

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 9
Governance Statement	10 - 12
Statement on Regularity, Propriety and Compliance	13
Trustees' Responsibilities Statement	14
Independent Auditor's Report to the members of The Roundhill Academy	15 - 16
Independent Reporting Accountant's Assurance Report on Regularity to The Roundhill Academy and the Education Funding Agency	17 - 18
Statement of Financial Activities	19
Balance Sheet	20
Cash Flow Statement	21
Notes to the Financial Statements	22 - 41

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

Trustees

D Carr, Trustee¹
L James, Trustee^{2,4}
D Thakrar, Trustee¹
R Payne, Chair^{1,3}
D Monk, Trustee^{3,4}
S Rushin, Staff Trustee^{1,2,4}
H Asmal, Trustee^{1,3,5}
J Burkmar, Trustee
S Castleton, Trustee^{2,4}
J Manuel, Trustee^{1,3,4,5}
J Coombe, Trustee^{1,3,4}
H Smith, Trustee^{2,4}
K Solanki, Trustee
E Burgin, Vice Chair^{2,4,5}
E Coltman, Staff Trustee²
J Tickle, Principal^{1,3,4}
K Knaggs, Trustee
P Munro, Principal (resigned 31 August 2013)
J Ashworth, Trustee (resigned 31 August 2012)
J Crane, Trustee (resigned 24 November 2012)

- ¹ Resources committee
- ² Curriculum committee
- ³ Personnel committee
- ⁴ Safeguarding committee
- ⁵ Pay committee

Company registration number

07976179

Principal and registered office

997 Melton Road, Leicester, Leicestershire, LE4 8GQ

Company secretary

Steve McDonald

Senior management team

James Tickle, Principal
Susan Pike, Vice principal
Stuart Hindes, Vice principal
Helen Blythe, Assistant principal
Jenny Gladney, Assistant principal
Steve McDonald, Business manager

Independent auditors

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

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

Advisers (continued)

Bankers

Lloyds Bank Plc, 7 High Street, Leicester, Leicestershire, LE1 9FS

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Roundhill Academy (the academy) for the Period from 5 March 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

a. Constitution

The academy is constituted under a memorandum of association dated 29 February 2012.

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 Roundhill Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Roundhill Academy. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

b. 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.

c. Method of recruitment and appointment or election of Trustees

The Members of The Roundhill Academy comprise five Trustees, who include:

The Chair of Governors
The Vice Chair of Governors
Up to 2 persons nominated by the Parent Governors
The Principal

Recruitment of Governors is outlined in the Memorandum of Articles. The Governing Body comprises 17 Governors, who include:

Up to 1 Local Authority Governor
6 Parent Governors
Up to 3 Staff Governors
Up to 6 Community Governors
The Principal

Members may appoint up to 1 Governor. The appointment of Staff Governors is via a process of a staff ballot. Appointment of Parent Governors is made via parent ballot.

d. 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 local network of schools to support all new Governors. The Academy buys into the LA Governor Development Service who, across the Governing Body, offer further Governor training. A skills matrix is being developed to

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

identify areas of strength and weakness.

e. Organisational structure

The Governors, who are also the charity trustees, are responsible for the overall management and control of the academy and meet a minimum of four times each academic year.

The work involved in reviewing and ratifying policies is delegated to the members of the relative sub-committees. These are Resources, Personnel, Curriculum, Safeguarding and Pay. Terms of reference of these committees are reviewed and ratified annually at this meeting. The Clerk to the Governors is responsible for arranging meetings, supporting the work of the Governors, the preparation of agendas and the review of matters arising. The Business Manager is responsible for the preparation of accounts and the agenda and minutes of the Resources Committee. Other committees have a member of the Senior Leadership Team nominated to convene.

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

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

The Principal oversees the recruitment of all educational staff. He is an Ex-Officio Governor, Principal Accounting Officer and attends all Governing body and sub-committee meetings.

f. Connected organisations, including related party relationships

The Roundhill Academy is an associate member of STEP, Syston & Thurmaston Education Partnership. This is a group of schools who work together to share knowledge, experience and expertise between its members. This partnership aims to provide its members with the support, challenge and networks previously provided through the local authority.

The Senior Leadership Team are members of several professional organisations and regularly attend a range of local and national meetings to enable them to keep up to date with current educational policies/practice and thinking.

g. Risk Management

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

PRINCIPAL ACTIVITIES

The Roundhill Academy 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 students feel secure and challenged during their

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

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 students 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 students 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 students need and deserve.

OBJECTIVES AND ACTIVITIES

a. Objects and aims

The Academy's Admissions code has Governor approval. It has a rolling programme of self-evaluation, which is detailed in the Academy Self Evaluation Form (SEF). Action points from the evaluation are enhanced in the School Development Plan (SDP). The SDP forms the main document for challenge by Governors at Full Governors Meetings.

Activities provided include:

Tuition and learning opportunities for all pupils to attain the highest standard in academic achievement. Training opportunities for all staff, to encourage them to be effective models of learning and development. A programme of enhanced enrichment activities for all pupils to broaden the educational experience. The availability of after school activities to allow students to develop as independent learners.

b. Objectives, strategies and activities

The Roundhill Academy has successfully completed the academy conversion process in April 2012, establishing the necessary protocols and relationships. Key Stage 3 outcomes are significantly above national levels. The academy is part of a wider support network, which nurtures the child from ages 4 – 19.

Through a period of dynamic change, including changes in senior leadership, the academy has maintained its ethos and core values.

c. Activities for achieving objectives

The principal objective of The Roundhill Academy as a charitable company is to provide the best education it can for pupils of different abilities between the ages of 11 - 14 years.

A Business Plan has been submitted to the Department for Education, the purpose of which is to change the age range of The Roundhill Academy to an 11 – 16 through school by September 2015. By doing so, it aims to raise the standards of achievement of the young people in their care and to increase parental choice in the local area.

d. Public benefit

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

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

ACHIEVEMENTS AND PERFORMANCE

At Key Stage 3 our students make significant progress from their relative starting points, and their attainment is significantly higher than national levels.

The following table shows the percentage of students at / below levels 3, 5, 6 and 7 for the Academic Year ended 12th July 2013, compared to National Levels.

Group	% at Level 3 or below School	% at Level 3 or below National	% at Level 5 or above School	% at Level 5 or above National	% at Level 6 or above School	% at Level 6 or above National	% at Level 7 or above School	% at Level 7 or above National
Boys English TA	1%	5%	98%	81%	70%	46%	6%	12%
Maths TA	0%	6%	95%	83%	77%	62%	35%	32%
Science TA	0%	4%	99%	83%	72%	53%	17%	19%
Girls English TA	0%	2%	100%	91%	79%	64%	12%	22%
Maths TA	2%	4%	89%	85%	67%	63%	25%	32%
Science TA	0%	3%	95%	87%	69%	58%	16%	21%
All Students English TA	1%	4%	99%	86%	74%	55%	6%	17%
Maths TA	1%	5%	92%	84%	73%	62%	31%	32%
Science TA	0%	3%	97%	85%	71%	56%	17%	20%

a. Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. Details of this are included in the Business Plan for conversion to an 11 – 16 through school and is available to view on our website.

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 can be found in the Statement of Accounting Policies.

b. Financial review

The majority of the academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted for particular purposes. Such grants and all associated expenditure are shown as restricted funds in the Statement of Financial Activities for the period ending 31 August 2013.

The Academy also receives funding for fixed assets from the DfE and such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The fixed asset fund balance is reduced by

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

annual depreciation charges over the expected useful life of the assets concerned.

The assets, liabilities and funds associated with the Governing Body of The Roundhill Academy Trust were transferred from Leicestershire County Council on 1 April 2012.

The Academy's new Financial Policy was adopted by Governors on 28 October 2013. This document sets out key financial responsibilities. All expenditure incurred by the Academy is made in line with this policy, which supports the provision of education of all students on roll.

During the period ended 31 August 2013, total expenditure of £4,410,000 was more than covered by grant funding together with other resources. The excess of income over expenditure was £330,000, excluding assets gifted in conversion, £7,929,000.

c. Investment policy and performance

The Governors need to formalise an Investment Policy. The aim of this policy will be to invest surplus funds in low risk, short term bank deposit accounts, to achieve a better rate of interest available on instant access funds.

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 senior executive officers.

The Academy considers that risks such as the uncertainty over the Local Government Pension Scheme (LGPS) deficit, and future recurrent funding provision due to the introduction of a national funding formula will feature in the financial risk register as the main areas for concern.

a. Principal risks and uncertainties

The Academy Trust has undertaken a financial risk assessment based upon potential key risks identified as:

- Not operating within its budget and running a continued deficit position.
- Changes in funding.
- Inappropriate or insufficient financial controls and systems.
- Fraudulent activity.
- Financial commitments made without adequate authorisation.

The key controls used by the Academy to reduce risk include:

- Detailed terms of reference for all committees.
- Formal agendas for the academy board and committees.
- Schemes of delegation and formal financial regulations.
- Formal written policies.
- Clear authorisation and approval levels.

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

b. Reserves policy

The Governors need to formalise a Reserves Policy. It is intended that the Governors will review the reserve levels of the Academy annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The level of free reserves at the end of the period ending 31 August 2013 was £330,000

PLANS FOR FUTURE

a. Plans for future period

The current objectives as detailed in the School Development Plan are:

Leadership:

- Ensure senior leaders are involved in the development of local partnership working and area initiatives.
- Ensure leadership is consistently devolved across the school.
- Improve the knowledge of all stakeholders of school policies, protocols, systems, strategic development and student outcomes.

Teaching and Learning:

- Improve literacy skills of all students.
- Develop in-house continual professional development opportunities for all staff, focusing on teaching and learning.
- Improve focus on metacognition and transferable skills in learning.
- Devolve leadership of teaching and learning across the school
- Plan and implement specific continual professional development for identified staff to ensure consistent and sustained good to outstanding teaching.
- Ensure that marking is of a consistently high quality and provides effective feedback to students.
- Improve numeracy / mathematics skills for all students.

Behaviour and Safety:

- Improve behaviour for learning.
- Increase support for vulnerable students and their families.
- Improve student behaviour during unstructured time.

Achievement:

- Improve progress and attainment for all students across all subjects.
- Improve monitoring and tracking of student progress, linking this to appropriate planned interventions.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as Custodian Trustee on behalf of others. During the period to which these accounts relate however, the Academy Trust was the nominated provider to STEP. This agreement ceased in April 2013, with all funds being transferred to Eastfield Primary School.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the Governing Body on 25 November 2013 and signed on its behalf by:

.....
R Payne
Chair of Trustees

.....
J Tickle
Accounting Officer

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that The Roundhill Academy 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Roundhill Academy 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 Trustees' Report and in the Trustees' Responsibilities Statement. The Governing Body has formally met 6 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
D Carr, Trustee	2	2
L James, Trustee	2	2
D Thakrar, Trustee	0	2
R Payne, Chair	6	6
D Monk, Trustee	4	6
S Rushin, Staff Trustee	6	6
H Asmal, Trustee	4	6
J Burkmar, Trustee	2	6
S Castleton, Trustee	5	6
J Manuel, Trustee	5	6
J Coombe, Trustee	6	6
H Smith, Trustee	6	6
K Solanki, Trustee	4	6
E Burgin, Vice Chair	4	6
E Coltman, Staff Trustee	5	6
J Tickle, Principal	1	1
K Knaggs, Trustee	5	6
P Munro, Principal	6	6
J Ashworth, Trustee	0	6
J Crane, Trustee	0	6

Through the period in question, the Governing Body has been faced with the resignation of the Principal, Pauline Munro and the recruitment of the new Principal James Tickle. They have also been heavily involved as the school progresses with its application to convert from a specialist Key Stage 3 school, to become an 11 – 16 through school.

The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to, on behalf of the full Governing Body, work with the school's Senior Leadership Team to set the school's financial priorities, decide how the school's delegated budget should be spent, monitor the annual budget, ensuring the budget is being managed effectively and the school is meeting its statutory obligations.

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
H Asmal	3	5
D Carr	0	1
J Coombe	4	5
J Crane	2	2
J Manuel	4	5
R Payne	5	5
D Thakrar	0	1
K Knaggs	1	5
J Tickle	1	1
S Rushin	5	5
S Hindes	5	5
S McDonald	5	5

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Roundhill Academy for the period 5 March 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 5 March 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 Governing Body.

THE RISK AND CONTROL FRAMEWORK

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

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

The Governing Body has considered the need for a specific internal audit function and appointed Leicestershire County Council Internal Audit Service to provide the necessary assurances. Reports have been received in October 2012 and October 2013. The audits involve an appraisal of the Academy's financial systems and procedures and a review of the internal controls in place surrounding both financial and governance issues.

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The report from October 2013 is summarised as follows:

'It is acknowledged that the past eighteen months has been one of significant change and challenge for the Academy, following conversion. It is disappointing to note however, that several recommendations made in the Audit Report dated October 2012 are still outstanding. This report highlights a handful of areas for improvement / consideration. The Governing Body should monitor implementation of these audit recommendations in order to bring the Academy in line with the requirements of the Academies' Financial Handbook (September 2013 edition), the Charity Commission guidance on good practice (CC8 – Internal Financial Controls for Charities) and other best practice.'

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 Governing Body on the operation of the systems of control and on the discharge of the Governing Body' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external 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 Internal Auditor and a plan to address weaknesses and ensure continuous improvement of the system is being updated, based on the findings of the Internal Audit report dated October 2013.

Approved by order of the members of the Governing Body on 25 November 2013 and signed on their behalf, by:

.....
R Payne
Chair of Trustees

.....
J Tickle
Accounting Officer

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Governing Body 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 any instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Governing Body and the EFA or, if occurring after the date of this statement, will be notified to the Governing Body and the EFA.

.....
J Tickle
Accounting Officer

Date: 25 November 2013

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Trustees (who act as governors of The Roundhill Academy 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 Governing Body on 25 November 2013 and signed on its behalf by:

.....
R Payne
Chair of Trustees

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROUNDHILL ACADEMY

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROUNDHILL ACADEMY

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.

R A 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
Leics
LE19 1WL
3 December 2013

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 3 October 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 Roundhill Academy during the period 5 March 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 Roundhill Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Roundhill Academy 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 Roundhill Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE ROUNDHILL ACADEMY'S ACCOUNTING OFFICER AND THE
REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of The Roundhill Academy's funding agreement with the Secretary of State for Education dated 1 April 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 5 March 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 conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- 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 payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

- evaluating the internal control procedures and reporting lines, and testing as appropriate;
- reviewing the information in the Financial Management and Governance Self-assessment (FMGS) return and making appropriate enquiries of the Principal Accounting Officer;

CONCLUSION

In the course of our work we noted numerous weaknesses in regularity, most of which are included in a report to the Board of Governors. Many of the points were raised by an internal audit in 2012 but had not been acted upon. The most significant matters include failure to:

- appoint an audit committee or to delegate the responsibilities to a sub-committee;
- develop a Business Continuity and Disaster Recovery Plan, even though a deadline was set when completing the FMGS return to have this completed by July 2013;
- reconcile the bank balances on a regular basis;
- prepare cash flow forecasts;
- follow the tendering procedures in line with the Academy's Finance Policy, therefore not ensuring value for money has been obtained.

Except for the matters listed above, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 5 March 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

R A 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
Leics
LE19 1WL

3 December 2013

THE ROUNDHILL ACADEMY
(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

	Note	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000
INCOMING RESOURCES					
Incoming resources from generated funds:					
Assets transferred on conversion	2	257	(647)	8,319	7,929
Voluntary income	2	30	-	-	30
Activities for generating funds	3	247	-	-	247
Funding for the academy trust's educational operations	4	-	4,071	50	4,121
TOTAL INCOMING RESOURCES		534	3,424	8,369	12,327
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of activities for generating funds	5	118	-	-	118
Charitable activities	7	-	4,010	245	4,255
Governance costs	6	-	37	-	37
TOTAL RESOURCES EXPENDED	8	118	4,047	245	4,410
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
		416	(623)	8,124	7,917
Transfers between Funds	17	(86)	(47)	133	-
NET INCOME/(EXPENDITURE) FOR THE YEAR					
		330	(670)	8,257	7,917
Actuarial losses on defined benefit pension schemes		-	(122)	-	(122)
NET MOVEMENT IN FUNDS FOR THE YEAR		330	(792)	8,257	7,795
Total funds at 5 March 2012		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		330	(792)	8,257	7,795

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 22 to 41 form part of these financial statements.

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07976179

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£000	2013 £000
FIXED ASSETS			
Tangible assets	14		8,257
CURRENT ASSETS			
Debtors	15	112	
Cash at bank		462	
		<u>574</u>	
CREDITORS: amounts falling due within one year	16	(244)	
		<u>330</u>	
NET CURRENT ASSETS			330
TOTAL ASSETS LESS CURRENT LIABILITIES			8,587
Defined benefit pension scheme liability	22		(792)
			<u>7,795</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			7,795
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds excluding pension liability		8,257	
Pension reserve		(792)	
		<u>7,465</u>	
Total restricted funds			7,465
Unrestricted funds	17		330
			<u>7,795</u>
TOTAL FUNDS			7,795

The financial statements were approved by the Trustees, and authorised for issue, on 25 November 2013 and are signed on their behalf, by:

.....
R Payne
Chair of Trustees

.....
J Tickle
Accounting Officer

The notes on pages 22 to 41 form part of these financial statements.

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Period ended 31 August 2013 £000
Net cash flow from operating activities	19	338
Capital expenditure and financial investment		(133)
Cash transferred on conversion to an academy trust	21	257
INCREASE IN CASH IN THE PERIOD		462

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

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

	Period ended 31 August 2013 £000
Increase in cash in the period	462
MOVEMENT IN NET FUNDS IN THE PERIOD	462
NET FUNDS AT 31 AUGUST 2013	462

The notes on pages 22 to 41 form part of these financial statements.

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. 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

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 £1,000 are capitalised.

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

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:

Freehold property	-	2% Straight line
Property improvements	-	10% Straight line
Plant and machinery	-	10% Straight line
Fixtures and fittings	-	20% Straight line
Computer equipment	-	25% Straight line

The land included in the Freehold property is not being depreciated.

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

1. ACCOUNTING POLICIES (continued)

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.

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.

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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 £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Roundhill Community College to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Roundhill Academy. 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

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Assets transferred on conversion	257	7,672	7,929
Voluntary income	30	-	30
	<hr/>	<hr/>	<hr/>
Voluntary income	287	7,672	7,959
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Hire of facilities	96	-	96
Recoverable charges	11	-	11
Uniform sales	11	-	11
Children's swimming income	3	-	3
Pre school income	101	-	101
Contribution to educational expenses	25	-	25
	<hr/>	<hr/>	<hr/>
	247	-	247
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
DfE/EFA grants			
General Annual Grant (GAG)	-	3,800	3,800
Pupil Premium	-	120	120
Capital grants	-	84	84
Start up grants	-	25	25
Other EFA/DfE grants	-	8	8
	<u>-</u>	<u>4,037</u>	<u>4,037</u>
	<u><u>-</u></u>	<u><u>4,037</u></u>	<u><u>4,037</u></u>

5. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Uniform costs	19	-	19
Pre school expenses	99	-	99
	<u>118</u>	<u>-</u>	<u>118</u>
	<u><u>118</u></u>	<u><u>-</u></u>	<u><u>118</u></u>

6. GOVERNANCE COSTS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Auditors' remuneration	-	10	10
Legal and professional fees	-	27	27
	<u>-</u>	<u>37</u>	<u>37</u>
	<u><u>-</u></u>	<u><u>37</u></u>	<u><u>37</u></u>

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
DIRECT COSTS			
Wages and salaries	-	2,041	2,041
National insurance	-	153	153
Pension cost	-	273	273
Depreciation	-	245	245
Educational supplies	-	69	69
Staff development	-	15	15
Other direct costs	-	47	47
	<u>-</u>	<u>2,843</u>	<u>2,843</u>
SUPPORT COSTS			
Wages and salaries	-	528	528
National insurance	-	30	30
Pension cost	-	90	90
Pension finance cost	-	39	39
Travel and subsistence	-	5	5
Recruitment and support	-	20	20
Maintenance of premises and equipment	-	148	148
Cleaning	-	90	90
Rent and rates	-	33	33
Energy costs	-	114	114
Insurance	-	76	76
Catering	-	54	54
Legal and professional	-	35	35
Other support costs	-	120	120
Bank charges and interest	-	30	30
	<u>-</u>	<u>1,412</u>	<u>1,412</u>
	<u>-</u>	<u>4,255</u>	<u>4,255</u>

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

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	95	-	23	118
Costs of generating funds	95	-	23	118
Educational Operations	2,467	245	131	2,843
Support costs - Educational Operations	648	-	764	1,412
Charitable activities	3,115	245	895	4,255
Governance	-	-	37	37
	3,210	245	955	4,410

9. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	Period ended 31 August 2013 £000
Depreciation of tangible fixed assets: - owned by the charity	245
Auditors' remuneration	10
Other governance costs	27
	282

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

10. STAFF COSTS

Staff costs were as follows:

	Period ended 31 August 2013 £000
Wages and salaries	2,544
Social security costs	183
Other pension costs (Note 22)	363
	<hr/> 3,090
Supply teacher costs	25
Playgroup staff	95
	<hr/> 3,210 <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:

	Period ended 31 August 2013 No.
Teaching staff	26
Support staff	26
Management	5
	<hr/> 57 <hr/>

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

	Period ended 31 August 2013 No.
In the band £60,001 - £70,000	1
	<hr/> 1 <hr/>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for this staff member amounted to £9,000.

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

11. TRUSTEES' REMUNERATION AND EXPENSES

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

	Period ended 31 August 2013 £000
Pauline Munro (Head Teacher)	85-90
Staff governor 1	60-65
Staff governor 2	65-70
Staff governor 3	35-40

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

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 £1,302.

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

13. OTHER FINANCE INCOME

	Period ended 31 August 2013 £000
Expected return on pension scheme assets	48
Interest on pension scheme liabilities	(87)
	<hr/> (39) <hr/> <hr/>

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

14. TANGIBLE FIXED ASSETS

	Freehold property £000	Leasehold Property Improvements £000	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation						
Additions	-	24	55	50	54	183
Assets transferred on conversion	8,242	27	21	6	23	8,319
At 31 August 2013	8,242	51	76	56	77	8,502
Depreciation						
Charge for the Period	199	7	6	9	24	245
At 31 August 2013	199	7	6	9	24	245
Net book value						
At 31 August 2013	8,043	44	70	47	53	8,257

Included in land and buildings is freehold land at valuation of £1,216,000 which is not depreciated.

15. DEBTORS

	2013
	£000
Trade debtors	5
VAT recoverable	11
Prepayments and accrued income	96
	<u>112</u>
	<u><u>112</u></u>

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

16. CREDITORS:

Amounts falling due within one year

	2013 £000
Other creditors	83
Taxation and social security	37
Accruals and deferred income	124
	<u>244</u>
	<u>£000</u>
Deferred income	
Resources deferred during the year	<u>14</u>

At the balance sheet date the academy trust was holding funds received in advance for Pre school funding in relation to 2013/14.

17. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
Unrestricted funds	-	534	(118)	(86)	-	330
	<u>-</u>	<u>534</u>	<u>(118)</u>	<u>(86)</u>	<u>-</u>	<u>330</u>
Restricted funds						
General Annual Grant (GAG)	-	3,800	(3,759)	(41)	-	-
Other DfE/EFA Grants	-	8	(8)	-	-	-
Start up grant	-	25	(25)	-	-	-
Pupil premium	-	120	(120)	-	-	-
Capital grants	-	34	(28)	(6)	-	-
Other local authority grants	-	49	(49)	-	-	-
Other income	-	35	(35)	-	-	-
LGPS defined benefit pension scheme	-	(647)	(23)	-	(122)	(792)
	<u>-</u>	<u>3,424</u>	<u>(4,047)</u>	<u>(47)</u>	<u>(122)</u>	<u>(792)</u>

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

17. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Transfer from Local Authority	-	8,369	(245)	133	-	8,257
Total restricted funds	-	11,793	(4,292)	86	(122)	7,465
Total of funds	-	12,327	(4,410)	-	(122)	7,795

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.

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 local authority 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.

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

SUMMARY OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
General funds	-	534	(118)	(86)	-	330
Restricted funds	-	3,424	(4,047)	(47)	(122)	(792)
Restricted fixed asset funds	-	8,369	(245)	133	-	8,257
	-	12,327	(4,410)	-	(122)	7,795

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	-	-	8,257	8,257
Current assets	330	246	-	576
Creditors due within one year	-	(246)	-	(246)
Provisions for liabilities and charges	-	(792)	-	(792)
	330	(792)	8,257	7,795

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 31 August 2013 £000
Net incoming resources	7,917
Fixed assets transferred from Local Authority on conversion	(8,319)
Depreciation of tangible fixed assets	245
Capital grants from DfE	(50)
Cash transferred on conversion to an Academy Trust	(257)
Increase in debtors	(112)
Increase in creditors	244
Pension transferred on conversion	647
FRS 17 adjustments	23
Net cash inflow from operations	338

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

	Period ended 31 August 2013 £000
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(183)
Capital grants from DfE	50
	<hr/>
Net cash outflow capital expenditure	(133)
	<hr/> <hr/>

20. ANALYSIS OF CHANGES IN NET FUNDS

	5 March 2012 £000	Cash flow £000	Other non-cash changes £000	31 August 2013 £000
Cash at bank and in hand:	-	462	-	462
	<hr/>	<hr/>	<hr/>	<hr/>
Net funds	-	462	-	462
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

21. CONVERSION TO AN ACADEMY TRUST

On 1 April 2012 Roundhill Community College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Roundhill Academy from Leicestershire County 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 in the Statement of Financial Activities as voluntary income.

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	8,242	8,242
- Other tangible fixed assets	-	-	77	77
Budget surplus on LA funds	257	-	-	257
LGPS pension (deficit)	-	(647)	-	(647)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	257	(647)	8,319	7,929
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

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.

Contributions amounting to £33,000 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

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

22. PENSION COMMITMENTS (continued)

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

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

Teachers' Pension Scheme Changes

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

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

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

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.

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

22. PENSION COMMITMENTS (continued)

The total contribution made for the period ended 31 August 2013 was £189,000, of which employer's contributions totalled £145,000 and employees' contributions totalled £44,000. The agreed contribution rates for future years are 7.5% for employers and 5.5% 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 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:

	Period ended 31 August 2013 £000
Present value of funded obligations	(1,601)
Fair value of scheme assets	809
	<hr/>
Net liability	(792)
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The amounts recognised in the Statement of Financial Activities are as follows:

	Period ended 31 August 2013 £000
Interest on pension liabilities	(87)
Expected return on pension scheme assets	48
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Total	(39)
	<hr/> <hr/>

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

22. PENSION COMMITMENTS (continued)

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

	Period ended 31 August 2013 £000
Opening defined benefit obligation	1,186
Interest cost	87
Contributions by scheme participants	44
Actuarial losses	155
Current service cost	129
	<hr/>
Closing defined benefit obligation	1,601
	<hr/> <hr/>

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

	Period ended 31 August 2013 £000
Opening fair value of scheme assets	539
Expected return on assets	48
Actuarial gains	33
Contributions by employer	145
Contributions by employees	44
	<hr/>
	809
	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £122,000.

The academy expects to contribute £103,000 to its Defined Benefit Pension Scheme in 2014.

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

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

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

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on plan assets	5.70 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %

THE ROUNDHILL ACADEMY
(A Company Limited by Guarantee)

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

22. PENSION COMMITMENTS (continued)

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

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

Amounts for the current period are as follows:

Defined benefit pension schemes

	2013
	£000
Defined benefit obligation	(1,601)
Scheme assets	809
Deficit	(792)
Experience adjustments on scheme liabilities	(155)
Experience adjustments on scheme assets	33

23. OPERATING LEASE COMMITMENTS

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

	Land and buildings	Other
	2013	2013
	£000	£000
Expiry date:		
Between 2 and 5 years	-	3

CAPITAL COMMITMENTS

At the 31 August 2013 the academy was committed to capital expenditure of £26,700 to be expended in September 2013.

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

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.

25. CONTROLLING PARTY

The Academy is ultimately controlled by the Governing Body, which includes the Principal and Vice Principals.

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.