

**Southwark Primary School
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements
Period ended 31 August 2012**



**Company Registration Number. 07726568
(England and Wales)**



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Southwark Primary School

Reference and Administrative Details

Governors

Miss L Bussell †* Mrs A M Hurt †*
Mr K Eley †* Ms H Robinson †*
Miss L White †* Mrs S L Maltby †*
Rev R Shaw †* Mr C F Grant †*
Mrs M S S Saunders †* Mr P Milner †*
Mr R P Lambert †* Mrs H Walker †*
Dr K Bardell †* Mr A P Joyce †*
Miss K Burghart
Mr E Manyanhaire †* (resigned 31/08/2012)
Mrs A King (resigned 03/11/2011)
Mr M A Sheth * (resigned 31/08/2012)

† members of the Finance and General
Purposes Committee

* directors of the limited company

All governors are also trustees

Senior Management Team

Headteacher
Assistant Head
Assistant Head
Assistant Head
Assistant Head
Business Manager

Mrs M S S Saunders
Miss A M Hurt
Mrs Heywood
Mrs Thompson
Mrs L Bussell
Mrs J Day

Registered Office

Southwark Primary School
Park Lane
Old Basford
Nottingham
NG6 0DT

Company Registration Number

07726568 (England and Wales)

Independent Auditor

UHY Hacker Young LLP
22 The Ropewalk
Nottingham
NG1 5DT

Bankers

Co-operative Bank
PO Box 250
Skelmersdale
WN8 6WT

Solicitors

Browne Jacobson Solicitors
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Southwark Primary School

Governors' Report

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

Structure, governance and management

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy. Members of the academy are nominated by either the Secretary of State for Education or the main sponsors of the academy. The articles of association require the members of the academy to appoint at least 3 governors to be responsible for the statutory and constitutional affairs of the academy and its management.

The governors act as the trustees for the charitable activities of Southwark Primary School Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable company is known as Southwark Primary School.

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

Principal Activities

The principal activity of the company is the operation of Southwark Primary School.

Method of Recruitment and Appointment or Election of Governors

The governors are split into four categories, parent, staff, co-opted and community. The parent governors are elected by parents or carers of registered pupils and must be such parents or carers at the time of their election. If insufficient parents stand for election the governing body can appoint parent governors. Staff governors are candidates who must be working at the school at the time of the election. Co-opted and community governors are elected by invitation due to their experience and community involvement. The academy has the bursar as an associate member of the governing body and all the governors were co-opted to the new board when the school converted to an academy. Each governor is provided with policies on their roles and responsibilities, conduct as a governor and guidance on the general principles of behaviour.

Southwark Primary School

Governors' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Governors

Between September 2011 and August 2012 Governors held 3 full governing body meetings and various finance, pupil & personnel, strategy and attendance subcommittee meetings throughout the year. All governors are provided with copies of procedures, minutes, budget reports, and other documentation as deemed appropriate for them to fulfil their role as a governor.

Induction and training is provided for all new governors and is tailored to suit their individual needs. All governors have the opportunity to access the Local Authorities training programme as well as external training courses as required.

Organisational Structure

To ensure the efficient, effective and economical running of the school the organisational structure consists of 3 levels. The governors, The Core Leadership Team and the Senior Leadership Team. This structure empowers staff at all levels to take responsibility to improve and review their working practice.

The governing body is responsible for setting general policy, adopting an annual budget and a school development plan, making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. Governors are also responsible for monitoring the Headteacher's performance management review on an annual basis. The Executive Headteacher is the accounting officer and each committee of the governing body has a Terms of Reference as per the Academies Handbook.

The Core Leadership Team consists of the Executive Headteacher, 4 Assistant Headteacher's and the Business Manager. The Core Team manage the Academy at an executive level implementing policies and practice agreed by governors and reporting back to them as appropriate. They are responsible for the authorisation of spending limits within agreed budgets and the appointment of staff.

The Senior Leadership team consists of the Core Leadership Team, Hub Leaders, SEN Co-ordinator and other senior staff as appropriate. They are responsible for the day to day running of the Academy in accordance with current policies and practice.

Risk Management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the Academy and its finances. The governors have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas such as teaching, financial control, health and safety, school trips and bullying. They have introduced systems including operational procedures such as, safer recruitment procedures for new staff and the necessary checks of visitors and guests of the school community in order to minimise risk. Where significant risk still remains they have ensured that they have adequate insurance cover. The Academy has an effective system of internal controls in addition to a rolling programme of continual risk assessment.

Governors' Report (continued)

Connected Organisations, including Related Party Relationships

The Academy works closely with NCSL, as well as Nottingham Trent University, Derby City and Lincolnshire and North Lincolnshire Local Authorities in supporting schools. The Business Manager holds regular sessions with the Education Improvement Partnership's Business Managers to share and improve practice and efficiency throughout the EIP.

Objectives and Activities

Objects and Aims

The Academy's objectives are specifically restricted to the following

- (a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"), and
- (b) to promote for the benefit of individuals living in Old Basford and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large 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 of the said individuals

Objectives, Strategies and Activities and Public Benefit

Southwark's children are central to all our endeavours. We will judge everything that takes place in the school according to its impact on the children. We embrace the requirements of the "Every Child Matters" agenda, which is integral to our work as a successful Primary School.

Decisions will be made in accordance with the prime directive that Southwark is a place of learning for the whole school community.

Our way of working is described in the Staff Charter, which should be read in conjunction with this document.

Our aims for the children subdivide into four areas which we believe are equally essential for rounded and continued growth and development throughout childhood and into adult life.

Children need to

- ❖ Grow as citizens
- ❖ Become lifelong learners
- ❖ Develop a breadth of knowledge, skills and understanding
- ❖ Be inspired by their school experience

Ensuring these four elements are addressed for all our children is the chief purpose of everyone who works in the school on a paid or voluntary basis. Each and every member of the school community can make an invaluable contribution to the prime directive. By working together we can make it so.

Governors' Report (continued)

The Academy produces a Development Plan on an annual basis where it details how it intends to achieve the aims and objectives for the year. Priorities for the year ending 31 August 2012 –

To improve attendance so that it reaches a minimum of 94% in the academic year

Strategy

Train the Attendance Officer to function as an EWO to facilitate the Court Proceedings process

Appoint a part time Attendance Support Worker to support the Attendance Officer and Learning Mentor, particularly with unpunctuality and minor absences

Establish an Attendance Change Group amongst teaching staff to drive the initiative in each hub and support the work of the Attendance Officer and Parent Support Worker

Governor Attendance Committee will continue to take an active role and support the work in school with letters and occasionally parent meetings for persistent cases

Establish regular liaison with School Nurse and other Schools about shared issues/families

Create high positive profile for pupils and families who attend every day and on time

Raised positive profile for pupils and families who successfully improve and sustain their attendance and punctuality for half a term or more

To ensure that all pupils fulfil their potential according to ability in English, Maths and ICT

Strategy

Coaching by senior staff and subject leaders

Effective support and induction for new experienced staff and also NQTs

Monitoring, evaluation and feedback at regular intervals from SMT and subject leaders

INSET weekly on agreed topics

Intensive training days on agreed topics in autumn 2011

Access to high quality external courses

Peer coaching and Lesson Study in mathematics

Specific Action Plans for English, Maths and ICT

To further improve the outcomes for vulnerable individuals and groups through a range of whole school strategies and personalised programmes

Strategy

Development of curriculum skills map

Further use of ICT assessment system

Southwark Primary School

Governors' Report (continued)

In depth discussions with individual teachers about groups and individuals

National Curriculum points scores, profile points and development bands are incorporated into documents/discussions about pupil wellbeing with ASST HT (Vulnerable Children)

Nursery planning boards

Pre-Nursery groups

New College Family Literacy

New College Family Numeracy

Public Benefit

The governors confirm that they have complied with the Charities Act 2006 to have due regard to the Charities Commission's general guidance on public benefit and in particular to its supplementary public benefit on advancing education. We have reviewed our aims and objectives and in planning our future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set.

Charitable Activities

During the financial year we have participated in fundraising for a number of charities, including,

Children in Need	£ 126 74
SC Foundation	£1,341 66
Sense	£ 88 00
Sports Relief	£ 275 25
Action Aid	£ 467 30

Governors' Report (continued)

Achievements and Performance

The advancement of education is maintained by offering a varied curriculum resulting in high attainment

SATS results for 2012

KS2 – English 71%, Maths 75%

Level 5 – English 16% and Maths 13%

Value Added - 81% made expected progress or more in reading, 66% made expected progress in writing and 55% made expected progress in maths since KS1

Going Concern

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

Key Financial Performance Indicators

Financial Review

Most of the Academies income is obtained from the EFA in the form of monthly grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds (non fixed assets) in the statement of financial activities.

During the period ended 31 August 2012, total expenditure of £3,115,318 was more than covered by grant income from the EFA together with other income resources. The excess of income over expenditure for the year (excluding assets transferred from predecessor school) was £52,126.

At 31 August 2012 net assets were £5,495,171 and movements to tangible fixed assets are shown in note 12 to the financial statements. These assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Governors' Report (continued)

Financial and Risk Management Objectives and Policies

The Academy uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operation. The main purpose of these financial instruments is to raise finance for the Academy's operations. The existence of these financial instruments exposes the Academy to a number of financial risks which are described below. The main risks arising from the financial instruments are liquidity risk and cash flow interest rate risk.

Principal Risks and Uncertainties

Liquidity risk – The governors manage its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short term borrowing.

Interest rate risk – The Academy earns interest on cash deposits and with interest rates currently low is seeking to invest in a high interest account.

Credit risk – This is managed through regular contact with funders to ensure all monies are received.

Reserves Policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of the reserves.

Investment Policy

Under review in preparation for 2012/13

Plans for Future Periods

The governors have agreed to maintain a contingency reserve account in order to pay for any unexpected building issues.

Funds held as Custodian Trustees on behalf of others

The Academy does not currently hold any funds on behalf of others.

Southwark Primary School

Governors' Report (continued)

Auditor

In so far as the governors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The auditors, UHY Hacker Young LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting

Approved by order of the members of the Governing Body on 13-12-12 and signed on its behalf by

Mr P Milner
Chair



Southwark Primary School

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the academy governing body are able to identify any material irregular or improper use of funds by the academy, 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.

M. Saunders
Mrs M S S Saunders (Headteacher)

... 13/12/... 2012

Southwark Primary School

Statement on Internal Control

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Southwark Primary School 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 Southwark Primary School 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.

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 Southwark Primary School Academy for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

Southwark Primary School

Statement on Internal Control (continued)

- delegation of authority and segregation of duties,
- identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Henrietta Robinson as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 13-12-12 and signed on its behalf by



Mr P Milner
Chair



Mrs M S S Saunders
Accounting Officer

Southwark Primary School

Statement of Governors' Responsibilities

The governors (who act as trustees for charitable activities of Southwark Primary School Academy and sixteen of whom are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the EFA, 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 Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to

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

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

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

Approved by the order of the members of the Governing Body on 13-12-12 and signed on its behalf by

Mr P Milner
Chair



Report of the Independent Auditors to the Members of Southwark Primary School

We have audited the financial statements of Southwark Primary School for the period ended 31 August 2012 on pages 19 to 38. 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 2011/12 issued by the 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 14, the governors (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 governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the 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 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2011/12 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

Southwark Primary School

Report of the Independent Auditors to the Members of Southwark Primary School (continued)

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

In our opinion grants made by the EFA have been applied for the purposes intended

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

Elizabeth Searby

Elizabeth Searby BSc FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP,
Chartered Accountants
& Statutory Auditors
22 The Ropewalk
Nottingham
NG1 5DT

13 December 2012

Southwark Primary School

Independent Reporting Accountant's Assurance Report on Regularity to Southwark Primary School and the Education Funding Agency

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Southwark Primary School during the period 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

Respective responsibilities of Southwark Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Southwark Primary School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

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

Approach

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

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

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

Southwark Primary School

Independent Reporting Accountant's Assurance Report on Regularity to Southwark Primary School and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Elizabeth Searby

Elizabeth Searby BSc FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP,
Chartered Accountants
& Statutory Auditors
22 The Ropewalk
Nottingham
NG1 5DT

13 December 2012

Southwark Primary School

Statement of Financial Activities for the period ended 31 August 2012 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total funds £
INCOMING RESOURCES				
Incoming resources from generated funds				
Assets transferred from predecessor school	3	-	5,750,285	5,750,285
Activities for generating funds	4	99,522	28,007	127,529
Investment income	5	992	-	992
Incoming resources from charitable activities				
Funding for the Academy's educational operations	6	-	3,038,923	3,038,923
Total incoming resources		100,514	8,817,215	8,917,729
RESOURCES EXPENDED				
Charitable activities				
Academy's educational operations	8	62,468	3,026,965	3,089,433
Governance costs	9	-	25,885	25,885
Total resources expended	7	62,468	3,052,850	3,115,318
NET INCOMING RESOURCES		38,046	5,764,365	5,802,411
Other recognised gains and losses				
Actuarial losses on defined benefit schemes	18	-	(276,000)	(276,000)
Loss on revaluation	12	-	(31,240)	(31,240)
Net movements in funds		38,046	5,457,125	5,495,171
Total funds carried forward at 31 August 2012		38,046	5,457,125	5,495,171

All incoming resources and resources expended arise from continuing activities

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

The notes form part of these financial statements

Southwark Primary School

Balance Sheet at 31 August 2012

Company Number: 07726568

	Note	Unrestricted funds £	Restricted funds £	Total funds £
FIXED ASSETS				
Tangible assets	12	-	5,987,287	5,987,287
CURRENT ASSETS				
Stock		-	7,397	7,397
Debtors	13	-	80,372	80,372
Cash at bank and in hand		38,046	422,114	460,160
		<u>38,046</u>	<u>509,883</u>	<u>547,929</u>
CREDITORS				
Amounts falling due within one year	14	-	(146,045)	(146,045)
NET CURRENT ASSETS		<u>38,046</u>	<u>363,838</u>	<u>401,884</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>38,046</u>	<u>6,351,125</u>	<u>6,389,171</u>
PENSION SCHEME LIABILITY		<u>-</u>	<u>(894,000)</u>	<u>(894,000)</u>
NET ASSETS		<u>38,046</u>	<u>5,457,125</u>	<u>5,495,171</u>
FUNDS				
Unrestricted funds				38,046
Restricted funds				5,457,125
TOTAL FUNDS	16			<u>5,495,171</u>

The financial statements were approved by the Governors, and authorised for issue on 13 December 2012 and are signed on their behalf by

M Saunders

Mrs M S S Saunders

The notes form part of these financial statements

Southwark Primary School

Cash Flow Statement for the period ended 31 August 2012

	Notes	£
Net cash inflow from operating activities	1	504,612
Returns on investments and servicing of finance	2	992
Capital expenditure and financial investment	2	(45,444)
		<hr/>
Increase in cash in the period		460,160
		<hr/>
Reconciliation of net cash flow to movement in net funds		
Increase in cash in the period	3	460,160
		<hr/>
Net funds at 31 August 2012		460,160
		<hr/>

Southwark Primary School

Notes to the Cash Flow Statement for the period ended 31 August 2012

1 Reconciliation of net incoming resources to net cash inflow from operating activities

	£
Net incoming resources	5,802,411
Depreciation charges	142,596
Interest received	(992)
Opening pension deficit	585,000
FRS17 adjustments	33,000
Donated fixed assets	(6,115,679)
(Increase) in stocks	(7,397)
(Increase) in debtors	(80,372)
Increase in creditors	146,045
	<hr/>
Net cash inflow from operating activities	504,612
	<hr/>

2. Analysis of cash flows for headings netted in the cash flow statement

	£
Returns on investments and servicing of finance	
Interest received	992
	<hr/>
Net cash inflow from returns on investments and servicing of finance	992
	<hr/>
Capital expenditure and financial investment	
Purchase of tangible fixed assets	45,444
	<hr/>
Net cash outflow from capital expenditure and financial investment	45,444
	<hr/>

3. Analysis of changes in net funds

	Cash flow	At 31
	£	August 2012
	£	£
Net cash	460,160	460,160
	<hr/>	<hr/>
Total	460,160	460,160
	<hr/>	<hr/>

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012

1 Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006 (other than in respect of the disclosures of remuneration received by Staff Governors under employment contracts - see note 10 for details) A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below

Going Concern

The governors assess whether the use of going concern is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company 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

- 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 and 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

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

1. Statement of Accounting Policies (continued)

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

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.

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

1. Statement of Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £1,000 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:

Buildings	50 years
Computer equipment	3 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.

Stock

Stationery and sundry stocks are valued at the lower of cost or net realisable value.

Taxation

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

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

1. Statement of Accounting Policies (continued)

Pensions Benefits

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

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 18, 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.

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 EFA, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

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

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

2 General Annual Grant (GAG)

	2012 £
(a) Results and Carry Forward for the Period	
GAG brought forward from previous year	-
GAG allocation for current year	2,493,844
	<hr/>
Total GAG available to spend	2,493,844
Recurrent expenditure from GAG	(2,315,909)
Fixed assets purchased from GAG	(34,638)
	<hr/>
GAG carried forward to next year	143,297
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	299,261
	<hr/>
GAG to surrender to DfE	N/A
	<hr/>
12% rule breached if result is positive	No breach
(b) Use of GAG brought forward from previous year for recurrent purposes	
(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a minimum of 12%, can only be used for capital purposes)	
Recurrent expenditure from GAG in current year	2,315,909
GAG allocation for current year	(2,493,844)
GAG allocation for previous year *2%	-
	<hr/>
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(177,935)
	<hr/>
2% rule breached if result is positive	No breach

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

3 Assets transferred from predecessor school

	Unrestricted funds	Restricted funds	Total
	£	£	£
Equipment, furniture and fixtures	-	125,460	125,460
Surplus reserves	-	210,471	210,471
School fund	-	9,135	9,135
Local government pension scheme deficit	-	(585,000)	(585,000)
Land and buildings	-	5,990,219	5,990,219
	-	5,750,285	5,750,285

4 Activities for Generating Funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
External school support	35,855	-	35,855
Other fund raising activities	19,508	-	19,508
Private school fund receipts	-	28,007	28,007
After school club	44,159	-	44,159
	99,522	28,007	127,529

5 Investment income

	Unrestricted funds	Restricted funds	Total
	£	£	£
Short term deposits	992	-	992

6 Funding for the Academy's educational operations

	Unrestricted funds	Restricted funds	Total
	£	£	£
DfE/EFA revenue grants			
General annual grant (GAG) (note 2)	-	2,493,844	2,493,844
Other DfE/EFA grants	-	125,785	125,785
Other government grants			
Special educational projects	-	419,294	419,294
	-	3,038,923	3,038,923

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

7 Resources expended

	Staff costs £	Non pay expenditure premises £	Non pay expenditure other costs £	Total £
Cost of generating voluntary income	-	-	-	-
Costs of activities for generating funds	-	-	-	-
Academy's educational operations				
- Direct costs	2,067,084	142,596	166,594	2,376,274
- Allocated support	396,032	151,198	165,929	713,159
	<u>2,463,116</u>	<u>293,794</u>	<u>332,523</u>	<u>3,089,433</u>
Governance costs including allocated support costs	-	-	25,885	25,885
	<u>2,463,116</u>	<u>293,794</u>	<u>358,408</u>	<u>3,115,318</u>

Incoming/outgoing resources for the period include

	2012 £
Operating leases	
Fees payable to auditor – audit	6,250
Fees payable to auditor – other services	-
	<u></u>

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

8 Charitable Activities – Academy's educational operations

	Unrestricted funds	Restricted funds	Total
	£	£	£
Direct costs			
Teaching and educational support staff costs	35,855	2,031,229	2,067,084
Depreciation	-	142,596	142,596
Educational supplies	-	70,664	70,664
Staff development	-	68,857	68,857
Other direct costs	-	27,073	27,073
	<u>35,855</u>	<u>2,340,419</u>	<u>2,376,274</u>
Allocated support costs			
Support staff costs	26,613	369,419	396,032
Maintenance of premises and equipment, including cleaning	-	50,862	50,862
Rates	-	19,493	19,493
Insurance	-	80,843	80,843
Security and transport	-	154	154
Catering	-	91,889	91,889
Other support costs	-	73,886	73,886
	<u>26,613</u>	<u>686,546</u>	<u>713,159</u>
Total costs	<u>62,468</u>	<u>3,026,965</u>	<u>3,089,433</u>

9 Governance costs

	Unrestricted funds	Restricted funds	Total
	£	£	£
Auditors' remuneration			
- Audit of financial statements	-	6,250	6,250
- Professional fees	-	19,635	19,635
	<u>-</u>	<u>25,885</u>	<u>25,885</u>

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

10 Governors' Remuneration and Benefits

The Headteacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy in respect of their role as Governors. Full disclosure of the Headteacher's and individual Staff Governors' remuneration in line with the requirements of the Academies Accounts Direction 2011/12 and the Charities SORP has not been provided on the grounds that disclosure of this information may compromise the Academy's ability to retain and attract Staff Governors. The total value of Staff Governors' remuneration under employment contracts was £206,082.

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 £2,000,000 on any one claim and the cost for the period ended 31 August 2012 cannot be determined.

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

11 Staff Costs

Staff costs during the period were	2012
	£
Wages and salaries	1,529,834
Social security costs	502,510
Other pension costs	430,772
	<hr/>
	2,463,116
	<hr/>

The average monthly number of employees during the period was as follows

	Number	Expressed as full time equivalent Number
Teaching staff	44	43
Support Staff	72	36
	<hr/>	<hr/>
	116	79
	<hr/>	<hr/>

There is one member of staff who earns between £80,000 and £90,000. This employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for this member of staff amounted to £12,479.

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

12 Tangible Fixed Assets

	Land & Buildings £	Computer equipment £	Total £
Cost			
Transfer from predecessor school	5,990,219	125,460	6,115,679
Additions	31,240	14,204	45,444
Revaluation	(129,983)	-	(129,983)
	<hr/>	<hr/>	<hr/>
At 31 August 2012	5,891,476	139,664	6,031,140
	<hr/>	<hr/>	<hr/>
Depreciation			
Charge for year	98,743	43,853	142,596
Revaluation	(98,743)	-	(98,743)
	<hr/>	<hr/>	<hr/>
At 31 August 2012	-	43,853	43,853
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 August 2012	5,891,476	95,811	5,987,287
	<hr/>	<hr/>	<hr/>

A valuation for land and buildings at the date of conversion was not received. Therefore the valuation at 31 August 2012 has been included and then an adjustment for accumulated depreciation has been made to arrive at an assumed value on conversion. The closing net book value of land and buildings represents the valuation performed by Drivers Jonas Deloitte, a member of RICS, at 31 August 2012.

13 Debtors

	2012 £
Other debtors	71,924
Prepayments	8,448
	<hr/>
	80,372
	<hr/>

14 Creditors: amounts falling due within one year

	2012 £
Trade creditors	10,810
Accruals and deferred income	92,100
Taxation and social security	43,135
	<hr/>
	146,045
	<hr/>

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

15 Operating Lease Commitments

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as follows

	2012 £
Other operating leases	£
Expiring within one year	-
Expiring between one and five years	5,752
	<hr/>
	5,752
	<hr/>

16 Funds

	Transfer from predecessor school £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2012 £
Restricted general funds					
General annual grant	210,471	2,493,844	(2,315,909)	(34,638)	353,768
Other DfE, EFA grants	-	534,273	(534,273)	-	-
School Fund	9,135	28,007	(27,072)	-	10,070
Pension reserve	(585,000)	-	(33,000)	(276,000)	(894,000)
Restricted fixed asset funds					
DfE/EFA capital grants	6,115,679	10,806	(142,596)	3,398	5,987,287
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	5,750,285	3,066,930	(3,052,850)	(307,240)	5,457,125
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds	-	100,514	(62,468)	-	38,046
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	-	100,514	(62,468)	-	38,046
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	5,750,285	3,167,444	(3,115,318)	(307,240)	5,495,171
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Restricted funds mainly comprise of the General Annual Grant which must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

Restricted fixed asset funds relate to funding received from EFA to purchase assets for the furtherance of the Academy's activities.

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	5,987,287	5,987,287
Current assets	38,046	509,883	-	547,929
Current liabilities	-	(146,045)	-	(146,045)
Pension scheme liability	-	(894,000)	-	(894,000)
Total net assets/(liabilities)	38,046	(530,162)	5,987,287	5,495,171

18 Pension and similar obligations

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff Both are defined-benefit schemes

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

There were no contributions payable to the schemes at 31 August 2012

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pension cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

18 Pension and similar obligations (continued)

Local Government Pension Scheme

Following the implementation of Teacher's Pension (Employer's Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2010 to 31 August 2012 the employer contribution was 14.1%. The employee rate was 6.4% for the same period.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £139,269 of which employer's contributions totalled £98,193 and employee's contributions totalled £41,076. The agreed contribution rates for future years are 12.1% for employers and between 5.5% and 7.5% for employees.

Principal Actuarial Assumptions

At 31
August 2012

Rate of increase in salaries	4.1%
Rate of increase for pensions in payment/inflation	1.9%
Discount rate for scheme liabilities	3.9%
Inflation assumption (CPI)	1.9%
Inflation assumption (RPI)	2.7%

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

At 31 August 2012

Retiring today

Males	18.6 years
Females	22.7 years

Retiring in 20 years

Males	20.6 years
Females	24.5 years

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

18 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2012	Fair value 31 August 2012 £'000
Equities	5.5%	362
Gilts	2.8%	54
Other Bonds	3.9%	22
Property	4.5%	70
Cash	0.5%	22
Other	5.5%	11
		<hr/> 541
Total market value of assets		
Present value of scheme liabilities – Funded		(1,435)
		<hr/>
Deficit in the scheme		894
		<hr/>
Amounts recognised in the Statement of Financial Activities		
		2012 £
Current service cost (net of employee contributions)		103,000
Past service cost		-
		<hr/>
Total operating charge		103,000
		<hr/>
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets		26,000
Interest on pension liabilities		(54,000)
		<hr/>
Pension finance income/(costs)		(28,000)
		<hr/>

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

18 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities

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

	2012 £'000
Transfer of LGPS balances	961
Current service cost	103
Interest cost	54
Employee contributions	34
Actuarial (gain)/loss	283
Benefits paid	-
Past service cost	-
Curtailments and settlements	-
	<hr/>
At 31 August 2012	1,435
	<hr/>

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

	2012 £'000
Transfer of LGPS balances	376
Expected return on assets	26
Actuarial gain/(loss)	7
Employer contributions	98
Employee contributions	34
Benefits paid	-
	<hr/>
At 31 August 2012	541
	<hr/>

The estimated value of employer contributions for the year ended 31 August 2013 is £98,000

Southwark Primary School

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

19 Related Party Transactions

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

20 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 before he/she ceases to be a member.