE COSTS**

	<b>2013</b>
	<b>£000</b>
Expected return on pension scheme assets	7
Interest on pension scheme liabilities	(12)
	<u>(5)</u>
	<u>(5)</u>

**14. TANGIBLE FIXED ASSETS**

	<b>Long leasehold property £000</b>	<b>Leasehold property improvements £000</b>	<b>Computer equipment £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>				
Additions	-	124	17	141
Assets transferred on conversion	965	-	10	975
At 31 August 2013	<u>965</u>	<u>124</u>	<u>27</u>	<u>1,116</u>
<b>Depreciation</b>				
At 6 September 2012	-	-	-	-
Charge for the period	10	1	7	18
At 31 August 2013	<u>10</u>	<u>1</u>	<u>7</u>	<u>18</u>
<b>Net book value</b>				
At 31 August 2013	<u>955</u>	<u>123</u>	<u>20</u>	<u>1,098</u>

Included in long leasehold property is leasehold land at valuation of £420,000 which is not depreciated.

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**15. DEBTORS**

	<b>2013</b>
	<b>£000</b>
VAT recoverable	14
Prepayments and accrued income	11
	<hr/>
	<b>25</b>
	<hr/> <hr/>

**16. CREDITORS:**  
**Amounts falling due within one year**

	<b>2013</b>
	<b>£000</b>
Taxation and social security	8
Other creditors	7
Accruals	69
	<hr/>
	<b>84</b>
	<hr/> <hr/>

**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**17. STATEMENT OF FUNDS**

	Brought forward £000	Incoming resources £000	Resources expended £000	Transfers in/out £000	Gains/ (losses) £000	Carried forward £000
<b>Unrestricted funds</b>						
General funds	-	73	(22)	-	-	51
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	507	(482)	(10)	-	15
Other DfE/EFA grants	-	3	(3)	-	-	-
Start up grant	-	25	(25)	-	-	-
Pupil Premium	-	3	(3)	-	-	-
Other income	-	20	(20)	-	-	-
Pension reserve	-	(155)	(6)	-	(30)	(191)
	-	403	(539)	(10)	(30)	(176)
<b>Restricted fixed asset funds</b>						
Transfer from Local Authority	-	975	(17)	-	-	958
Capital grant	-	98	(1)	-	-	97
PTA Donation	-	33	-	-	-	33
Capital expenditure from GAG	-	-	-	10	-	10
	-	1,106	(18)	10	-	1,098
Total restricted funds	-	1,509	(557)	-	(30)	922
Total of funds	-	1,582	(579)	-	(30)	973

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

**General Annual Grant (GAG)**

Funds from the Education Funding Agency for the provision of education, in line with the funding agreement.

**Other DfE/EFA grants**

Other funds provided by the DfE/EFA for particular purposes within the academy's educational operations.

**Start up grant**

Being the fund from the Education Funding Agency to cover development costs to prepare the Academy for opening.

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**17. STATEMENT OF FUNDS (continued)**

**Pupil Premium**

Additional funds from the Education Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

**Capital grants**

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

**Other grants**

These are funds and grants received from the local authority and other institutions for use on specific educational projects.

**Other income**

These consist of income from all other sources to be used primarily for the Academy's educational operations.

**LGPS Defined Benefit Pension Scheme**

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

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

**SUMMARY OF FUNDS**

	<b>Brought forward</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers in/out</b>	<b>Gains/ (losses)</b>	<b>Carried forward</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
General funds	-	73	(22)	-	-	51
Restricted funds	-	403	(539)	(10)	(30)	(176)
Restricted fixed asset funds	-	1,106	(18)	10	-	1,098
	<u>-</u>	<u>1,582</u>	<u>(579)</u>	<u>-</u>	<u>(30)</u>	<u>973</u>

**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000
Tangible fixed assets	-	-	1,098	1,098
Current assets	51	99	-	150
Creditors due within one year	-	(84)	-	(84)
Provisions for liabilities and charges	-	(191)	-	(191)
	<u>51</u>	<u>(176)</u>	<u>1,098</u>	<u>973</u>

**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013 £000
Net incoming resources before revaluations	1,003
Fixed assets transferred in from Local Authority on conversion	(975)
Pension liability transferred on conversion	155
Depreciation of tangible fixed assets	18
Capital grants and donations	(131)
Increase in debtors	(25)
Increase in creditors	84
Cash transferred on conversion to Academy	(45)
FRS 17 adjustments	6
<b>Net cash inflow from operations</b>	<u>90</u>
	2013 £000
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(141)
Capital grants	131
<b>Net cash outflow capital expenditure</b>	<u>(10)</u>

**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**20. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>6 September 2012 £000</b>	<b>Cash flow £000</b>	<b>Other non-cash changes £000</b>	<b>31 August 2013 £000</b>
Cash at bank and in hand:	-	125	-	125
<b>Net funds</b>	<b>-</b>	<b>125</b>	<b>-</b>	<b>125</b>

**21. CONVERSION TO AN ACADEMY TRUST**

On 1 October 2012 The Pochin School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Pochin School from Leicestershire Local Authority for no consideration.

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

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

	<b>Unrestricted funds £000</b>	<b>Restricted funds £000</b>	<b>Restricted fixed asset funds £000</b>	<b>Total funds £000</b>
Tangible fixed assets				
- Leasehold property	-	-	965	965
- Other tangible fixed assets	-	-	10	10
Budget surplus on LA funds	45	-	-	45
LGPS pension deficit	-	(155)	-	(155)
<b>Net assets/(liabilities)</b>	<b>45</b>	<b>(155)</b>	<b>975</b>	<b>865</b>

The above net assets include £44,717 that were transferred as cash.

**22. PENSION COMMITMENTS**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**22. PENSION COMMITMENTS (continued)**

Contributions amounting to £7,419 were payable to the scheme at 31 August 2013 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

**Valuation of the Teachers' Pension Scheme**

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**22. PENSION COMMITMENTS (continued)**

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

**Teachers' Pension Scheme Changes**

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

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

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

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £27,000, of which employer's contributions totalled £21,000 and employees' contributions totalled £6,000. The agreed contribution rates for future years are 13% for employers and 6.5% for employees.

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

As described in note 21 the LGPS obligation relates to the employees of the Academy, who were the

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**22. PENSION COMMITMENTS (continued)**

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

The amounts recognised in the Balance Sheet are as follows:

	<b>2013</b> <b>£000</b>
Present value of funded obligations	<b>(372)</b>
Fair value of scheme assets	<b>181</b>
	<hr/>
Net liability	<b>(191)</b>
	<hr/> <hr/>

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2013</b> <b>£000</b>
Current service cost	<b>(22)</b>
Interest on pension liabilities	<b>(12)</b>
Expected return on pension scheme assets	<b>7</b>
	<hr/>
Total	<b>(27)</b>
	<hr/> <hr/>

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

	<b>2013</b> <b>£000</b>
Opening defined benefit obligation	<b>292</b>
Current service cost	<b>22</b>
Interest cost	<b>12</b>
Contributions by scheme participants	<b>6</b>
Actuarial Losses	<b>40</b>
	<hr/>
Closing defined benefit obligation	<b>372</b>
	<hr/> <hr/>

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**22. PENSION COMMITMENTS (continued)**

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

	<b>2013</b> <b>£000</b>
Opening fair value of scheme assets	137
Expected return on assets	7
Actuarial gains	10
Contributions by employer	21
Contributions by employees	6
	<hr/>
	<b>181</b> <hr/> <hr/>

The Academy expects to contribute £25,000 to its Defined Benefit Pension Scheme in 2014.

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

	<b>2013</b>
Equities	<b>64.00 %</b>
Bonds	<b>26.00 %</b>
Property	<b>9.00 %</b>
Cash	<b>1.00 %</b>

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

	<b>2013</b>
Discount rate for scheme liabilities	<b>4.60 %</b>
Expected return on scheme assets at 31 August	<b>5.70 %</b>
Rate of increase in salaries	<b>5.10 %</b>
Rate of increase for pensions in payment / inflation	<b>2.80 %</b>

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

	<b>2013</b>
Retiring today	
Males	<b>20.9</b>
Females	<b>23.3</b>
Retiring in 20 years	
Males	<b>23.3</b>
Females	<b>25.6</b>

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**22. PENSION COMMITMENTS (continued)**

Amounts for the current period are as follows:

Defined benefit pension schemes

	<b>2013</b>
	<b>£000</b>
Defined benefit obligation	<b>(372)</b>
Scheme assets	<b>181</b>
	<hr/>
Deficit	<b>(191)</b>
	<hr/>
Experience adjustments on scheme liabilities	<b>(40)</b>
Experience adjustments on scheme assets	<b>10</b>
	<hr/> <hr/>

**23. OPERATING LEASE COMMITMENTS**

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	<b>Other</b>
	<b>2013</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
<b>Expiry date:</b>		
Between 2 and 5 years	<b>-</b>	<b>1</b>
	<hr/>	<hr/>

**24. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following related party transactions took place during the period:

During the period the Academy paid £577 to B D Mount & Sons, a business of which a Trustee, J Mount, is a proprietor.

**25. CONTROLLING PARTY**

The Academy is ultimately controlled by the Governing Body, which includes the Head Teacher.

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**THE POCHIN SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**26. 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.

**27. COMPANY LIMITED BY GUARANTEE**

The Academy Trust is a company limited by guarantee and does not have share capital.