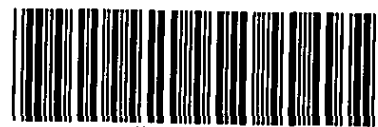


**Sir William Burrough Primary School
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Year ended 31 August 2013

TUESDAY



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24/12/2013

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COMPANIES HOUSE

**Company Registration Number:
07797058 (England and Wales)**

Sir William Burrough Primary School

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Sir William Burrough Primary School

Reference and administrative details

Governors	<ul style="list-style-type: none">* D Twomey – Chair* D White – Vice Chair* A Newman – Principal and Accounting OfficerK Coke – Parent GovernorR Basir – Parent Governor* A Millar – Local Authority GovernorM Skelton – Community GovernorD Duncan – Community GovernorC Radley – Staff Governor * Members of the finance, pay and personnel sub committee
Secretary	S Black
Senior leadership team	A Newman – Principal A Wilson – Deputy Principal D Whaley – Assistant Principal D Eva – Assistant Principal S Black – Business Manager
Registered Office	Salmon Lane Limehouse London E14 7PQ
Company Registration Number	07797058
Auditors	F M C B Hathaway House Popes Drive Finchley London N3 1QF
Bankers	Lloyds TSB Plc Threadneedle Street Branch PO Box 1000 Andover BX1 1LT
Solicitors	Schofield Sweeney LLP Church Bank House Church Bank Bradford BD1 4DY

Sir William Burrough Primary School

Governors' Report

For the year ended 31 August 2013

The governors present their annual report together with the audited financial statements of the academy trust for the year ended 31 August 2013

Structure, Governance and Management

Constitution

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

The governors act as trustees for the charitable activities of Sir William Burrough Primary School and are also directors of the charitable company for the purposes of company law. The charitable company is known as Sir William Burrough Primary School.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members Liability

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

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the academy trust's expense to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as director of the charitable company.

Principal Activities

The principal activity of the charitable company is to advance, for the public benefit, education amongst the communities of Limehouse and Tower Hamlets by establishing, maintaining and operating a school offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

The governors are appointed under the terms of the academy trust's articles of association as follows:

- The number of governors shall not be less than three but not subject to any maximum
- The members may appoint up to four governors
- The members may appoint one staff governor

Sir William Burrough Primary School

Governors' Report

For the year ended 31 August 2013

- The Local Authority may appoint one governor
- The parents of registered pupils at the academy shall appoint two governors
- The Principal
- The Secretary of State for Education may appoint additional governors as he thinks fit
- The governors may appoint up to three co-opted governors

The term of office for all governors, except the Principal, is four years. The Principal's term of office runs parallel with her contract of employment. The governors who were in office at 31 August 2013 and who served throughout the year, except where shown are listed on page 1.

Policies and Procedures Adopted for the Induction and Training of Governors

All new governors receive a thorough induction through the LEA's online Governor Training Programme, a tour of the School and a chance to meet staff and pupils. Additional on-going training in specialist topics is provided by the academy as required. Governors meet all statutory training requirements as regards to Safeguarding and Child Protection.

Organisation Structure

Under its articles of association Sir William Burrough Primary School is responsible for the running of the academy. The governors are responsible for setting general policy, adapting an annual plan and budget, monitoring the academy by the use of budgets, making major decisions about the direction of Sir William Burrough Primary School. The governors are responsible for the monitoring and performance of the Principal.

The organisational structure of the academy trust consists of three levels. The members, Governors and the Senior Leadership Team (SLT). The aim of the management structure is to devolve responsibility and encourage involvement in decision making.

The governors are responsible for setting all policies within Sir William Burrough Primary School, adopting an annual plan and have responsibilities for the school budget. The governors are also responsible for the appointment of senior staff at Sir William Burrough Primary School.

The governors are responsible for monitoring the performance of the Principal and the SLT.

The SLT members are the Headteacher, Deputy Headteacher, two Assistant Headteachers and the School Business Manager. The SLT manages the academy at an executive level implementing the policies laid down by the trustees and reporting back to them as a group. The senior managers are responsible for the authorisation of spending within agreed budgets and report back to the Governing Body at meetings scheduled during the academic year. Governors consider proposals relating to human resources, financial management budgets and policies.

Risk Management

The governors have assessed the major risks to which the academy is exposed, and there are systems and controls in place to manage those risks. Where the risks cannot be satisfactorily mitigated, adequate insurance cover is maintained. The academy Financial Handbook provides further details.

Sir William Burrough Primary School

Governors' Report

For the year ended 31 August 2013

Objectives and Activities

Objects and Aims

The principal objectives and activity of the charitable company is the operation of an academy to provide a broad and balanced education up to the age of 11 for local people. The academy

- Is at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community,
- Will undertake regular assessments of pupils performance,
- Will establish an admissions policy and admission procedures which are in accordance with statutory requirements
- Will place an emphasis on the needs of the individual pupils including pupils with special education needs (SEN), both those with and without statements of SEN

Objectives Strategies and Activities

The key priorities for the year are set out in the Headteachers Report to Governors, at the meeting of the governing body

The key objectives set out in the Autumn Term Report to Governors are

- Introduce ambitious and challenging texts to all children to extend their vocabulary, deepen their comprehension skills, and enhance their oracy
- Each class teacher is a Year Group Expert for the year/s they teach, and ensures that their class progresses in line with, or exceeds national year group expectations
- Equip all staff within KS2 with digital tracking data to inform maths and reading progress every half term, and provide timely personalised interventions for the children
- Ensure every child in KS2 is using Accelerated Maths at the maximum level of efficiency and consistency to consolidate and accelerate their progress
- Ensure that all children in KS1 develop a fluent legible writing style through consistent teaching and modelling of cursive handwriting and facilitate a smooth transition for this into KS2
- Have clear learning pathways for dictation, spelling, punctuation and grammar for each year group
- Ensure every child has a secure grasp of early number bonds and that this is supported in transition to KS2
- Ensure every child in KS2 has a secure and sustainable grasp of place value and times tables
- Extend the use of iPads into every class as a tracking, assessment and multi-media tool

Sir William Burrough Primary School

Governors' Report

For the year ended 31 August 2013

Public Benefit

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

Achievements and Performance – 2013

<u>Key Stage One</u>		<u>Key Stage Two</u>			
<u>Maths</u>		<u>Maths</u>		<u>Progress Maths</u>	
Levels 2+	96%	Level 4+	98%	2+ Levels	100%
Level 2c	7%	Level 4	44%	2 Levels	47%
Level 2b	18%	Level 5	41%	3 Levels	45%
Level 2a	53%	Level 6	12%	4 Levels	8%
Level 3	20%				
<u>Reading</u>		<u>Reading</u>		<u>Progress Reading</u>	
Level 2+	93%	Level 4+	95%	2+ Levels	95%
Level 2c	4%	Level 4	41%	2 Levels	55%
Level 2b	27%	Level 5	53%	3 Levels	40%
Level 2a	40%				
Level 3	20%				
<u>Writing</u>		<u>Writing</u>		<u>Progress Writing</u>	
Level 2+	93%	Level 4+	98%	2+ Levels	100%
Level 2c	9%	Level 4	47%	2 Levels	50%
Level 2b	24%	Level 5	47%	3 Levels	47%
Level 2a	42%	Level 6	5%	4 Levels	3%
Level 3	16%				

Sir William Burrough Primary School

Governors' Report

For the year ended 31 August 2013

SPaG

Level 4+	93%
Level 4	30%
Level 5	58%
Level 6	5%

Pupil numbers

At the last PLASC (pupil census) the total number in October 2013 of children was 369, broken down as follows

- Nursery – 59
- Reception – 46
- Year 1 – 45
- Year 2 – 45
- Year 3 – 45
- Year 4 – 43
- Year 5 – 44
- Year 6 - 42

Going Concern

After making appropriate enquiries, the Governing Body has reasonable expectations 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 to the financial statements.

Financial Review

The vast majority of the academy trust's income is obtained from the DfE/EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Recent significant investments are

- Upgrade of the KS2 play facilities
- Upgrade of lighting provision throughout the school site
- Refurbishment of classrooms and sanitary accommodation

Sir William Burrough Primary School

Governors' Report

For the year ended 31 August 2013

The academy trust's principal risks and uncertainties are surrounding the future financing of the education and the implication for the academy. In the current economic climate, we are unable to predict with any certainty the financing of schools, especially with the current proposals to move to a National Funding Formula but nevertheless with the academy's cost base, future growth in pupil numbers and additional funding as an academy we believe we are well placed to meet the financial uncertainties we face in the future.

Local Government Pension Scheme (LGPS)

In July 2013 the Department for Education gave a guarantee that it would pick up any outstanding pension liabilities on academy closure. This is what Pension Fund Managers have asked for in order for them to be able to treat academies in the same way as maintained schools. The school has written to the Local Authority's Pension Fund Manager to evaluate the school's risk assessment in light of the guarantee with the view of giving Sir William Burrough School the same repayment period as maintained schools.

No response has yet been received in relation to this matter.

Reserves Policy

The governors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves (total funds less the amount held in fixed assets and restricted funds) is £85,965 (2012 £130,292).

Plans for Future Periods

The academy trust will continue to improve the levels of performance of all its pupils at all levels. Future plans for the development of Sir William Burrough Primary School are contained within the school's improvement plans.

Auditors

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditors 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.

Approved by order of the members of the Governing Body on 11/12/13 and signed on its behalf by

D Twomey

Chair



Sir William Burrough Primary School

Governance Statement

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Sir William Burrough Primary School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the 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 Sir William Burrough School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The school has a main Governing Body and a Finance, Pay and Personnel Sub Committee. We intend to convene additional sub committees as and when required. An Admissions Sub Committee is due to be set up.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The system of internal control has been developed and is co-ordinated by the Headteacher, as the accounting officer and the school's financial advisor as the responsible officer. The system aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.

The Risk and Control Framework

The accounting officer and the responsible officer keep proper accounting records during the year which all disclose, with reasonable accuracy and at any time, the financial position of the school, have been drawn up in accordance with the DFE/EFA guidelines, and will enable it to prepare an annual income and expenditure statement that complies with DFE/EFA guidelines.

The accounting officer and the responsible officer maintain and operate an effective system of internal control to safeguard all the resources delegated, granted or otherwise entrusted to the school and ensure they are used cost effectively.

Sir William Burrough Primary School

Governance Statement

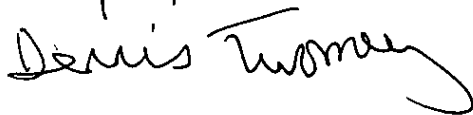
Scope of Responsibility (continued)

Review of Effectiveness

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been performed by our regular scrutiny of financial and other performance monitoring data and regular reports to the governing body.

We are, therefore, satisfied that the internal control systems in operation at the school during the year are adequate and effective.

Approved by order of the members of the Governing Body of Sir William Burrough Primary School on 11/12/13 and signed on its behalf by



Dennis Twomey
Chair



Avril Newman
Accounting Officer

Sir William Burrough Primary School

Statement on Regularity, Propriety and Compliance

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

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

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



A Newman
Accounting Officer

11/12/13

Sir William Burrough Primary School

Statement on Governors' Responsibilities

The governors (who act as trustees for charitable activities and are also directors of Sir William Burrough Primary School for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 issued by the Education Funding Agency

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources including the income and expenditure account, of the academy for the year. In preparing these financial statements the governors are required to

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

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

The governors are responsible for ensuring that in its conduct and operation the academy applies financial and other controls, which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

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



.....

D Twomey
Chair

11/12/13

Sir William Burrough Primary School

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

In accordance with the terms of our engagement letter dated 8 November 2012 and further to the requirements of the Education Funding Academy (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 Sir William Burrough Primary School during the year ended 31 August 2013 have been applied for the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Sir William Burrough 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 Sir William Burrough 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 Sir William Burrough Primary School and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Sir William Burrough Primary School accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sir William Burrough Primary School's funding agreement with the Secretary of State for Education dated 1 December 2011 and the Academies Financial Handbook, extant from 1 September 2013, 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 year ended 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

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

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

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

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

continued /

Sir William Burrough Primary School

Independent Reporting Accountant's Assurance Report on Regularity to Sir William Burrough 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 year ended 31 August 2013 has not been applied for purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

F M C B Chartered Accountants
Hathaway House
Popes Drive
Finchley
London N3 1QF

date 13 December 2013

Sir William Burrough Primary School

Independent Auditor's Report to the members of Sir William Burrough Primary School

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

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 11, the governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the 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 trust's affairs as at 31 August 2013, 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, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

Sir William Burrough Primary School

Independent Auditor's Report to the members of Sir William Burrough Primary School

/ continued

Opinion on other matters 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

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

Jeffrey Zinkin FCA
(Senior Statutory Auditor)
for and on behalf of
F M C B Chartered Accountants
Statutory Auditor

Hathaway House
Popes Drive
Finchley
London N3 1QF

date 13 December 2013

Sir William Burrough Primary School

Statement of Financial Activities for the year ended 31 August 2013 (including Income and Expenditure Account and Statement of Total Recognised Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £	Total 2012 £
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	4,252	2,765	-	7,017	-
Assets transferred from predecessor school	3	-	(51,000)	-	(51,000)	6,917,531
Activities for generating funds	4	63,101	-	-	63,101	42,991
Investment income	5	321	-	-	321	172
Incoming resources from charitable activities						
Funding for the academy's educational operations	6	-	2,290,508	7,791	2,298,299	1,655,035
Other income		-	-	-	-	5,550
Total incoming resources		<u>67,674</u>	<u>2,242,273</u>	<u>7,791</u>	<u>2,317,738</u>	<u>8,621,279</u>
Resources expended						
Cost of generating funds						
Cost of goods sold	7	1,135	-	-	1,135	1,280
Charitable activities						
Academy's educational operations	7	59,701	2,262,065	72,550	2,394,316	1,714,378
Governance costs	9	-	18,290	-	18,290	7,777
Total resources expended		<u>60,836</u>	<u>2,280,355</u>	<u>72,550</u>	<u>2,413,741</u>	<u>1,723,435</u>
Net incoming/(outgoing) resources before transfers						
		6,838	(38,082)	(64,759)	(96,003)	6,897,844
Gross transfers between funds	17	(51,165)	9,643	41,522	-	-
Net income/(expenditure) for the year		<u>(44,327)</u>	<u>(28,439)</u>	<u>(23,237)</u>	<u>(96,003)</u>	<u>6,897,844</u>
Other recognised gains and losses						
Loss on revaluation of fixed asset for the academy's own use						
	13	-	-	(888,487)	(888,487)	-
Actuarial gain (losses) on defined benefit pension scheme						
	24	-	30,000	-	30,000	(26,000)
Net movement in funds		<u>(44,327)</u>	<u>1,561</u>	<u>(911,724)</u>	<u>(954,490)</u>	<u>6,871,844</u>
Reconciliation of funds						
Funds brought forward at 4 October 2012						
	17	130,292	(120,501)	6,862,053	6,871,844	-
Funds carried forward at 31 August 2013	17	<u>85,965</u>	<u>(118,940)</u>	<u>5,950,329</u>	<u>5,917,354</u>	<u>6,871,844</u>

All of the academy's activities in the above two financial periods derive from operations, which commenced or were transferred (acquired) during the period ended 31 August 2013 and represent continuing operations

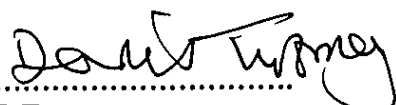
A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

Sir William Burrough Primary School

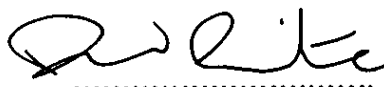
Balance Sheet as at 31 August 2013

	Notes	£	£
Fixed assets			
Tangible assets	13	5,950,329	6,862,053
Current assets			
Stocks	14	2,615	1,000
Debtors	15	239,640	102,622
Cash at bank and in hand		90,161	277,034
		-----	-----
		332,416	380,656
Creditors Amounts falling due within one year	16	(217,391)	(236,865)
		-----	-----
Net current assets		115,025	143,791
		-----	-----
Total assets less current liabilities		6,065,354	7,005,844
Pension scheme liability	24	148,000	(134,000)
		-----	-----
Net assets including pension liability		5,917,354	6,871,844
		=====	=====
Funds of the academy:			
Restricted funds			
Fixed asset funds	17	5,950,329	6,862,053
Restricted general funds including pension scheme deficit	17	(118,940)	(120,501)
Unrestricted	17	85,965	130,292
		-----	-----
Total funds		5,917,354	6,871,844
		=====	=====

The financial statements on pages 16 to 34 were approved by the Governors, and authorised for issue on 11/12/13 and are signed on their behalf by



D Twomey
 Chair



D White
 Governor

Company Limited by Guarantee
 Registration Number 07797058

Sir William Burrough Primary School

Cash Flow Statement for the year Ended 31 August 2013

	Notes	2013	2012
Net cash inflow from operating activities	20	(137,881)	182,113
Returns on investments and servicing of finance	21	321	172
Capital expenditure	13	(49,313)	(100,502)
Cash transferred on conversion to an academy trust		-	195,251
(Decrease) Increase in cash in the year	22	<u>(186,873)</u>	<u>277,034</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 4 October 2011		<u>277,034</u>	-
Net funds at 31 August 2013		<u>90,161</u>	<u>277,034</u>

Sir William Burrough Primary School

Notes to the Financial Statements for the year Ended 31 August 2013

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention with the exception of leasehold land and buildings that are included at their reinstatement value for insurance purposes net of VAT. The financial statements are in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Annual Academies Accounts Direction 2013 issued by the Education Funding Agency and the Companies Act 2006. 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 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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

- **Donations**

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 year it is receivable and to the extent the goods have been provided or on completion of the service.

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

1 Accounting Policies (continued)

- **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 year 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.

Resources Expended

All expenditure is recognised in the year 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 governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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.

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over their expected useful lives, as follows

Long leasehold buildings and improvements	1% and 15% straight line
Fixtures and equipment	20% reducing balance basis
Computer equipment	33 34% straight line

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

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

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.

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 24, 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.

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on 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 year 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 funder 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 and Department of Education.

2 Voluntary income	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2013	Total 2012
	£	£	£	£	£
Donations	4,252	2,765	-	7,017	-
	=====	=====	=====	=====	=====
3 Assets Transferred from Predecessor School	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2013	Total 2012
	£	£	£	£	£
Long leasehold and buildings	-	-	-	-	6,839,280
Local government pension scheme deficit	-	-	-	-	(117,000)
Cash	-	-	-	-	195,251
	-----	-----	-----	-----	-----
	-	-	-	-	6,917,531
	=====	=====	=====	=====	=====

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

4 Activities for Generating Funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £	Total 2012 £
School Milk	2,437	-	-	2,437	-
Contributions to visits	4,419	-	-	4,419	4,060
Income from catering	52,845	-	-	52,845	35,771
School uniforms	2,430	-	-	2,430	1,873
School generated income	970	-	-	970	1,287
	-----	-----	-----	-----	-----
	63,101	-	-	63,101	42,991
	=====	=====	=====	=====	=====

5 Investment Income

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £	Total 2012 £
Bank interest	321	-	-	321	172
	=====	=====	=====	=====	=====

6 Funding for the Academy's Educational Operations

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Assets Funds £	Total 2013 £	Total 2012 £
DfE/EFA revenue grants					
General Annual Grant (GAG)	-	1,872,707	-	1,872,707	1,443,380
Pupil Premium	-	124,562	-	124,562	63,521
Other grants	-	69,600	7,791	77,391	25,000
	-----	-----	-----	-----	-----
	-	2,066,869	7,791	2,074,660	1,531,901
Other Government grants					
Local authority grants	-	221,969	-	221,969	123,134
Other grants	-	1,670	-	1,670	-
	-----	-----	-----	-----	-----
	-	2,290,508	7,791	2,298,299	1,655,035
	=====	=====	=====	=====	=====

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

7 Resources Expended	Staff Costs £	Premises £	Other Costs £	Total 2013 £	Total 2012 £
Cost of activities for generating funds	-	-	1,135	1,135	1,280
Academy's educational operations					
Direct costs	1,468,297	-	222,571	1,690,868	1,222,653
Support costs	277,765	153,067	279,616	710,448	491,725
Governance costs	-	-	18,290	18,290	7,777
	<u>1,746,062</u>	<u>153,067</u>	<u>521,612</u>	<u>2,420,741</u>	<u>1,723,435</u>
Incoming / outgoing resources for the year include					
Operating leases				14,337	7,820
Auditor's remuneration				10,500	7,500
				<u>24,837</u>	<u>15,320</u>
8 Charitable Activities - Academy's Educational Operations			Restricted General Funds 2013 £		Restricted General Funds 2012 £
Direct costs					
Teaching and educational support staff			1,468,297		1,026,596
Depreciation			2,762		2,762
Technology costs			43,722		45,702
Educational supplies			47,462		51,439
Staff development			11,672		7,543
Educational consultancy			9,847		6,020
Other direct costs			107,106		82,591
			<u>1,690,868</u>		<u>1,222,653</u>
Allocated support costs					
Support staff			277,765		141,272
Depreciation			69,788		74,967
Recruitment and support			5,000		1,230
Maintenance of premises and equipment			68,919		41,629
Cleaning			45,205		39,017
Rent and rates			5,229		2,518
Energy costs			35,172		15,066
Insurance			21,373		14,193
Catering			100,599		101,418
Bank interest and charges			60		28
Other support costs			81,338		60,387
			<u>710,448</u>		<u>491,725</u>
Total			<u>2,401,316</u>		<u>1,714,378</u>

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

9 Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Auditor's remuneration	-	10,500	10,500	7,500
Governors' hospitality	-	244	244	277
Professional fees	-	7,546	7,546	-
	-----	-----	-----	-----
	-	18,290	18,290	7,777
	=====	=====	=====	=====

10 Staff Costs

	2013 £	2012 £
Staff costs during the year were		
Wages and salaries	1,194,039	896,709
Social security costs	103,297	68,428
Pension costs	180,267	99,471
	-----	-----
	1,477,603	1,064,608
Supply teacher costs	268,459	103,260
	-----	-----
	1,746,062	1,167,868
	=====	=====

The average number of persons (including senior leadership team) employed by the academy during the year, and the full time equivalents, was as follows

	2013 Number	2013 Full-time Equivalent	2012 Number	2012 Full-time Equivalent
<i>Charitable Activities</i>				
Teachers	14	11	14	13
Administration and support	24	19	22	21
Management	6	6	6	6
	---	---	---	---
	44	36	42	40
	==	==	==	==

	2013 No	2012 No
The number of employees whose emoluments fell within the following band was		
£60,001 - £70,000	1	-
£70,001 - £80,000	1	-
£80,001 - £90,000	-	-
£90,000 - £100,000	-	1
£100,001 - £110,000	-	-
£110,001 - £120,000	1	-
	==	==

Two of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £22,859 (2012 £10,518). One employee participated in the Local Government Pension Scheme. Pension contributions amounted to £39,524 (2012 - £Nil).

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

11 Governors' Remuneration and Expenses

Principal and staff governors (trustee governors) only received remuneration in respect of services they provided undertaking the roles of Principal 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. Details of remuneration were as follows

A Newman, staff governor and trustee £115,000 to £120,000 (2012 £90,000 to £95,000)

C Radley, staff governor and trustee £55,000 to £60,000 (2012 £40,000 to £45,000)

R Basir, parent governor and trustee £15,000 to £20,000 (2012 £10,000 to £15,000)

No expenses were paid to governors in the period of account (2012 £Nil)

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 £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £900 (2012 £833)

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

13 Tangible fixed assets	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment	Total
Cost / valuation	£	£	£	£
At 1 September 2012	6,928,295	3,200	8,287	6,939,782
Revaluation	(956,880)	-	-	(956,880)
Additions	40,089	9,224	-	49,313
At 31 August 2013	6,011,504	12,424	8,287	6,032,215
Depreciation				
At 1 September 2012	74,327	640	2,762	77,729
Revaluation	(68,393)	-	-	(68,393)
Charged in year	67,431	2,357	2,762	72,550
At 31 August 2013	73,365	2,997	5,524	81,886
Net book values				
At 31 August 2013	5,938,139	9,427	2,763	5,950,329
At 31 August 2012	6,853,968	2,560	5,525	6,862,053

The leasehold land and buildings is the school at Salmon Lane, London E14 2BG. The London Borough of Tower Hamlets has granted a 125-year lease starting from 1 December 2011. The leasehold land and buildings have been included in the financial statements at their reinstatement value for insurance purposes net of VAT. The leasehold land and buildings were valued in the year by external valuers. The valuation originally used on conversion was the insurance value stated in the school's insurance policy.

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

14 Stocks	2013 £	2012 £
Clothing	2,615	1,000

15 Debtors	2013 £	2012 £
Trade debtors	38,893	14,100
Prepayments	192,497	8,016
Other debtors	8,250	80,506
	<u>239,640</u>	<u>102,622</u>

16 Creditors: amounts falling due within one year

Trade creditors	60,656	55,027
Other taxation and social security	30,255	29,631
Other creditors	21,641	60,806
Accruals and deferred income	104,839	91,401
	<u>217,391</u>	<u>236,865</u>

Deferred income

Deferred income at 31 August 2012	29,026	-
Resources deferred in the year	74,209	29,026
Amounts released from previous years	(17,841)	-
	<u>85,394</u>	<u>29,026</u>

At the balance sheet date deferred income included

- (a) General Annual Grant of £11,185 for 2011/12 that was clawed back and will be used for funding in the year ended 31 August 2014
- (b) Devolved Formula Capital Funding of £7,712 for use in the year ended 31 August 2014
- (c) Local authority grants of £66,497 paid in advance and for use in the year ended 31 August 2014

17 Funds	Balance at 1 September 2012		Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2013
	£	£	£	£	£	£
Restricted general funds						
General Annual Grant (GAG)	-	1,872,708	(1,882,351)	9,643	-	-
Other DfE/EFA grants	-	126,162	(126,162)	-	-	-
Local authority grants	-	221,968	(221,968)	-	-	-
Other funding	13,499	72,435	(56,874)	-	-	29,060
	13,499	2,293,273	(2,287,355)	9,643	-	29,060
Pension reserve	(134,000)	(51,000)	7,000	30,000	-	(148,000)
	<u>(120,501)</u>	<u>2,242,273</u>	<u>(2,280,355)</u>	<u>39,643</u>	-	<u>(118,940)</u>

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

	Balance at 1 September 2012 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2013 £
Restricted fixed assets funds					
Inherited fixed assets	6,770,887	-	(58,824)	(888,487)	5,823,576
Other fixed assets funds	91,166	7,791	(13,726)	41,522	126,753
	<u>6,862,053</u>	<u>7,791</u>	<u>(72,550)</u>	<u>(846,965)</u>	<u>5,950,329</u>
Total restricted funds	<u>6,741,552</u>	<u>2,250,064</u>	<u>(2,352,905)</u>	<u>(807,322)</u>	<u>5,831,389</u>
Unrestricted funds	<u>130,292</u>	<u>67,674</u>	<u>(60,836)</u>	<u>(51,165)</u>	<u>85,965</u>
Total funds	<u>6,871,844</u>	<u>2,317,738</u>	<u>(2,413,741)</u>	<u>(858,487)</u>	<u>5,917,354</u>

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

The General Annual Grant (GAG) represents the core funding for educational activities of the school that has been provided by the EFA. The General Annual Grant fund has been set up because the GAG must be used for the normal running costs of the school. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount it could carry forward at 31 August 2013.

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. Future GAG funding from the EFA is expected to be sufficient to fund the deficit.

There was a deficit on the General Annual Grant of £9,643 before transfers from the unrestricted reserves to cover this deficit.

The other restricted grants represent incoming resources for the following specific purposes

- The academy has received funding of £199,812 from the London Borough of Tower Hamlets for nursery education. The academy has also received funding of £22,156 from Tower Hamlets to help with children who have special needs.
- The academy received EFA funding of £124,562 to help pupils from low-income families (Pupil Premium) and £1,600 for professional assistance to complete the WGA and budget forecast.
- The academy received a grant of £32,000 from the National College for School Leadership to assist other schools and this is included in other funding.
- The academy has received funding of £36,000 under the Graduate Teacher Programme from London South Bank University and this is included in other funding.
- The balance of other funding comprises a grant from the British Council of £1,670 and donations of £2,765.

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the local authority. This is the school site inherited from the local authority upon which a 125 year lease commencing from 1 December 2011 has been granted and a peppercorn rent is payable.

Other fixed asset funds comprise funding from the GAG, other EFA grants and unrestricted reserves.

18 Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	5,950,329	5,950,329
Current assets	85,965	246,451	-	332,416
Current liabilities	-	(217,391)	-	(217,391)
Pension scheme liability	-	(148,000)	-	(148,000)
Total net assets	85,965	(118,940)	5,950,329	5,917,354

19 Financial commitments

Operating leases

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

	2013 £	2012 £
Other		
Expiring within two and five years inclusive	15,640	15,640

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

Net (expenditure) income	(96,003)	6,897,844
Depreciation (note 13)	72,550	77,729
Cash impact on conversion	51,000	(6,917,531)
Interest receivable (note 5)	(321)	(172)
FRS 17 pension cost less contribution payable (note 24)	(7,000)	(9,000)
Increase in stocks	(1,615)	(1,000)
Increase in debtors	(137,018)	(102,622)
(Decrease) Increase in creditors	(19,474)	236,865
Net cash inflow from operating activities	(137,881)	182,113

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

21 Returns on investments and servicing of finance

Interest received	321	172
	-----	-----
Net cash inflow from returns on investment and servicing of finance	321	172
	=====	=====

22 Analysis of changes in net funds

	At 31 August 2013 £	Cash flows £	At 31 August 2012 £
Cash in hand and at bank	277,034	(186,873)	90,161
	=====	=====	=====

23 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 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 cease to be a member

24 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 Both are defined-benefit schemes

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

Contributions amounting to £19,942 (2012 £60,587) were payable to the schemes at 31 August 2013 and are included within creditors

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership

Pension and similar obligations (continued)

Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

Teachers' Pension Scheme Changes

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

Sir William Burrough Primary School

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

Pension and similar obligations (continued)

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

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

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

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

Local Government Pension Scheme

The 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. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the year ended 31 August 2013 was £66,732 (2012: £47,487), of which employer's contributions totalled £53,603 (2012: £38,038) and employees' contributions totalled £13,129 (2012: £9,449). The contribution rates for future years are 27% for employers and 5.5% to 12.5% for employees.

Principal Actuarial Assumptions	At 31 August 2013 £	At 31 August 2012 £
Rate of increase in salaries	5.1%	4.5%
Rate of increase for pensions in payment	2.8%	2.2%
Discount rate for scheme liabilities	4.6%	4.1%
Inflation assumption (CPI)	2.9%	2.9%

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

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Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

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 2013 £	Fair value at 31 August 2013 £	Expected return at 31 August 2012 £	Fair value at 31 August 2012 £
Equities	6.6%	631,000	5.5%	36,000
Bonds	3.5%	128,000	2.8%	8,000
Property	4.7%	85,000	3.7%	5,000
Cash	3.6%	9,000	-	-
		-----		-----
Total market value of assets		853,000		49,000
Present value of scheme liabilities				
- Funded		(1,001,000)		(183,000)
		-----		-----
Deficit in the scheme		(148,000)		(134,000)
		=====		=====
		At 31 August 2013 £		At 31 August 2012 £
<i>Retiring today</i>				
Males		21.8 years		21.8 years
Females		23.9 years		23.9 years
<i>Retiring in 20 years</i>				
Males		23.3 years		23.3 years
Females		26.5 years		26.5 years

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Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the Statement of Financial Activities	2013 £	2012 £
Current service cost (net of employee contributions)	(45,000)	(17,000)
Total operating charge	<u>(45,000)</u>	<u>(17,000)</u>

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	35,000	1,000
Interest on pension liabilities	(37,000)	(5,000)
Pension finance income / (costs)	<u>(2,000)</u>	<u>(4,000)</u>

The actual 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 FRS 17 is £56,000 (2012 £26,000) loss

Movements in the present value of defined benefit obligations were as follows:	2013 £	2012 £
At 1 December 2013	183,000	117,000
Transfers	698,000	-
Current service cost	45,000	26,000
Interest cost	37,000	5,000
Employee contributions	13,000	9,000
Actuarial loss	25,000	26,000
At 31 August 2013	<u>1,001,000</u>	<u>183,000</u>

Movements in the fair value of academy's share of scheme assets:	2013 £	2012 £
At 1 December 2012	49,000	-
Transfers	647,000	-
Expected return on assets	35,000	1,000
Employer contributions	54,000	39,000
Employee contributions	13,000	9,000
Actuarial gain	55,000	-
At 31 August 2013	<u>853,000</u>	<u>49,000</u>

The estimated value of employer contributions for the year ended 31 August 2013 is £54,000

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Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

The history of experience adjustments is as follows:	2013 £	2012 £
Present value of defined benefit obligations	(1,001,000)	(183,000)
Fair value of share of scheme assets	853,000	49,000
Deficit in the scheme	<u>(148,000)</u>	<u>(134,000)</u>
Experience adjustments on share of scheme assets	<u>55,000</u>	<u>-</u>
Experience adjustments on scheme liabilities	<u>-</u>	<u>-</u>

25 Related party transactions

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

No related party transactions took place in the period of account.