

REGISTERED COMPANY NUMBER: 07588418

Strategic Report, Report of the Governors and
Financial Statements for the Year Ended 31 August 2014
for
Bullers Wood School

Bullers Wood School

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for the Year Ended 31 August 2014

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Bullers Wood School

Reference and Administrative Details
for the Year Ended 31 August 2014

GOVERNORS

Mr L J Webb (Chairman - Governor Appointed)
Mr B G Walker (Vice Chairman - Governor Appointed) *
Mr M B Anderson (Community)
Mr M F Bishopp (Staff)
Mr D A Black (Parent)
Mr J M Critchley (Staff)
Mr N A Cross (Headteacher) *
Mrs C J Goodwin (Governor Appointed)
Mrs U Huseyin (Parent)
Mr A H Johnson (LA Governor) *
Mrs D J Laird (Community) (resigned 17.4.14)
Mr D S McNaughton (Parent) (resigned 13.11.13)
Ms D Ratcliff (Parent) (appointed 29.11.13)
Mr P R Selby (Governor Appointed)
Mrs S Simons (Governor Appointed)
Mr M J Ward (Community) (resigned 17.4.14)
Mr J S Ward (Governor Appointed) *
Mr E H Wood (Parent)

* members of the Finance and General Purposes committee

REGISTERED OFFICE

St Nicolas Lane
Logs Hill
Chislehurst
Kent
BR7 5LJ

REGISTERED COMPANY NUMBER 07588418

INDEPENDENT AUDITORS

Nichols & Co (Accountancy) Limited
Chartered Accountants
and Registered Auditors
Unit 7
Mulberry Place
Pinnell Road
Eltham
London
SE9 6AR

SENIOR MANAGEMENT TEAM

Mr N A Cross (Headteacher)
Mrs D Carter (Deputy Headteacher)
Ms A Gouldthorpe (Deputy Headteacher)
Ms S Spence (Deputy Headteacher)

Bullers Wood School

Reference and Administrative Details
for the Year Ended 31 August 2014

BANKERS & SOLICITORS

Lloyds Bank PLC
6-8 High Street
Bromley BR1 1NA

Veale Wasbrough Vizards
Barnards Inn
86 Fetter Lane
London EC4A 1AD

Bullers Wood School

Strategic Report for the Year Ended 31 August 2014

The Governors present their strategic report for the year ended 31 August 2014.

REVIEW OF BUSINESS

Most of the School's income is obtained from the DfE via the EFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objectives of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

No specific Capital Grants were awarded to the School by the DfE to provide fixed assets, apart from the Devolved Formula Capital Grant (DFC). In accordance with the Charities SORP 2005, the DFC received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds. However, previous Capital allocation under the Building Schools for the Future initiative that was awarded to the School has been transferred into the Academy to assist with the cost of the new building.

On conversion on 1st May 2011, all of the fixed assets of the former Foundation School were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in Note 1 to the Financial Statements.

Expenditure for the period covered by this report was covered by the GAG received from the DfE and other income, such as voluntary income, activities for generating funds and investment income.

The combined General Restricted Fund and Unrestricted Fund show an operating surplus, before the actuarial losses on defined benefit pension schemes, of £312,000. This operating surplus is the result of detailed and tight budgeting and budget control procedures which were inherited from the former Foundation School, and which have been firmly embedded in the Academy Trust's daily financial management.

The Governors are concerned with the very large deficit that the Local Government Pension Fund is reporting. At the time of conversion the LGPS deficit was £628,000. The scheme deficit was valued at £1,049,000 as at 31 August 2012, and £854,000 as at 31 August 2013.

The defined pension scheme for the associate staff had a deficit of £1,193,000 as at the year-end as valued by FRS17. This is being repaid via higher employer contributions over a 7 year period.

PRINCIPAL RISKS AND UNCERTAINTIES

Changes to the funding the Academy receives from the Department for Education is considered to be the major uncertainty.

PLANS FOR FUTURE PERIODS

Bullers Wood School is an outstanding school with a reputation for achieving excellent academic results with a non-selective intake. It has a strong Performing Arts culture and competes successfully in a number of sports including netball, rugby and football. It has a beautiful and unique location within a wood, some of which is accessible to pupils. It looks after all its pupils and has a reputation for excellent pastoral care. However the challenges for pupils competing for university and employment places are increasing; and to prepare our pupils as best we can we must continue to improve what we do.

Bullers Wood School will continue to work to improve the performance of students at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extra-curricular activities and in essential life skills, so as to increase the number of opportunities open to its students when they move on to higher education and employment.

Bullers Wood School aims to continue its work in taking the teaching and learning of languages into the community local to the School, both in local schools and with members of the general public. Through this on-going initiative the School hopes to maintain and foster further the good relationships that it has developed with its "feeder" primary schools.

Bullers Wood School

Strategic Report
for the Year Ended 31 August 2014

The Governors recognise that through good financial management over the past decade of Foundation School status, they have been able to invest in and improve significantly the quality of the built environment of the School. The improvements made have not only been in the quality of the teaching spaces and facilities but also in the social and recreational areas for students and in the facilities for both teaching and support staff. They also recognise, however, that a number of facilities offered by the School are of a standard significantly inferior to that which they would like to be able to provide for a School of its size and standing. Accordingly, the School will continue to seek funds from a variety of sources in order to improve its facilities.

The Governors have approved proposals put forward by the Senior Leadership Team to apply to the Department for Education to establish a free school, Bullers Wood School for Boys. If this application is successful, Bullers Wood School for Boys will open in September 2016 and will be an 11-16 six-form entry school, with a shared Sixth form with the Girls' School. The Governors believe that as well as meeting the demand for an additional Boys' School in Chislehurst, this School will have significant benefits for the Girls' School, in areas such as enhanced curricular opportunities, the development of staff, shared facilities and financial synergies.

ON BEHALF OF THE BOARD:

.....
Mr L J Webb - Chairman

Date:

Bullers Wood School (Registered number: 07588418)

Report of the Governors
for the Year Ended 31 August 2014

The Governors, who are also directors of the academy for the purposes of the Companies Act 2006, present their annual report with the financial statements of the academy for the year ended 31 August 2014. The Governors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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 Governors act as the trustees for the charitable activities of Bullers Wood Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Bullers Wood School (company number (07588418)). It operates an academy for pupils aged 11-18 in Chislehurst.

Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on Pages 1 and 2.

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.

Governors' Indemnities

Since the incorporation of the Charitable Company on 1st April 2011 the Governors (directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in Note 12 to the Financial Statements the limit of this indemnity is £10,000,000.

Recruitment and Appointment of New Governors

The processes for appointing or electing the various types of Governor at Bullers Wood School are as follows:

Community Governors (now known as Governor appointed Governors): Up to five Community Governors can be appointed by the Governing Body. Community Governors can be people who live or work in the community served by the School, or people who live outside of the immediate area and who are committed to the good governance and success of the School.

Vacancies for Community Governors will be posted on the School's web site. Anyone expressing an interest in becoming a Community Governor will be asked to provide an appropriate curriculum vitae with their letter of application. Following an informal interview with the Chairman and Headteacher each application will be considered by the Governing Body. The Governors may not appoint an employee of Bullers Wood School as a Community Governor if the number of Governors who are employed by the School (including the Headteacher) would thereby exceed one third of the total number of Governors.

Co-Opted Governors (now known as Governor appointed Governors): Up to three Co-opted Governors can be appointed by the Governing Body because they have experience and/or expertise of particular benefit to the School. Following an identification of specific needs suitable candidates are identified by the Governing Body and approached accordingly.

A "Co-opted Governor" means a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed.

The Governors may not appoint an employee of Bullers Wood School as a Co-opted Governor if the number of Governors who are employed by the School (including the Headteacher) would thereby exceed one third of the total number of Governors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Parent Governors: Up to seven Parent Governors are elected by other parents at the School as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of Parent Governor elections.

If insufficient parents stand for election, the Governing Body must appoint Parent Governors to bring their number up to that required by the Articles of Association. Such appointed Parent Governors would preferentially be parents or carers of registered pupils at the School. If, however, no such parents are willing to undertake the role then the Governing Body can appoint any person who is the parent or carer of one or more school-age children.

Staff Governors: Up to three Staff Governors are elected by the School staff as individuals, representative of the staff of the School. Both teaching and support staff paid to work at the School are eligible for staff governorship.

At Bullers Wood School the first Staff Governor place is reserved for the Headteacher. The second Staff Governor place is reserved for teachers of the School. If, however, no teacher stands for election a member(s) of the support staff can be elected to take this place.

The third Staff Governor place is reserved for a member of the School's support staff, but if no member of the support staff stands for election then a teacher can be elected to take that place. Suitable procedures have been put in place for the conduct of Staff Governor elections.

Induction and Training of New Governors

Following their appointment/election all new Governors receive an introduction to their role from the Chairman and Headteacher. This introduction includes a tour of the School site and the opportunity to meet other members of the Senior Leadership Team.

The Governing Body at Bullers Wood School is committed to providing adequate opportunities for Governors to undertake and receive suitable training so as to enable them to undertake their role more effectively.

To this end the Governing Body maintains a Service Level Agreement with Bromley Council's Governor Services Department. This Agreement allows for any or all of the members of the Governing Body to attend any of the training courses provided by Bromley Council.

All new Governors are actively encouraged to take advantage of this Agreement so as to gain a better understanding of the role and responsibilities of being a School Governor. Additionally Governors with specific roles within the Governing Body are strongly encouraged to undertake specific training.

There is a nominated Link Governor who acts as liaison between Governor Services and the Governing Body.

Organisational Structure

Before conversion to academy status on 1 May 2011, Bullers Wood School was a Foundation School, as defined in the School Standards and Framework Act 1998. The relative autonomy of a Foundation School meant that the former Governing Body was structured to undertake similar roles to those required of the Governors of an Academy. Consequently, whilst the extra responsibilities of the Governing Body of the Academy Trust have been recognised, its structure still reflects its very successful predecessor.

At Bullers Wood School the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of Committees, as defined in the School's Standing Orders. The full Governing Body has retained responsibility for certain aspects, again as defined in the Standing Orders.

Members of the Senior Leadership Team (SLT), in addition to the Headteacher, attend Governors' meetings as appropriate. The Governors are responsible for the strategic management of the School; deciding and setting key aspects of the School, including strategic direction, annual budgets, senior staff appointments, policy changes etc. Operational management is the responsibility of the Headteacher and staff. The latter is carried out at a number of levels; i.e. by the Senior Leadership Team, Assistant Headteachers, Guidance & Support Leaders and Form Tutors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

School policies are developed by senior members of the School's staff, to reflect both the strategic direction agreed by the Governors and also statutory requirements. These policies are approved and adopted by the Governing Body, and implemented as procedures and systems by the SLT and other designated members of staff.

During the period 1st September 2013 to 31 August 2014 the full Governing Body met eight times; the Finance & General Purposes Committee met four times; the Buildings, Health & Safety Committee met six times; the Pupils, Parents & Community Committee met on three occasions and the Achievement & Curriculum Committee met five times.

Employees and Disabled Persons

The Academy is an Equal Opportunities Employer and its Equalities Policy was adopted by Governors in January 2011. Bullers Wood School is committed to safeguarding and promoting the welfare of children and young people and expects all staff and volunteers to share this commitment. Applicants for teaching or support posts are encouraged to notify the HR Manager if they require assistance in attending for interview. For Health & Safety reasons, staff are required to declare any disability as they see fit. Additionally, Bullers Wood School does not discriminate against students, staff or Governors on grounds of race, sexual orientation, religion, age, disability, gender reassignment or marital/civil partnership status.

Related Parties and Register of Interests

There were no related parties to report for this period.

It is important that all staff and Governors, whether they have significant financial or spending powers on behalf of the Academy, or are in a position to order goods for their department, demonstrate that they do not benefit personally from any decisions they make. All staff and Governors will need to declare any financial interests they have in companies/individuals from which the Academy may purchase goods or services.

The disclosures also include business interests of relatives or business partners, where influence could be exerted over a Governor or a member of staff by that person. This does not detract from the duties of Governors and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a Committee. Where an interest has been declared, Governors and staff should not attend that part of any committee or other meeting.

Risk Management

The governors have a duty to identify and review the risks to which the academy is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The principal object and activity of the charitable company is the operation of Bullers Wood School to provide education for pupils between the ages of 11 and 18. The School provides an education for pupils who are mainly drawn from the local area in which the School is situated. The School admits students from other schools in addition to those continuing into Year 12 from the School itself.

The school was judged as 'Outstanding' by Ofsted in its most recent inspection in May 2011.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Significant Activities

The School aims to enhance all students' educational experiences, to develop independent learners with transferable skills that can be applied across a range of school subjects and also in later life.

Governors and staff will:

- provide an environment which promotes high quality teaching and learning
- set work which is challenging, yet suitable for the age and ability of the student
- provide a wide variety of learning experiences
- provide a high standard of teaching, student support and individual guidance
- provide a range of resources including textbooks, library books and computer hardware and software
- promote and encourage the School's values
- respond to students' worries and communicate concerns about attendance or problems that affect your daughter's work or behaviour
- provide regular communication through the Contact Book, newsletters, letters, website, parents' evenings and reports
- actively promote and reward good attendance and punctuality, provide parents with a record of attendance and punctuality and intervene where necessary
- respect students as individuals
- provide behaviour guidelines for students
- provide rewards and sanctions
- set homework and return marked homework to students within a reasonable period of time
- provide access for parents to meet with staff given reasonable notice
- provide a means of assessing, recording and reporting student achievement that is comprehensive, meaningful and accessible to parents
- hold at least one Parents' Evening per year for each year group
- inform parents of any problems and praiseworthy events within a reasonable timescale
- respond positively to parents' concerns and complaints
- maintain a pleasant working environment

Public Benefit

The key public benefit delivered by Bullers Wood School is the maintenance and development of the high quality education provided by the School to the young people of Chislehurst and the surrounding area.

In doing this Bullers Wood School not only offers a broadly-based academic education but aims to educate the whole individual. A wide-range of extra-curricular activities, educational trips, visits and foreign exchange programmes are offered and undertaken.

In particular, in respect of its language specialism, the School undertakes a continuing programme of foreign language tuition at a number of its local, feeder primary schools. Additionally, the School runs a series of very successful evening classes in a variety of languages, including French, German, Spanish and Italian.

Other specialisms are Applied Learning and Leading Edge.

The Governors confirm that they have complied with their duty to have regard to the guidance on public benefit as published by the Charity Commission.

ACHIEVEMENT AND PERFORMANCE

Achievements and Performance

Bullers Wood School has high aspirations for its students and a drive for continuous improvement. The School's analysis of examination performance is thorough, and much use is made of performance and benchmarking data from a range of sources.

Key Stage 3

Standards remain very high in all three core subjects and achievement/progress, taking into account the prior attainment of pupils.

Key Stage 4

The percentage of students gaining 5 or more GCSEs in 2014 at grades A*-C was 82%, and 71% including English and Mathematics.

Progress measures in English and Maths are as follows:

English	84% of students made +3 levels progress
	54% of students made +4 levels progress
Maths	82% of students made +3 levels progress
	55% of students made +4 levels progress

Key Stage 5 (A2)

In Key Stage 5, attainment and achievement are strong; 57% of grades were secured at A*/B and 33% at A*/A. Value-added at both AS and A2 was excellent (Alps). The School was graded '2' (red hot) for the overall T-score relating to the year 2013-14 and also for the 'last three years' measure.

Key Financial Performance Indicators

An analysis of key financial performance indicators is set out as below:

Key Performance Indicator	2013/14	2012/13
Teachers & Educational Support Costs % of GAG Income	74.10%	76.59%
Total Pay % of GAG Income	85.00%	88.71%
Teachers Pay % of Total Revenue Income	71.28%	72.57%
Total Pay % of Total Revenue Income	81.76%	84.06%
Teaching & Educational Support Staff Costs/Student	£3,925	£3,916
Total Staff Costs/Student	£4,503	£4,536
Net Reserves (excl Voluntary fund) as % of GAG Income	3.26%	4.60%

Other Factors

The Academy works in partnership with the local community in which many of its students reside to develop strong local links. The Academy is also grateful for the continued support and contributions from parents and staff.

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. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

FINANCIAL REVIEW

Reserves Policy

The Governors determine the appropriate level of reserves on an annual basis. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected situations such as urgent maintenance work. The Governors' Finance & General Purposes Committee has reviewed the reserve levels and believe that they should provide sufficient working capital.

Investment Policy and Objectives

Apart from the cash held for the operation of the School, Bullers Wood School has no realisable investments. With respect to its cash holdings the Governing Body has adopted a low risk strategy. In addition to the main current account the School maintains an instant access deposit account.

FUNDS HELD AS CUSTODIAN FOR OTHERS

During the year from 1st September 2013 to 31st August 2014 Bullers Wood School did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

As a recently converted Academy, Bullers Wood School has undertaken a comprehensive assessment of possible risks to the future of the Academy (Risk Register). The Governors have assessed the major risks to which the Academy is exposed, with guidance from the Academies Financial Handbook, particularly with regard to:

1. Financial Risk
2. Compliance
3. Operational Risk
4. Strategic Risk

Systems and procedures have been developed to manage and mitigate these risks.

The Academy has received a Health & Safety assessment by Ecclesiastical Risk Services as part of their insurance provision. The Academy also subscribes to the Local Authority 'Evolve' system that assesses the risk of trips from category 1 to category 3, and controls have been put in place to ensure all types of school trips are assessed according to the standards set by the Government.

AUDITORS

In so far as the Governors are aware:

- There is no relevant audit information of which the academy's auditors are unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Nichols & Co (Accountancy) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
Mr L J Webb - Chairman

Date:

Bullers Wood School

Governance Statement

for the Year Ended 31 August 2014

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Bullers Wood 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 of loss.

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring that 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 Bullers Wood School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

Bullers Wood School Governing Body comprises:

- 8 Governor Appointed Governors
- 1 Local Authority Governor
- 4 Parent Governors
- 3 Staff Governors

There are four main committees that each meet at least once per term, namely:

- Achievement & Curriculum
- Buildings, Health & Safety
- Finance & General Purposes
- Pupils, Parents & Community

A panel of three non-staff Governors may be formed to deal with issues relating to staff capability, staff ill-health capability, attendance, discipline or student discipline. These panels have delegated responsibility for their decision-making.

Attendance records are maintained for Governors' and Committee meetings.

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met eight times during the period 1st September 2013 to 31st August 2014. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
L Webb (Chairman)	8	8
M Anderson	8	8
M Bishopp (Staff Governor)	7	8
D Black	7	8
J Critchley (Staff Governor)	8	8
N Cross (Headteacher and Accounting Officer)	8	8
C Goodwin	7	8
U Huseyin	7	8
A Johnson JP	5	8
D Laird - resigned 17.04.14	1	4
D McNaughton - resigned 13.11.13	1	1
D Ratcliff - elected 29.11.13	2	5
P Selby	7	8
S Simons	7	8
B Walker	7	8
J Ward	7	8
M Ward - resigned 17.04.14	4	4
E Wood	5	8

The Internal Audit function was carried out by the London Borough of Bromley.

Bullers Wood School

Governance Statement for the Year Ended 31 August 2014

Governance Review

During the course of the year, the Board of Governors carried out a review of the effectiveness of its Governors. As a result of this review, various improvements have been made in the way in which information is disseminated to Governors and in the conduct of Governors' meetings. These changes have enhanced the governance of the School, and it is expected that the next review will take place in three years' time.

The **Finance and General Purposes Committee** is a sub-committee of the main Governing Body. Its purpose is:

- To draw up medium and long-term financial plans for the school, reflecting school priorities and projected income including staffing plans and plans relating to the repair, maintenance and development of premises, and to recommend action on these areas to the Governing Body.
- To monitor the budget and the links to the school development plan and ensure a termly report to the governing body.
- To provide annual reports as required to the LA or the Education Funding Agency (EFA).
- To complete the Academy Financial Management and Governance Evaluation and recommend to the governing body.
- To keep under review the scheme of delegation in financial matters including the level of delegation to the Headteacher for the day-to-day financial management of the academy and to present to the governing body any recommendations for change.

Attendance at meetings during the period 1st September 2013 to 31st August 2014 was as follows:

Governor	Meetings attended	Out of a possible
Mr B Walker (Chairman)	4	4
Mr N Cross (Headteacher and Accounting Officer)	4	4
Mr A Johnson JP	4	4
Mr J Ward	3	4

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bullers Wood School for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Governors 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 Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance & General Purposes 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.

Bullers Wood School

Governance Statement
for the Year Ended 31 August 2014

The Risk and Control Framework

The School's system of internal financial control was introduced following its conversion to academy status. The system adopted is a natural evolution of that in place as a foundation school (which was compliant with FMSIS) and is in line with the requirements of the Academies Handbook 2013.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed the Audit Department at the London Borough of Bromley to perform the Internal Audit function. The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly 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's financial responsibilities.

Additionally, Governors have appointed accountants Nichols & Co as external accountants and auditors.

Review of Effectiveness

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

- the Board;
- the Finance & General Purposes Committee;
- the work of the Responsible Officer;
- the external audit;
- the financial management and governance self-assessment process;
- the work of the executive managers within the School 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 & General Purposes Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on..... and signed on its behalf by:

.....
Mr L J Webb - Chairman

.....
Mr Nicholas Cross - Accounting Officer

Bullers Wood School

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2014

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

I confirm that I and the Academy Board of Governors 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.

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

If any instances are identified after the date of this statement, these will be notified to the Board of Governors and the Education Funding Agency.

.....
Mr Nicholas Cross - Accounting Officer

Date:

Bullers Wood School

Statement of Governors Responsibilities
for the Year Ended 31 August 2014

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

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

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

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

The Governors are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls, which conform 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.

In so far as the Governors are aware:

- there is no relevant audit information of which the academy's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included in the Academy's website.

ON BEHALF OF THE BOARD:

.....

Mr L J Webb - Chairman

Date:

Report of the Independent Auditors to the Members of
Bullers Wood School (Registered number: 07588418)

We have audited the financial statements of Bullers Wood School for the year ended 31 August 2014 on pages twenty to forty one. 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 Accounts Direction 2013 issued by the Education Funding Agency (EFA).

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

Respective Responsibilities of Governors and Auditors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Governors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the EFA.

Opinion on Other Matters Prescribed by the Companies Act 2006

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

Report of the Independent Auditors to the Members of
Bullers Wood School (Registered number: 07588418)

Matters on Which we are Required to Report by Exception

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

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

Steven Nichols (Senior Statutory Auditor)
for and on behalf of Nichols & Nichols & Co (Accountancy) Limited
Chartered Accountants
and Registered Auditors
Unit 7
Mulberry Place
Pinnell Road
Eltham
London
SE9 6AR

Date:

Independent Reporting Accountant's Assurance Report on Regularity to
Bullers Wood School and the Education Funding Agency (Registered number: 07588418)

In accordance with the terms of our engagement 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 Bullers Wood School during the period 1 September 2013 to 31 August 2014 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 Bullers Wood School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bullers Wood School and 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 Bullers Wood School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of Bullers Wood School's Accounting Officer and the Reporting Accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 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 matter 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:

- review of management reporting documents
- review of Trustees'/Governors' minutes
- review of bank reconciliations and controls over purchasing
- confirming compliance with the Academy's Scheme of Delegation
- adherence with tendering policies

Independent Reporting Accountant's Assurance Report on Regularity to
Bullers Wood School and the Education Funding Agency (Registered number: 07588418)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Nichols & Co (Accountancy) Limited
Chartered Accountants
Unit 7
Mulberry Place
Pinnell Road
Eltham
London
SE9 6AR

Date:

Bullers Wood School

Statement of Financial Activities
for the Year Ended 31 August 2014

		31.8.14	31.8.13
		Total funds	Total funds
		£'000	£'000
	Notes	Unrestricted fund £'000	Restricted fixed asset funds £'000
		Restricted general funds £'000	Total funds £'000
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	32	-
Activities for generating funds	3	23	-
Investment income	4	2	-
Incoming resources from charitable activities			
Academy's educational operations	5	-	30
Other incoming resources	6	<u>312</u>	<u>-</u>
Total incoming resources		369	30
RESOURCES EXPENDED			
Charitable activities			
Academy's educational operations	8	302	293
Governance costs	9	<u>-</u>	<u>-</u>
Total resources expended	7	<u>302</u>	<u>293</u>
NET INCOMING RESOURCES BEFORE TRANSFERS			
		67	(263)
Gross transfers between funds	18	<u>(87)</u>	<u>87</u>
Net incoming/(outgoing) for the year before other recognised gains and losses		(20)	(176)
Actuarial (losses)/gains on defined benefit pension schemes		<u>-</u>	<u>-</u>
Net income/(expenditure)		(20)	(176)
RECONCILIATION OF FUNDS			
Total funds brought forward		99	18,995
TOTAL FUNDS CARRIED FORWARD		<u>79</u>	<u>18,819</u>
		(419)	(325)
		18,769	18,160
		<u>18,479</u>	<u>18,769</u>

The notes form part of these financial statements

Bullers Wood School

Statement of Financial Activities - continued
for the Year Ended 31 August 2014

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

Bullers Wood School (Registered number: 07588418)

Balance Sheet
At 31 August 2014

	Notes	31.8.14 £'000	31.8.13 £'000
FIXED ASSETS			
Tangible assets	13	18,818	19,085
CURRENT ASSETS			
Debtors	14	179	40
Cash at bank		<u>1,272</u>	<u>1,010</u>
		1,451	1,050
CREDITORS			
Amounts falling due within one year	15	(597)	(512)
NET CURRENT ASSETS		<u>854</u>	<u>538</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,672	19,623
PENSION LIABILITY	19	(1,193)	(854)
NET ASSETS		<u>18,479</u>	<u>18,769</u>
FUNDS	18		
Unrestricted funds		79	99
Restricted funds:			
General Annual Grant (GAG)		537	389
Other DfE/YPLA/EFA grants		44	29
Other government grants		35	1
Other income		158	110
Pension reserve		(1,193)	(854)
DfE/YPLA/EFA capital grant		1,953	1,894
Devolved Capital grants		14	-
Donated on conversion		<u>16,852</u>	<u>17,101</u>
		<u>18,400</u>	<u>18,670</u>
TOTAL FUNDS		<u>18,479</u>	<u>18,769</u>

The financial statements were approved by the Board of Governors on and were signed on its behalf by:

.....
Mr L J Webb - Chairman

The notes form part of these financial statements

Bullers Wood School

Cash Flow Statement
for the Year Ended 31 August 2014

	Notes	31.8.14 £'000	31.8.13 £'000
Net cash inflow from operating activities	1	256	406
Returns on investments and servicing of finance	2	2	1
Capital expenditure and financial investment	2	4	(289)
		<u> </u>	<u> </u>
Increase in cash in the period		<u>262</u>	<u>118</u>

Reconciliation of net cash flow to movement in net funds

	3		
Increase in cash in the period		<u>262</u>	<u>118</u>
Change in net funds resulting from cash flows		<u>262</u>	<u>118</u>
Movement in net funds in the period		262	118
Net funds at 1 September		<u>1,010</u>	<u>892</u>
Net funds at 31 August		<u>1,272</u>	<u>1,010</u>

Notes to the Cash Flow Statement
for the Year Ended 31 August 2014

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.8.14 £'000	31.8.13 £'000
Net incoming resources	49	333
Depreciation charges	292	275
Capital grants from DfE/EFA	(30)	(448)
Interest received	(2)	(1)
(Increase)/decrease in debtors	(139)	458
Increase/(decrease) in creditors	86	(292)
FRS 17 pension cost	<u>-</u>	<u>81</u>
Net cash inflow from operating activities	<u>256</u>	<u>406</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.8.14 £'000	31.8.13 £'000
Returns on investments and servicing of finance		
Interest received	<u>2</u>	<u>1</u>
Net cash inflow for returns on investments and servicing of finance	<u>2</u>	<u>1</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(26)	(737)
Capital grants from DfE/EFA	<u>30</u>	<u>448</u>
Net cash inflow/(outflow) for capital expenditure and financial investment	<u>4</u>	<u>(289)</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.13 £'000	Cash flow £'000	At 31.8.14 £'000
Net cash:			
Cash at bank	1,010	262	1,272
	<u>1,010</u>	<u>262</u>	<u>1,272</u>
Total	<u>1,010</u>	<u>262</u>	<u>1,272</u>

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards the Companies Act 2006, the requirements of the Statement of Recommended Practice Accounting and Reporting by Charities and the Academies Accounts Directions issued by the EFA.

Going concern

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

Incoming resources

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

Grants receivable

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

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.

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

Donations

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

Other income

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

Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the Academy are recognised at an estimate of their gross value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy's policies.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

1. ACCOUNTING POLICIES - continued

Resources expended

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

Costs of Generating Funds

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

Charitable Activities

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

Governance Costs

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Freehold buildings	50 years
Fixtures, fittings and equipment	5 years
ICT equipment	5 years
Motor Vehicles	5 years

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased assets

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

Stocks

Stock items are valued at the lower of cost or net realisable value where the value is over £500.

1. ACCOUNTING POLICIES - continued

Taxation

The academy trust 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 trust 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.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/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 Education Funding Agency/Department for Education.

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

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 19, 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 settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	31.8.14 Total funds £'000	31.8.13 Total funds £'000
Donations	<u>32</u>	<u>-</u>	<u>32</u>	<u>37</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	31.8.14 Total funds £'000	31.8.13 Total funds £'000
Fundraising events	12	-	12	10
Hire of facilities	<u>11</u>	<u>-</u>	<u>11</u>	<u>14</u>
	<u>23</u>	<u>-</u>	<u>23</u>	<u>24</u>

4. INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	31.8.14 Total funds £'000	31.8.13 Total funds £'000
Deposit account interest	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	31.8.14 Total funds £'000	31.8.13 Total funds £'000
Devolved Formula capital	-	30	30	-
Academy main building grants	-	-	-	448
General Annual Grant (GAG)	-	8,038	8,038	7,797
Insurance grant	-	43	43	70
Other EFA grants	-	216	216	195
SEN from LA	-	36	36	152
Local authority grants	<u>-</u>	<u>23</u>	<u>23</u>	<u>15</u>
	<u>-</u>	<u>8,386</u>	<u>8,386</u>	<u>8,677</u>

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	31.8.14 Total funds £'000	31.8.13 Total funds £'000
DfE/EFA capital grant				
Devolved Formula Capital	<u>-</u>	<u>30</u>	<u>30</u>	<u>-</u>

6. OTHER INCOMING RESOURCES

	Unrestricted funds £'000	Restricted funds £'000	31.8.14 Total funds £'000	31.8.13 Total funds £'000
Exam Fees	-	14	14	21
Catering Income	301	-	301	224
Academy trips	-	335	335	321
SCITT	-	29	29	51
Sundry income	11	39	50	26
	<u>312</u>	<u>417</u>	<u>729</u>	<u>643</u>

7. RESOURCES EXPENDED

	Staff costs £'000	Non-pay expenditure		31.8.14 Total £'000	31.8.13 Total £'000
		Premises £'000	Other costs £'000		
Charitable activities					
Academy's educational operations					
Direct costs	5,956	289	872	7,117	7,018
Allocated support costs	<u>876</u>	<u>499</u>	<u>616</u>	<u>1,991</u>	<u>2,019</u>
	6,832	788	1,488	9,108	9,037
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>	<u>12</u>
	<u>6,832</u>	<u>788</u>	<u>1,503</u>	<u>9,123</u>	<u>9,049</u>

Net resources are stated after charging/(crediting):

	31.8.14 £'000	31.8.13 £'000
Auditors' remuneration	9	7
Auditors' remuneration for non-audit work	2	1
Depreciation - owned assets	<u>293</u>	<u>275</u>

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	31.8.14 Total funds £'000	31.8.13 Total funds £'000
Direct costs				
Teaching and educational support staff	-	5,956	5,956	5,972
Depreciation	-	289	289	272
Educational visits	-	324	324	383
Educational supplies	1	206	207	153
Carried forward	1	6,775	6,776	6,780

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	Unrestricted funds £'000	Restricted funds £'000	31.8.14 Total funds £'000	31.8.13 Total funds £'000
Direct costs				
Brought forward	1	6,775	6,776	6,780
Examination fees	-	174	174	191
Other direct costs	-	167	167	199
	<u>1</u>	<u>7,116</u>	<u>7,117</u>	<u>7,170</u>
Allocated support costs				
Support staff costs	-	876	876	945
Depreciation	-	3	3	3
Energy costs	-	132	132	101
Recruitment and support	-	20	20	8
Maintenance of premises and equipment	-	221	221	98
Cleaning	-	153	153	105
Rent and rates	-	61	61	60
Insurance	-	30	30	71
Security and transport	-	34	34	27
Catering	289	-	289	249
Other support costs	12	160	172	200
	<u>301</u>	<u>1,690</u>	<u>1,991</u>	<u>1,867</u>
	<u><u>302</u></u>	<u><u>8,806</u></u>	<u><u>9,108</u></u>	<u><u>9,037</u></u>

9. GOVERNANCE COSTS

	Unrestricted funds £'000	Restricted funds £'000	31.8.14 Total funds £'000	31.8.13 Total funds £'000
Accountancy	-	4	4	4
Auditors' remuneration	-	9	9	7
Auditors' remuneration for non-audit work	-	2	2	1
	<u>-</u>	<u>15</u>	<u>15</u>	<u>12</u>
	<u><u>-</u></u>	<u><u>15</u></u>	<u><u>15</u></u>	<u><u>12</u></u>

10. GOVERNORS' REMUNERATION AND BENEFITS

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 or expenses from the academy in respect of their role as trustees. The values of trustees' remuneration was as follows;

N Cross (Headteacher)	£105,001-£110,000	(2013: £105,001-£110,000)
M Bishopp (Staff Governor)	£50,001-£55,000	(2013: £50,001-£55,000)
J Critchley (Staff Governor)	£35,001-£40,000	(2013: £1-£5,000)
C Goodwin (Parent Governor)	£1-£5,000	(2013: £1-£5,000)

Other related party transactions involving the trustees are set out in note 20.

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2014 nor for the year ended 31 August 2013.

11. STAFF COSTS

	31.8.14	31.8.13
	£'000	£'000
Wages and salaries	5,523	5,580
Social security costs	437	439
Other pension costs	<u>799</u>	<u>765</u>
	6,759	6,784
Supply teacher costs	73	52
Pension finance costs	<u>-</u>	<u>81</u>
	<u><u>6,832</u></u>	<u><u>6,917</u></u>

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

	31.8.14	31.8.13
Teachers	109	114
Admin	58	62
Management	<u>4</u>	<u>4</u>
	<u><u>171</u></u>	<u><u>180</u></u>

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

	31.8.14	31.8.13
£60,001 - £70,000	5	3
£70,001 - £80,000	1	1
£100,001 - £110,000	<u>1</u>	<u>1</u>
	<u><u>7</u></u>	<u><u>5</u></u>

All 7 of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2014 pension contributions for these staff amounted to £69,858 (2013 £50,268).

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2014 was £2,502 (2013 £2,453).

13. TANGIBLE FIXED ASSETS

	Freehold property £'000	Computer equipment £'000	Totals £'000
COST			
At 1 September 2013	19,680	16	19,696
Additions	<u>26</u>	<u>-</u>	<u>26</u>
At 31 August 2014	<u>19,706</u>	<u>16</u>	<u>19,722</u>
DEPRECIATION			
At 1 September 2013	605	6	611
Charge for year	<u>289</u>	<u>4</u>	<u>293</u>
At 31 August 2014	<u>894</u>	<u>10</u>	<u>904</u>
NET BOOK VALUE			
At 31 August 2014	<u>18,812</u>	<u>6</u>	<u>18,818</u>
At 31 August 2013	<u>19,075</u>	<u>10</u>	<u>19,085</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.14 £'000	31.8.13 £'000
Other debtors	-	2
VAT	38	8
Prepayments and accrued income	<u>141</u>	<u>30</u>
	<u>179</u>	<u>40</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.14	31.8.13
	£'000	£'000
Social security and other taxes	227	224
Accruals and deferred income	<u>370</u>	<u>288</u>
	<u>597</u>	<u>512</u>

Deferred income

	2014
	£000
Deferred income at 31 August 2013	59
Resources deferred in the year	57
Amounts released from previous years	<u>(59)</u>
Deferred income at 31st August 2014	<u>57</u>

At the balance sheet date the academy trust was holding funds received in advance for lettings booked for September 2014, an EFA rates grant for 2014/15 and EFA capital funding for 2014/15.

Accruals and deferred income above include a clawback of SEN income from the EFA of £12,369.

Operating leases

The following operating lease payments are committed to be paid:

Other	2014	2013
	£'000	£'000
Expiring within one year	26	26
Expiring within two and five years inclusive	27	44
Expiring in over five years	<u>-</u>	<u>-</u>
	<u>53</u>	<u>70</u>

16. MEMBERS' LIABILITY

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				31.8.14	31.8.13
	Unrestricted fund £'000	Restricted fixed asset funds £'000	Restricted general funds £'000	Total funds £'000	Total funds £'000
Fixed assets	-	18,818	-	18,818	19,085
Current assets	103	81	1,267	1,451	1,050
Current liabilities	(24)	(80)	(493)	(597)	(512)
Pension liability	-	-	(1,193)	(1,193)	(854)
	<u>79</u>	<u>18,819</u>	<u>(419)</u>	<u>18,479</u>	<u>18,769</u>

18. MOVEMENT IN FUNDS

	At 1.9.13 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.14 £'000
Unrestricted funds				
General fund	99	67	(87)	79
Restricted funds				
General Annual Grant (GAG)	389	148	-	537
Other DfE/YPLA/EFA grants	29	15	-	44
Other government grants	1	34	-	35
Other income	110	48	-	158
Pension reserve	(854)	(339)	-	(1,193)
DfE/YPLA/EFA capital grant	1,894	(43)	102	1,953
Devolved Capital grants	-	29	(15)	14
Donated on conversion	<u>17,101</u>	<u>(249)</u>	<u>-</u>	<u>16,852</u>
	18,670	(357)	87	18,400
	<u>18,769</u>	<u>(290)</u>	<u>-</u>	<u>18,479</u>
TOTAL FUNDS	<u>18,769</u>	<u>(290)</u>	<u>-</u>	<u>18,479</u>

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	369	(302)	-	67
Restricted funds				
General Annual Grant (GAG)	8,105	(7,957)	-	148
Other DfE/YPLA/EFA grants	208	(193)	-	15
Other government grants	81	(47)	-	34
Other income	379	(331)	-	48
DfE/YPLA/EFA capital grant	-	(43)	-	(43)
Devolved Capital grants	30	(1)	-	29
Pension reserve	-	-	(339)	(339)
Donated on conversion	-	(249)	-	(249)
	8,803	(8,821)	(339)	(357)
TOTAL FUNDS	<u>9,172</u>	<u>(9,123)</u>	<u>(339)</u>	<u>(290)</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreements with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August.

Other DfE/EFA Grants and other Government Grants include monies received outside of GAG funding and these Grants are all related to the furtherance of education within the Academy.

Other income includes monies from trips, donations and other bodies.

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme.

Restricted fixed asset funds include capital grants and monies spent from the General Annual Grant on fixed assets. The donation represents the transfer of certain fixed assets into the Academy on conversion.

Unrestricted funds represent funds generated via activities such as the hire of school facilities and catering income. It also includes the brought forward surplus on conversion to academy status.

Transfers between funds

Fund transfers in the period were: £86,108 from unrestricted funds to the fixed asset fund, and £15,260 from the devolved capital fund to the fixed asset fund, both relating to the completion of a new language block.

19. PENSION AND SIMILAR OBLIGATIONS

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Bromley. 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 2013.

Contributions amounting to £107,154 (2013: £98,104) were payable to the schemes at 31 August and are included within creditors.

19. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual 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.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. Pension benefits built up before 1 April 2015 will be fully protected.

19. PENSION AND SIMILAR OBLIGATIONS - continued

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 up to three and a half years 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 have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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 academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £253,089 (2013 £243,803), of which employer's contributions totalled £201,612 (2013 £192,654) and employees' contributions totalled £51,477 (2013 £51,149). The agreed contribution rates for future years are 24.3% for employers and variable rates between 5.5% and 6.8% 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.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.14	31.8.13
	£'000	£'000
Present value of funded obligations	(2,863)	(2,633)
Fair value of plan assets	<u>1,670</u>	<u>1,779</u>
	<u>(1,193)</u>	<u>(854)</u>
Deficit	<u>(1,193)</u>	<u>(854)</u>
Liability	<u>(1,193)</u>	<u>(854)</u>

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.8.14	31.8.13
	£'000	£'000
Current service cost	201	246
Interest cost	128	97
Expected return	(117)	(69)
Past service cost	-	-
	<u>212</u>	<u>274</u>
Actual return on plan assets	<u>196</u>	<u>261</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £450,000 loss (2013: £111,000 loss).

Changes in the present value of the defined benefit obligations are as follows:

	Defined benefit pension plans	
	31.8.14	31.8.13
	£'000	£'000
Defined benefit obligation	(2,633)	(2,323)
Current service cost	(201)	(246)
Contributions by scheme participants	(54)	(51)
Interest cost	(128)	(97)
Actuarial losses/(gains)	150	84
Benefits paid	3	-
	<u>(2,863)</u>	<u>(2,633)</u>

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

	Defined benefit pension plans	
	31.8.14	31.8.13
	£'000	£'000
Fair value of scheme assets	1,779	1,274
Contributions by employer	212	193
Contributions by scheme participants	54	51
Expected return	117	69
Actuarial gains/(losses)	(489)	192
Benefits paid	(3)	-
	<u>1,670</u>	<u>1,779</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

19. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.14	31.8.13
	£'000	£'000
Equities	1,194	1,316
Government bonds	-	41
Other bonds	279	244
Cash/liquidity	12	25
Other	185	153
	<u>1,670</u>	<u>1,779</u>

The expected rate of return on the above assets are as follows:

	31.8.14	31.8.13
Equities	7.0%	7.0%
Government bonds	2.9%	3.4%
Other bonds	3.8%	4.4%
Cash/liquidity	0.5%	0.5%
Other	7.0%	7.0%
Investment expenses	0.27%	0.27%

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The total expected return is expected to be 6.15% as at 31st August 2014 (6.5% as at 31st August 2013).

The actual return on scheme assets was £196,000 (2013: £261,000)

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

	31.8.14	31.8.13
Rate of increase in salaries	3.7%	4.7%
Discount rate for scheme liabilities	4%	4.6%
Inflation assumption (CPI)	2.2%	2.4%
Rate of increase for pensions in payment	2.2%	2.4%
Commutation of pensions to lump sums	0%	2.7%

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

	31.8.14	31.8.13
Retiring today		
Males	23.0	23.1
Females	25.4	26.5
Retiring in 20 years		
Males	25.3	25.1
Females	28.3	28.5

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

19. PENSION AND SIMILAR OBLIGATIONS - continued

Amounts for the current and previous two periods are as follows:

	31.8.14	31.8.13	31.8.12
	£'000	£'000	£'000
Defined benefit pension plans			
Defined benefit obligation	(2,863)	(2,633)	(2,323)
Fair value of scheme assets	1,670	1,779	1,274
Deficit	(1,193)	(854)	(1,049)
Experience adjustments on scheme liabilities	143	-	-
Experience adjustments on scheme assets	(489)	192	26

The estimated value of employer contributions for the year ended 31 August 2015 is £219,000 (2014 £195,000).

20. RELATED PARTY DISCLOSURES

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No such transactions however took place during the current or previous period.

21. ULTIMATE CONTROLLING PARTY

The Academy is controlled by the members.