
financial statements

Bishopshalt School

Company Limited by Guarantee

For the year ended 31 August 2013

Company registration number 07799811

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MHA MacIntyre Hudson

GLOBAL EXPERTISE NATIONAL EXPERIENCE LOCAL EXCELLENCE*

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Financial Statements

Year ended 31 August 2013

| Contents | Page |
|--|-------------|
| Reference and Administrative Details | 1 |
| Trustees' Annual Report | 3 |
| Governance Statement | 12 |
| Statement on Regularity, Propriety and Compliance | 15 |
| Statement of Trustees Responsibilities | 16 |
| Independent Auditor's Report to the Members | 17 |
| Independent Reporting Accountant's Assurance Report on Regularity | 19 |
| Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account) | 21 |
| Consolidated Balance Sheet | 22 |
| Academy Balance Sheet | 23 |
| Consolidated Cash Flow Statement | 24 |
| Accounting Policies | 25 |
| Notes to the Financial Statements | 30 |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Reference and Administrative Details

Trustees (Governors and Directors)

**Member of the Finance Committee*

Mr Abdi Abby
Ms Gail Bond
Mr Lyndon Bray
Mr Andrew Brown*
Ms Michelle Brown
Mr Manuj Dadra
Mr Michael Deighton*
Ms Jean Grieve
Ms Lydia Holland*
Mr Mukhtar Hussain
Ms Lisa Kinder (appointed 12 December 2012)
Dr William Leahy (appointed 23 October 2013)
Ms Alison Norris
Miss Laila Rahman (appointed 11 December 2013)
Mr Kim Rowe*
Mr Terence Sharp
Mrs Julie Spikings (appointed 11 December 2013)
Mr Peter Underwood*
Mr Martin Wood

Company Secretary

Mr Roger Pearce

Senior Leadership Team

| | |
|---------------------|---|
| Mr Kim Rowe | Headteacher |
| Mrs Jane King | First Deputy Headteacher – Guidance and Welfare |
| Mr Russell Denial | Second Deputy Headteacher – Achievement and Standards |
| Mrs Zena Bermingham | Office Manager/PA to Headteacher |
| Miss Angela Clark | Assistant Headteacher – Teaching and Learning |
| Mr Nigel Cockcroft | Third Deputy Headteacher – Raising Standards |
| Mr Peter Coombs | Assistant Headteacher – Organisation |
| Mr Philip Harris | Assistant Headteacher – Sixth Form |
| Mr Richard Hickson | Assistant Headteacher – Key Stage 3 |
| Mr David Hollis | Assistant Headteacher – Arts College and Staff Development |
| Mr Roger Pearce | Director of Finance and Administration |

Registered Office

Royal Lane
Hillingdon
Uxbridge
UB8 3RF

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Reference and Administrative Details *(continued)*

Company Registration Number 07799811 (England and Wales)

Auditors MHA MacIntyre Hudson
Chartered Accountants
& Statutory Auditor
31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

Bankers HSBC Bank plc
12 Marlborough Parade
Uxbridge Road
Hillingdon
Middlesex
UB10 0LP

Solicitors Winkworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

Bishopshalt School, Company number 07799811

Company Limited by Guarantee

Trustees' Annual Report

Year ended 31 August 2013

The Trustees present their annual report together with the audited consolidated financial statements of the charitable company 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 Trustees of Bishopshalt School Academy Trust are also Directors and Governors of the charitable company for the purposes of company law. The charitable company is known as Bishopshalt School.

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

Members' Liability

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

Governors' Indemnities

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the period was £105.

Principal Activities

The Academy's principal activity, as stated in its Articles of Association, is to advance, for public benefit, education in the United Kingdom.

Method of Recruitment and Appointment or Election of Governors

The Articles of Association state that the Academy shall have the following Governors:

- Up to four Community Governors, appointed by the Governing Body
- Staff Governors, comprising no more than one-third of the total, appointed by the Governing Body
- Up to five Partnership Governors, appointed by the Governing Body
- The Headteacher, ex officio
- An unlimited number of Parent Governors, appointed, as follows
 - By the Governing Body, if the number of parents standing for election is less than the number of vacancies
 - Otherwise, by the parents of registered pupils at the Academy
- Up to three Co-opted Governors (which may include Staff, so long as the total number of Staff members does not exceed one-third of the total Governing Body), appointed by the Governing Body

The Governing Body makes all necessary arrangements for an election of Parent Governors, including ensuring that all persons entitled to vote have an opportunity to do so.

Staff Governors are elected by a secret ballot of all staff employed by the Academy.

The first Parent Governors and Staff Governors were those that filled these positions on the Governing Body of the predecessor School at its closure.

Bishopshalt School, Company number 07799811

Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31 August 2013

Policies and Procedures Adopted for the Induction and Training of Governors

All new Governors are subject to CRB checks as part of their acceptance to the Governing Body and are required to complete a declaration of business interests

On appointment new Governors are sent copies of the minutes of the last round of committee and full-Governor meetings. They are also invited to attend as many of the meetings in the next round as they can manage before making their decision about which committees best suit their interests and experiences

After the first term, new Governors are encouraged to have a link to one of the faculties or areas of responsibility and to follow the established pattern of three visits a year to that link

All Governors are encouraged and supported to attend on-going training appropriate to their chosen committees. This could be training accessible on-line, provided by the Local Authority or provided by commercial organisations. In addition all Governors are invited to in-house training and development provided by specialists on the Academy's staff. Link-Governors can also receive support and training from their link-teachers to enable them to have a fuller understanding of the issues relating to their faculty or area of specialism

Organisational Structure

The Governing Body recognises that it would be impracticable to undertake all day to day activities itself, in discharging its responsibilities and therefore it is necessary for it to delegate some of its functions to Committees and to the Headteacher, who is also the Accounting Officer

For all practical purposes, day to day management is undertaken by the Headteacher and the rest of the Senior Leadership Team

The Governing Body itself, or through its Committees, maintains a close oversight of all activities of the Academy, including

- Pupil Admissions
- Academic Achievement and Standards
- Premises and the Learning Environment
- Pupil Personal development and Well-being
- Pupil Discipline
- Staffing and Salaries
- General Leadership and Management
- Finance

Members of the Board of Governors also sit on Panels covering

- Senior Management Appointments
- Pupil Admissions Appeals
- Pupil Disciplinary
- Staff Grievance
- Staff Disciplinary

Any proposed financial transactions with a value in excess of £50,000 must be signed-off by the Chair of the Governing Body or another Governor given express authority by the Chair to act in his/her absence. Any such decisions are subject to subsequent ratification by the Board of Governors

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31 August 2013

Risk Management

The Academy has established a Risk Management Strategy and the major risks to which the Academy is exposed, as identified by the Governors and recorded in the Academy's Risk Register, have been reviewed, and systems or procedures have been established to manage those risks

Connected Organisations, including Related Party Relationships

The Academy is in a 'soft' federation with Vyners School, another academy operating within the London Borough of Hillingdon. This relationship covers mutual quality-improvement activities, but has no major impact on the operating policies of Bishopshalt School.

The Trustees, having made suitable enquiries, are not aware of any other related party matters.

Objectives and activities

Objects and Aims

The Academy's stated aim is to ensure that Bishopshalt School remains "Above all else a place for learning"

The main characteristics of the Academy, as a secondary school and as set down in its Funding Agreement with the Secretary of State for Education, are, as follows:

- The School has a balanced and broadly based curriculum satisfying the requirements of section 78 of the Education Act 2002
- Its curriculum has an emphasis on Music and the Performing Arts
- It provides education for pupils of different abilities
- It provides education for pupils who are wholly or mainly drawn from the area in which it is situated

The over-arching, medium-term aim is to move from an Ofsted grading of Good to Outstanding

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31 August 2013

Objectives, Strategies and Activities

The Academy sets down its main strategies and objectives in a quality improvement plan, which is updated on an annual basis

The main objectives for the academic year 2012-13 were, as follows:

Achievement

- Achieve student target outcomes at KS4 and 5,
- Ensure all departments devise and implement strategies to achieve at least 3 levels of progress for all students,
- Ensure narrowing of gaps for all groups of learners across key indicators and
- Improve LAT of subjects with negative residual by enhancing the processes of monitoring and intervention
- Maintain numbers at post-16 at a minimum of 375
- Increase AS pass rate to at least 90%
- Monitor the progress of all learners at KS3 from KS2 benchmarks, to increase progress up to KS4
- **Teaching**
 - Raise quality of teaching across the whole school to good or outstanding, to impact on outcomes for all students
 - Develop staff and student understanding of independent learning
 - Build on teachers' commitment to developing literacy and numeracy across all lessons
 - Ensure that marking comments are personalised and diagnostic, and promote dialogue with the student
 - Continue to develop the element of challenge in lessons, to meet the needs of all students
- **Behaviour and safety**
 - To achieve outstanding for the Self Evaluation Form section on Behaviour and Safety
 - Maintain the high standards of behaviour and safety, by ensuring that there is consistency across the whole School in the operation of its policies and by implementing a secure access-control system for the School gates
 - Maintain a level of attendance of at least 95.5%
 - Ensure that incidents of bullying remain rare and are handled effectively
 - Analyse data for vulnerable students, to ensure well-being and participation are in line with all other students
 - Improve engagement with 'hard to reach' parents
- **Leadership and Management**
 - Continue to develop accountability explicitly across all staff through the use of performance management to ensure that accountability for student outcomes is spread appropriately throughout the staff
 - Develop the notion of 'Path to Outstanding'
 - Continue to make the consistent use of value added data a feature of scrutiny of outcomes
 - Review the curriculum for impact on outcomes and consider development in the light of national initiatives
 - Develop the capacity to use School-centred Initial Teacher Training, Schools Direct and Teaching School partnerships
 - Devise personalised leadership development at senior and middle management level
 - Review Community Cohesion Plan and planned contribution to SMSC
 - Develop the Rewards system, to make it more cost-effective
 - Run a pilot of digital recording on SMSC involvement
 - Continue to develop the membership and training of the Governing Body

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31 August 2013

Objectives, Strategies and Activities *(continued)*

- Premises, Finance and the Learning Environment
 - Maintenance of Financial Viability
 - Further development of Accommodation Master Plan and presentation thereof to Local Authority
 - Maintenance of comprehensive Health & Safety Policy and Procedures
 - Development of a whole-school strategy for ICT
 - Finalisation of comprehensive Critical Incident and Business Continuity plans
 - Further development and implementation of a Sustainability Action Plan

The plan is reviewed on a regular basis and updated to record activities to date and the progress made in meeting the objectives

Public Benefit

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit include

- Providing free, state, secondary education to pupils, from year-seven to year-thirteen
- Allowing local community groups and organisations to use its facilities, outside core school time, at concessionary rates of charge

Achievements and performance

Notable achievements during the year were

- Key Stage 4 pupils
 - Five A* to C GCSE's – 91%
 - Five A* to C GCSE's (including English and Maths) – 64%
 - 1009 2 (provisional)
 - 3 Levels Progress English – 70%
 - 3 Levels Progress Maths – 78%
- Key Stage 5 pupils
 - Average Points Score – 769 QCA points (provisional)
 - A level LAT value added score -Above Average
- Accommodation – successful completion of two Academies Capital Maintenance Fund projects, involving the replacement of the main boiler system and many of the areas of flat roof, and preparation of a draft Master Plan, which was favourably received by the Local Authority, during discussions on the possibility of future growth in pupil numbers and the consequential need for capital investment
- Maintenance of a strong financial position
- National and regional successes, reflected in awards for performing arts, sports, Young Enterprise, design and science, amongst others

Bishopshalt School, Company number 07799811

Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31 August 2013

Going Concern

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

Key Financial Performance Indicators

The Academy's key financial performance indicators for the year were:

- A year-end combined balance of Restricted General Funds and Unrestricted Income Funds (excluding pension deficit) equivalent to at least 2% of total annual incoming resources (excluding Fixed Assets) - achieved 11.8%
- Maintenance of a cash balance equivalent to at least one-month's expended resources (excluding Fixed Assets) - year-end balance was equivalent to 1.7 months
- Maintenance of a Solvency Ratio (Current Assets to Current Liabilities) of at least 2:1 - year-end position was 3.8:1

Financial review

The Academy Trust had a successful year of operation. Looking at the Statement of Financial Activities on page 21, it achieved a consolidated, combined net income of £317,923 (£339,274 for the Academy) on Restricted and Unrestricted Funds before taking account of the transfer of £68,128 to Restricted Fixed Asset Funds, relating to resources expended on the purchase of assets out of the General Annual Grant monies.

The above position is stated, before taking account of the in-year surplus £18,000 arising on the Local Government defined benefit scheme. It should be noted that the Academy currently is paying an employer contribution equivalent to 28.5% of contributing members' gross salaries, compared with a pre-conversion rate of 18.1%.

Restricted Fixed Asset Funds show a net income of £335,883, before taking account of the £68,128 transfer from other funds.

The Consolidated Balance Sheet on page 22 shows healthy Cash and Net Current Asset positions, of £1,134,007 and £985,324 respectively, with corresponding figures in the Academy Balance Sheet on page 23, of £1,103,024 and £954,632.

The large, £1,334,000 deficit position on the Pension Reserve (Local Government Scheme) is of some concern, but the Actuaries' calculations have been based on the assumption that this will be extinguished over the next twenty years. The Academy Trust actively is still seeking 'pooling' of its fund with that of the Local Authority, encouraged by recent, national, central government initiatives, in the expectation that this would improve its overall, deficit position and reduce rates of future contributions.

Financial and Risk Management Objectives and Policies

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

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

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31 August 2013

Principal Risks and Uncertainties

The principal risks facing the Academy are

- Reputational risk – mitigated by the consistent adherence to sound policies and procedures, surrounding pupil behaviour, safety and academic performance
- Performance risk – mitigated by careful target setting, close monitoring of progress and intervention strategies
- Financial Risk – The principal financial risks are a reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by prudent budgeting and three-year financial planning, including buildings maintenance, with analysis of 'sensitivities' and close monitoring of financial performance on a monthly basis, with timely remedial action, where required
- Risks associated with personnel – mitigated by sound performance management processes, together with comprehensive policies and procedures to cover potential problem areas, such as disciplinary and grievance

Reserves Policy

The Board of Trustees believe that it is prudent financial planning practice for the Academy to maintain a minimum level of combined General Fund Reserve and Unrestricted Income Fund Reserve at all times and has established a Key Performance Indicator in this regard (see above)

At 31 August 2013 the Academy's total funds comprised

| | | |
|--------------|-------------------|--------------------|
| Unrestricted | | 34,365 |
| Restricted | Fixed asset funds | 21,089,441 |
| | GAG and other | 920,267 |
| | Pension reserve | (1,334,000) |
| | | <u>£20,710,073</u> |

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 16. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital requirements.

Investment Policy

The Academy's prime objective with regard to its investments is, as far as possible, to have security over the capital sum and thus, particularly in these uncertain times, it adopts a very cautious approach. Surplus cash balances are placed on the Money market, through its bankers, either on Call Account or three-month term deposit.

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31 August 2013

Plans for future periods

Given the high level of unsatisfied demand for Year 7 places at the Academy and the Local Authority's demographic data, which show increasing numbers of secondary-age pupils, from 2017, onwards, the Academy is in discussions with the London Borough of Hillingdon, with regard to a possible increase in forms of intake, from six to eight

The Academy already has had to resort to hiring-in temporary classrooms, to help meet accommodation requirements imposed by curriculum developments and the growth in sixth-form numbers. These will need to be replaced with permanent buildings in due course, alongside any additional requirements necessary to meet any increase in pupil numbers

In addition to the above, we have plans to develop the school accommodation to support improved teaching and learning

The Governors and Senior Leadership Team have established a three-year financial plan, which anticipates the likely reductions in real-terms funding, especially with regard to the sixth form. This plan demonstrates the need to further-reduce operating costs, through efficiency gains and careful analysis, together with even greater use of market testing, especially in the case of major contracts

In 2012, the Academy embarked on a journey described as 'The Path to Outstanding' outlined in the Improvement Plan and this is continuing

We shall also be developing opportunities and mechanisms for staff development, recruitment and retention. In particular we shall focus on opportunities to recruit staff via a School Centred Initial Teacher Training Partnership with Brunel University and the Schools Direct programme

Funds Held as Custodian trustee on Behalf of Others

No such funds were held during the year

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Trustees' Annual Report *(continued)*

Year ended 31 August 2013

Auditor

In so far as the trustees are aware

- There is no relevant audit information of which the charitable company's auditor is unaware, and
- The trustees 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

A resolution to re-appoint MHA MacIntyre Hudson as auditor will be presented at the forthcoming Annual General Meeting

Approved by order of the board of trustees on 11 December 2013 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'Andrew Brown', with a long horizontal flourish extending to the right.

Andrew Brown
Chair

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Governance Statement

Year ended 31 August 2013

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Bishopshalt 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.

Governance

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

| Trustee | Meetings attended | Out of a possible |
|---------------------|------------------------------|------------------------------|
| Mr Abdi Abby | 3 | 3 |
| Ms Gail Bond | 1 | 3 |
| Mr Lyndon Bray | 2 | 3 |
| Mr Andrew Brown | 3 | 3 |
| Ms Michelle Brown | 3 | 3 |
| Mr Manuj Dadra | 1 | 3 |
| Mr Michael Deighton | 1 | 3 |
| Ms Jean Grieve | 3 | 3 |
| Ms Lydia Holland | 3 | 3 |
| Mr Mukhtar Hussain | 2 | 3 |
| Ms Lisa Kinder | 3 | 3 |
| Ms Alison Norris | 2 | 3 |
| Mr Kim Rowe | 3 | 3 |
| Mr Terence Sharp | 0 | 3 |
| Mr Peter Underwood | 3 | 3 |
| Mr Martin Wood | 2 | 3 |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Governance Statement *(continued)*

Year ended 31 August 2013

The Finance Committee is a sub-committee of the Board of Trustees and includes the functions of an audit committee. Its purpose is to monitor the effectiveness of management in ensuring the on-going viability of the Academy and that adequate internal and external audit arrangements are maintained.

| Trustee | Meetings attended | Out of a possible |
|---------------------|------------------------------|------------------------------|
| Mr Andrew Brown | 3 | 3 |
| Mr Michael Deighton | 0 | 3 |
| Ms Lydia Holland | 2 | 3 |
| Mr Kim Rowe | 2 | 3 |
| Mr Peter Underwood | 3 | 3 |

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

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Governance Statement *(continued)*

Year ended 31 August 2013

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 monthly financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the Finance Committee of monthly reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties,
- Identification and management of risks

Board of Trustees has considered the need for a specific internal audit function and has decided to appoint MHA MacIntyre Hudson as internal auditor

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Three times a year, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities

Review of Effectiveness

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

- the work of the internal auditor
- the work of the external auditor,
- the financial management and governance self-assessment process, and
- the work of the members of the Senior Leadership Team 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 Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the Board of Trustees on 11 December 2013 and signed on its behalf by



Andrew Brown
Chair



Kim Rowe
Accounting Officer

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Statement on Regularity, Propriety and Compliance

Year ended 31 August 2013

As Accounting Officer of Bishopshalt School Academy Trust I have considered my responsibility to notify the Academy Trust 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 have systems and procedures in place to enable us 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.



Kim Rowe
Accounting officer

11 December 2013

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Statement of Trustees' Responsibilities

Year ended 31 August 2013

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

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

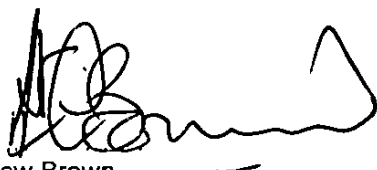
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 11 December 2013 and signed on their behalf by



Andrew Brown
Chair of Trustees

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Independent Auditor's Report to the Members of Bishopshalt School

Year ended 31 August 2013

We have audited the Group and Academy financial statements ("the financial statements") of Bishopshalt School for the year ended 31 August 2013 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy Balance Sheet, the Consolidated Cash Flow Statement, Accounting Policies 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 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 the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Responsibilities of the Trustees (set out on page 16), the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual 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 group's and academy trust's affairs as at 31 August 2013 and of its incoming resources and application of resources 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.

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Independent Auditor's Report to the Members of Bishopshalt School *(continued)*

Year ended 31 August 2013

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' 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
- 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

MHA MacIntyre Hudson

BIANCA SILVA ACA
(Senior Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Statutory Auditor and Chartered Accountants

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

11 December 2013

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

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

Year ended 31 August 2013

In accordance with the terms of our engagement letter dated 16 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bishopshalt School during the period year ended 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Bishopshalt School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bishopshalt 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 Bishopshalt School and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Bishopshalt School's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Bishopshalt School's funding agreement with the Secretary of State for Education dated 1 November 2011 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

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

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

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

Year ended 31 August 2013

Approach (continued)

The work undertaken to draw to our conclusion includes

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity,
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy,
- testing of a sample of payroll payments to staff,
- testing of a sample of payments to suppliers and other third parties,
- testing of a sample of grants received and other income streams,
- evaluating the internal control procedures and reporting lines, and testing as appropriate,

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 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

11 December 2013

MHA MacIntyre Hudson

MHA MACINTYRE HUDSON
Chartered Accountants

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Consolidated Statement of Financial Activities (Incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Year ended 31 August 2013

| | | Unrestricted Funds £ | Restricted Funds £ | Restricted Fixed Asset Funds £ | Total Funds Year to 31 Aug 13 £ | Total Funds 10 months to 31 Aug 12 £ |
|---|------|----------------------------|--------------------------|---|--|--|
| | Note | | | | | |
| Incoming resources | | | | | | |
| Incoming resources from generated funds | | | | | | |
| Voluntary income | 1 | 8,275 | – | 50,650 | 58,925 | 14,580 |
| Transfer on conversion | 1 | – | – | – | – | 21,825,286 |
| | | <u>8,275</u> | <u>–</u> | <u>50,650</u> | <u>58,925</u> | <u>21,839,866</u> |
| Activities for generating funds | 2 | 209,999 | 102,581 | – | 312,580 | 206,992 |
| Investment income | 3 | 5,410 | – | – | 5,410 | 2,158 |
| Incoming resources from charitable activities | | | | | | |
| Funding for academy's educational operations | 4 | – | 7,765,314 | 711,103 | 8,476,417 | 6,431,044 |
| Total incoming resources | | <u>223,684</u> | <u>7,867,895</u> | <u>761,753</u> | <u>8,853,332</u> | <u>28,480,060</u> |
| Resources expended | | | | | | |
| Costs of generating funds | | | | | | |
| Costs of generating voluntary income | | – | 10,856 | – | 10,856 | 33,291 |
| Charitable activities | | | | | | |
| Academy trust's educational operations | 6 | 193,112 | 7,553,905 | 425,870 | 8,172,887 | 6,716,834 |
| Pension deficit on conversion | | – | – | – | – | 1,160,000 |
| Governance costs | 7 | – | 15,783 | – | 15,783 | 14,544 |
| Total resources expended | | <u>193,112</u> | <u>7,580,544</u> | <u>425,870</u> | <u>8,199,526</u> | <u>7,924,669</u> |
| Net incoming resources before transfers | 8 | <u>30,572</u> | <u>287,351</u> | <u>335,883</u> | <u>653,806</u> | <u>20,555,391</u> |
| Gross transfers between funds | | – | (68,128) | 68,128 | – | – |
| Net income for the year | | <u>30,572</u> | <u>219,223</u> | <u>404,011</u> | <u>653,806</u> | <u>20,555,391</u> |
| Other recognised gains and losses | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | | – | 18,000 | – | 18,000 | (185,000) |
| Net movement in funds | | <u>30,572</u> | <u>237,223</u> | <u>404,011</u> | <u>671,806</u> | <u>20,370,391</u> |
| Reconciliation of funds | | | | | | |
| Total funds brought forward at 1 September 2012 | | <u>3,793</u> | <u>(318,832)</u> | <u>20,685,430</u> | <u>20,370,391</u> | <u>–</u> |
| Total funds carried forward at 31 August 2013 | | <u>£34,365</u> | <u>£(81,609)</u> | <u>£21,089,441</u> | <u>£21,042,197</u> | <u>£20,370,391</u> |

All of the academy trust's activities derive from continuing operations during the above two financial periods

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 accounting policies and notes on pages 25 to 49 form part of these financial statements.

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Consolidated Balance Sheet

31 August 2013

| | Note | 2013 £ | 2012 £ |
|---|------|---------------------------|---------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 21,089,441 | 20,685,430 |
| Investments | 13 | 301,432 | 271,469 |
| | | <u>21,390,873</u> | <u>20,956,899</u> |
| Current assets | | | |
| Stocks | | 5,412 | 6,266 |
| Debtors | 14 | 190,865 | 170,025 |
| Cash at bank and in hand | | 1,134,007 | 1,100,674 |
| | | <u>1,330,284</u> | <u>1,276,965</u> |
| Creditors: amounts falling due within one year | 15 | <u>(344,960)</u> | <u>(517,473)</u> |
| Net current assets | | 985,324 | 759,492 |
| Total assets less current liabilities | | <u>22,376,197</u> | <u>21,716,391</u> |
| Provisions for liabilities | | | |
| Pension scheme liability | 16 | <u>(1,334,000)</u> | <u>(1,346,000)</u> |
| Net assets including pension liability | | <u>£21,042,197</u> | <u>£20,370,391</u> |
| Funds of the academy trust | 18 | | |
| Restricted income funds: | | | |
| Fixed asset fund | | 21,089,441 | 20,685,430 |
| General funds | | 1,252,391 | 1,027,168 |
| Pension reserve | | <u>(1,334,000)</u> | <u>(1,346,000)</u> |
| Total restricted income funds | | 21,007,832 | 20,366,598 |
| Unrestricted income funds: | | | |
| General fund | | <u>34,365</u> | <u>3,793</u> |
| Total funds | | <u>£21,042,197</u> | <u>£20,370,391</u> |

These financial statements were approved by the Trustees, and authorised for issue on 11 December 2013 and are signed on their behalf by


 Andrew Brown
 Chair of Governors


 Kim Rowe
 Headteacher

The accounting policies and notes on pages 25 to 49 form part of these financial statements.

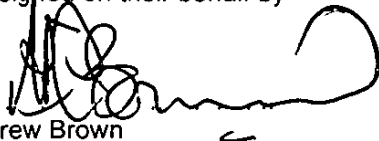
Bishopshalt School, Company number 07799811
Company Limited by Guarantee


Academy Balance Sheet

31 August 2013

| | Note | 2013 £ | 2012 £ |
|---|------|-------------|-------------|
| Fixed assets | | | |
| Tangible assets | 12 | 21,089,441 | 20,685,430 |
| Current assets | | | |
| Stocks | | 5,412 | 6,266 |
| Debtors | 14 | 190,865 | 170,025 |
| Cash at bank and in hand | | 1,103,024 | 1,068,234 |
| | | 1,299,301 | 1,244,525 |
| Creditors: amounts falling due within one year | 15 | (344,669) | (517,473) |
| Net current assets | | 954,632 | 727,052 |
| Total assets less current liabilities | | 22,044,073 | 21,412,482 |
| Provisions for liabilities | | | |
| Pension scheme liability | | (1,334,000) | (1,346,000) |
| Net assets including pension liability | | £20,710,073 | £20,066,482 |
| Funds of the academy trust: | 18 | | |
| Restricted income funds: | | | |
| Fixed asset fund | | 21,089,441 | 20,685,430 |
| General funds | | 920,267 | 723,259 |
| Pension reserve | 16 | (1,334,000) | (1,346,000) |
| Total restricted income funds | | 20,675,708 | 20,062,689 |
| Unrestricted income funds: | | | |
| General fund | | 34,365 | 3,793 |
| Total funds | | £20,710,073 | £20,066,482 |

These financial statements were approved by the Trustees, and authorised for issue on 11 December 2013 and are signed on their behalf by


 Andrew Brown
 Chair of Governors


 Kim Rowe
 Headteacher

The accounting policies and notes on pages 25 to 49 form part of these financial statements.

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Consolidated Cash Flow Statement

Year ended 31 August 2013

| | Note | Year to 31 Aug 13 | | 10 months to 31 Aug 12 |
|--|-----------|--------------------------|--------------------------|------------------------------|
| | | £ | £ | £ |
| Net cash inflow from operating activities | 23 | | 101,097 | 1,202,502 |
| Returns on investments and servicing of finance | 24 | | | |
| Interest received | | <u>5,410</u> | | <u>2,158</u> |
| Net cash inflow from returns on investments and servicing of finance | | | 5,410 | 2,158 |
| Capital expenditure and financial investment | 25 | | (73,174) | (103,986) |
| | | | 33,333 | 1,100,674 |
| Less Cash transferred on conversion | | | — | (536,260) |
| Increase in cash in the year | | | <u>£33,333</u> | <u>£564,414</u> |
| Reconciliation of net cash flow to movement in net funds | | | | |
| | | 2013 | 2012 | |
| | | £ | £ | |
| Net funds at 1 September 2012 | | 1,100,674 | — | |
| On conversion | | — | 536,260 | |
| Increase in cash in the year | | 33,333 | 564,414 | |
| Net funds at 31 August 2013 | | <u>£1,134,007</u> | <u>£1,100,674</u> | |

The accounting policies and notes on pages 25 to 49 form part of these financial statements.

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Accounting Policies

Year ended 31 August 2013

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments held at market value and in accordance with applicable United Kingdom accounting standards, the Charity Commission Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005), the Academies Accounts Direction 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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the academy and all group undertakings. These are adjusted where appropriate, to conform to group accounting policies. As a consolidated income and expenditure account is published, a separate income and expenditure account for the parent undertaking is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

The only subsidiary undertaking is the Cecil De Salis Scholarship fund which is a separate charity under the control of the academy. Income and expenditure of the subsidiary are included in the academy's Statement of Financial Activities as single lines shown in notes 2 and 5 to the financial statements. The assets and liabilities are aggregated with those of the academy's on the consolidated balance sheet.

Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is received 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 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 period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust 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 trust's policies.

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

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.

All resources expended are inclusive of irrecoverable VAT.

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 Trust's educational operations.

Governance costs

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

Investments

Investments are disclosed at market value at the balance sheet date. All changes in value in the year, whether or not realised, are shown in the Statement of Financial Activities.

Fund accounting

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

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

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

Fixed assets

Assets costing £500 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.

Assets transferred at inception have been included as an original donation within the Statement of Financial Activities. Land and buildings are stated at their depreciated replacement cost based on a professional valuation and other assets are stated at their depreciated cost as at the date of conversion.

Depreciation on fixed 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 Trust's depreciation policy.

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

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.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|-------------------------|---|----------------------|
| Freehold buildings | - | 2 - 5% straight line |
| Furniture and equipment | - | 20% straight line |
| Computer equipment | - | 20% straight line |
| Motor vehicles | - | 20% straight line |

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

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

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Accounting Policies (continued)

Year ended 31 August 2013

Pension costs

Retirement benefits to employees of the Academy Trust 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 Trust.

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 Trust 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 17, the TPS is a multi employer scheme and the Academy Trust 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 Trust 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.

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 Group and 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.

Taxation

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

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

Conversion to academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method

Freehold land and buildings transferred on conversion have been valued at estimated depreciated replacement cost and other assets and liabilities transferred from the predecessor school to the Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their estimated depreciated replacement cost/fair value is in accordance with the accounting policies set out for the academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income except for the pension liability which is recognised as a cost in the Statement of Financial Activities. The amounts have been analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 20.

An analysis of the assets and liabilities transferred and basis of valuation of each is, as follows

Tangible Fixed assets

- Freehold land – replacement cost £10,900,000
- Freehold buildings – depreciated replacement cost £9,985,000
- Plant – fair value £20,594
- Furniture & equipment – fair value £4,221
- Computer equipment – fair value £39,034
- Motor vehicles – fair value £3,730

Net Current Assets – equivalent to the cumulative budget surplus in the predecessor-School – fair value £543,379

Liabilities – provision for the deficit on the LGPS – actuarial valuation £1,160,000

Net Assets transferred (total of above) £20,335,958

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

1. Voluntary income

| | Unrestricted Funds £ | Restricted Fixed Asset Funds £ | Total Funds Year to 31 Aug 13 £ | Total Funds 10 months to 31 Aug 12 £ |
|------------------------|-------------------------------------|---|--|---|
| Transfer on conversion | – | – | – | 21,825,286 |
| Donations | 8,275 | 50,650 | 58,925 | 30 |
| Other grant income | – | – | – | 14,550 |
| | <u>8,275</u> | <u>50,650</u> | <u>58,925</u> | <u>21,839,866</u> |

2. Incoming resources from activities for generating funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds Year to 31 Aug 13 £ | Total Funds 10 months to 31 Aug 12 £ |
|--|-------------------------------------|-----------------------------------|--|---|
| Rental income | 41,388 | – | 41,388 | 28,433 |
| Catering income | 166,375 | – | 166,375 | 125,653 |
| Receipts from non teacher insurance claims | – | 9,753 | 9,753 | – |
| Scholarship Fund income | – | 31,076 | 31,076 | 4,260 |
| Operatic and Dramatic Society income | – | 9,079 | 9,079 | 7,992 |
| Tuition fees income | – | 20,443 | 20,443 | 10,920 |
| Other income | 2,236 | 32,230 | 34,466 | 29,734 |
| | <u>209,999</u> | <u>102,581</u> | <u>312,580</u> | <u>206,992</u> |

3 Investment income

| | Unrestricted Funds £ | Total Funds Year to 31 Aug 13 £ | Total Funds 10 months to 31 Aug 12 £ |
|--------------------------|-------------------------------------|--|---|
| Bank interest receivable | <u>5,410</u> | <u>5,410</u> | <u>2,158</u> |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

4. Funding for academy's educational operations

| | Restricted Funds £ | Restricted Fixed Asset Funds £ | Total Funds Year to 31 Aug 13 £ | Total Funds 10 months to 31 Aug 12 £ |
|------------------------------------|-----------------------------------|---|--|---|
| DfE/EFA grants | | | | |
| General Annual Grant (GAG) | 7,043,634 | – | 7,043,634 | 5,906,758 |
| Pupil premium | 180,446 | – | 180,446 | 100,361 |
| Academies Capital Maintenance Fund | – | 685,092 | 685,092 | 7,638 |
| Devolved Formula Capital grant | – | 26,011 | 26,011 | 21,629 |
| | 7,224,080 | 711,103 | 7,935,183 | 6,036,386 |
| Other Government grants | | | | |
| Local Authority SEN income | 421,210 | – | 421,210 | 294,355 |
| Other government grants | – | – | – | 47,560 |
| | 421,210 | – | 421,210 | 341,915 |
| Other income | | | | |
| Trip and other income | 120,024 | – | 120,024 | 52,743 |
| | 120,024 | – | 120,024 | 52,743 |
| | £7,765,314 | £711,103 | £8,476,417 | £6,431,044 |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

5 Resources expended

| | Staff costs £ | Premises £ | Other costs £ | Total Funds Year to 31 Aug 13 £ | Total Funds 10 months to 31 Aug 12 £ |
|---|-------------------|-----------------|-------------------|--|--|
| Costs of activities for generating funds: | | | | | |
| Scholarship Fund – loss on investments | – | – | – | – | 11,783 |
| Scholarship fund – other | – | – | 2,861 | 2,861 | 12,541 |
| Operatic and Dramatic Society | – | – | 7,995 | 7,995 | 8,967 |
| | <u>–</u> | <u>–</u> | <u>10,856</u> | <u>10,856</u> | <u>33,291</u> |
| Charitable activities: | | | | | |
| Direct costs | 5,265,703 | 425,870 | 866,592 | 6,558,165 | 5,488,828 |
| Allocated support costs | 888,531 | 386,607 | 339,584 | 1,614,722 | 1,228,006 |
| | <u>6,154,234</u> | <u>812,477</u> | <u>1,206,176</u> | <u>8,172,887</u> | <u>6,716,834</u> |
| Pension scheme liability transferred on conversion | – | – | – | – | 1,160,000 |
| | <u>6,154,234</u> | <u>812,477</u> | <u>1,206,176</u> | <u>8,172,887</u> | <u>7,876,834</u> |
| Governance costs including allocated support costs | 5,783 | – | 10,000 | 15,783 | 14,544 |
| | <u>6,160,017</u> | <u>812,477</u> | <u>1,216,176</u> | <u>8,188,670</u> | <u>7,891,378</u> |
| | <u>£6,160,017</u> | <u>£812,477</u> | <u>£1,227,032</u> | <u>£8,199,526</u> | <u>£7,924,669</u> |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

6. Charitable activities - Academy's educational operations

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds Year to 31 Aug 13 £ | Total funds 10 months to 31 Aug 12 £ |
|--|----------------------------|--------------------------|--|--|--|
| Direct costs | | | | | |
| Teaching and educational support staff | — | 5,096,020 | — | 5,096,020 | 4,322,691 |
| Agency supply teaching staff costs | — | 169,683 | — | 169,683 | 149,136 |
| Depreciation | — | — | 425,870 | 425,870 | 332,532 |
| Educational consultancy | — | 100,338 | — | 100,338 | 106,670 |
| Educational supplies | — | 227,144 | — | 227,144 | 169,840 |
| Examination fees | — | 176,778 | — | 176,778 | 161,548 |
| ICT learning resources | — | 206,312 | — | 206,312 | 164,204 |
| School trips expenditure | — | 126,413 | — | 126,413 | 52,839 |
| Staff development | — | 19,774 | — | 19,774 | 21,868 |
| Employee related insurance | — | 9,833 | — | 9,833 | 7,500 |
| | — | 6,132,295 | 425,870 | 6,558,165 | 5,488,828 |
| Allocated support costs | | | | | |
| Support staff costs | 89,031 | 799,500 | — | 888,531 | 689,327 |
| Administrative supplies | — | 69,022 | — | 69,022 | 42,200 |
| Catering supplies | 104,081 | 64,228 | — | 168,309 | 95,157 |
| Cleaning and caretaking | — | 12,359 | — | 12,359 | 6,974 |
| Energy | — | 103,616 | — | 103,616 | 91,620 |
| Insurance | — | 37,994 | — | 37,994 | 32,764 |
| Maintenance of premises and equipment | — | 113,441 | — | 113,441 | 96,752 |
| Other occupation costs | — | 22,050 | — | 22,050 | 13,389 |
| Recruitment and support | — | 48,083 | — | 48,083 | 34,885 |
| Rent and rates | — | 97,147 | — | 97,147 | 78,617 |
| Legal and professional | — | 54,170 | — | 54,170 | 46,321 |
| | 193,112 | 1,421,610 | — | 1,614,722 | 1,228,006 |
| | <u>£193,112</u> | <u>£7,553,905</u> | <u>£425,870</u> | <u>£8,172,887</u> | <u>£6,716,834</u> |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

7. Governance costs

| | Restricted Funds £ | Total Funds Year to 31 Aug 13 £ | Total Funds 10 months to 31 Aug 12 £ |
|------------------|-----------------------------------|--|---|
| Staff costs | 5,783 | 5,783 | 5,556 |
| Accountancy fees | 1,000 | 1,000 | 238 |
| Audit fees | 9,000 | 9,000 | 8,750 |
| | <u>£15,783</u> | <u>£15,783</u> | <u>£14,544</u> |

8. Net incoming resources before transfers

This is stated after charging

| | Total Funds Year to 31 Aug 13 £ | Total Funds 10 months to 31 Aug 12 £ |
|-----------------------------|--|---|
| Staff pension contributions | 720,584 | 596,625 |
| Operating leases | | |
| Land and buildings | 54,190 | 46,987 |
| Other | 106,527 | 96,946 |
| Fees payable to auditor | | |
| Audit | 9,000 | 8,750 |
| Other services | 1,000 | 238 |
| Depreciation | <u>425,870</u> | <u>332,532</u> |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

9. Staff costs and emoluments

| | Total Funds Year to 31 Aug 13 £ | Total Funds 10 months to 31 Aug 12 £ |
|-----------------------|--|---|
| Wages and salaries | 4,882,949 | 4,094,142 |
| Social security costs | 380,801 | 326,807 |
| Other pension costs | 726,584 | 596,625 |
| | 5,990,334 | 5,017,574 |
| Supply teacher costs | 169,683 | 149,136 |
| | £6,160,017 | £5,166,710 |

Particulars of employees

The average number of persons (including senior management team) employed by the academy trust during the year,

| | Year to 31 Aug 13 | 10 months to 31 Aug 12 |
|----------------------------|------------------------------|---------------------------------------|
| Teachers | 84 | 89 |
| Administration and support | 52 | 45 |
| Management | 3 | 3 |
| | 139 | 137 |

The number of employees whose remuneration for the year fell within the following bands, were

| | Year to 31 Aug 13 | 10 months to 31 Aug 12 |
|--------------------|------------------------------|---------------------------------------|
| £60,000 to £69,999 | 5 | 4 |
| £70,000 to £79,999 | 2 | 2 |
| £80,000 to £89,999 | 1 | 1 |
| | 8 | 7 |

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £76,580 (2012 £56,191)

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

10. Trustees' remuneration and expenses

The Head and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head and staff and not in their services as Trustee. Other Trustee did not receive any payments from the academy in respect of their role as Trustee. The value of the Trustees' remuneration in the year to 31 August 2013 was as follows

| | Year to 31 Aug 13 | 10 month to 31 Aug 12 |
|---------------|-------------------|-----------------------|
| K Rowe (Head) | £85,000-£90,000 | £85,000-£90,000 |
| Trustee 1 | — | £45,000-£50,000 |
| Trustee 2 | £45,000-£50,000 | £45,000-£50,000 |
| Trustee 3 | £20,000-£25,000 | £20,000-£25,000 |
| Trustee 4 | £45,000-£50,000 | — |

The pension contributions for the above Trustee's amounted to £34,242 (2012 £28,306)

No expenses were paid to Trustee in the year to 31 August 2013 (2012 £nil)

11. Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £109 (2012 £87)

12. Tangible fixed assets
Group and Academy

| | Freehold property £ | Plant and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--------------------------|---------------------------|--------------------------------|----------------------------|------------------------|--------------------|
| Cost | | | | | |
| At 1 September 2012 | 20,934,219 | 36,499 | 43,514 | 3,730 | 21,017,962 |
| Additions | 784,320 | 21,143 | 24,418 | — | 829,881 |
| At 31 August 2013 | 21,718,539 | 57,642 | 67,932 | 3,730 | 21,847,843 |
| Depreciation | | | | | |
| At 1 September 2012 | 319,743 | 5,443 | 6,724 | 622 | 332,532 |
| Charge for the year | 405,632 | 9,022 | 10,470 | 746 | 425,870 |
| At 31 August 2013 | 725,375 | 14,465 | 17,194 | 1,368 | 758,402 |
| Net book value | | | | | |
| At 31 August 2013 | £20,993,164 | £43,177 | £50,738 | £2,362 | £21,089,441 |
| At 31 August 2012 | £20,614,476 | £31,056 | £36,790 | £3,108 | £20,685,430 |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

13. Investments (Group)
Movement in market value

| | 2013 £ | 2012 £ |
|---|-----------------|-----------------|
| Market value at 1 September 2012 | 271,469 | – |
| On conversion | – | 244,649 |
| Acquisitions at cost | 6,116 | 284,092 |
| Disposals at opening book value | (1,070) | (245,489) |
| Net gains/(losses) on revaluations in the year ended 31 August 2013 | 24,917 | (11,783) |
| Market value at 31 August 2013 | <u>£301,432</u> | <u>£271,469</u> |
| Historical cost at 31 August 2013 | <u>£284,523</u> | <u>£284,523</u> |

Analysis of investments at 31 August 2013 between funds

| | Unrestricted Funds £ | Restricted Funds £ | Restricted Fixed Asset Funds £ | Total Funds 2013 £ | Total Funds 2012 £ |
|-------------------------------------|----------------------------|--------------------------|---|--------------------------|--------------------------|
| Listed investments | | | | | |
| UK Quoted fixed interest securities | – | 432 | – | 432 | 431 |
| UK Quoted unit trusts | – | 301,000 | – | 301,000 | 271,038 |
| | <u>–</u> | <u>£301,432</u> | <u>–</u> | <u>£301,432</u> | <u>£271,469</u> |

14. Debtors

| | Group | | Academy | |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2013 £ | 2012 £ | 2013 £ | 2012 £ |
| Trade debtors | 118 | 3,750 | 118 | 3,750 |
| VAT Recoverable | 73,846 | 28,191 | 73,846 | 28,191 |
| Other debtors | 8,800 | 5,260 | 8,800 | 5,260 |
| Prepayments and accrued income | 108,101 | 132,824 | 108,101 | 132,824 |
| | <u>£190,865</u> | <u>£170,025</u> | <u>£190,865</u> | <u>£170,025</u> |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

15. Creditors Amounts falling due within one year

| | Group | | Academy | |
|------------------------------|------------------------|-----------------|------------------------|-----------------|
| | 2013 | 2012 | 2013 | 2012 |
| | £ | £ | £ | £ |
| Trade creditors | 63,933 | 123,363 | 63,933 | 123,363 |
| Taxation and social security | 115,390 | 129,150 | 115,390 | 129,150 |
| Accruals and deferred income | 165,637 | 264,960 | 165,346 | 264,960 |
| | <u>£344,960</u> | <u>£517,473</u> | <u>£344,669</u> | <u>£517,473</u> |

Deferred income (included above)

| | Group | | Academy | |
|--------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
| | 2013 | 2012 | 2013 | 2012 |
| | £ | £ | £ | £ |
| Deferred income at 1 September 2012 | 238,267 | — | 238,267 | — |
| Resources deferred in the year | 65,866 | 238,267 | 65,866 | 238,267 |
| Amounts released from previous years | (238,267) | — | (238,267) | — |
| Deferred income at 31 August 2013 | <u>£65,866</u> | <u>£238,267</u> | <u>£65,866</u> | <u>£238,267</u> |

Deferred income relates to grant income

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

16. Pensions and similar obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Hillingdon. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

The Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act. The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

16. Pensions and similar obligations (continued)

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.

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.

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

16. Pensions and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £284,000, of which employer's contributions totalled £232,000 and employees' contributions totalled £52,000. The contribution rate for employees is determined by reference to their full time equivalent pay as follows -

| Band | Whole time pay rate | Contribution rate |
|-------------|----------------------------|--------------------------|
| 1 | £0 to £13,700 | 5.5% |
| 2 | £13,701 to £16,100 | 5.8% |
| 3 | £16,101 to £20,800 | 5.9% |
| 4 | £20,801 to £34,700 | 6.5% |
| 5 | £34,701 to £46,500 | 6.8% |
| 6 | £46,501 to £87,100 | 7.2% |
| 7 | More than £87,100 | 7.5% |

Principal actuarial assumptions

| | At 31 Aug 2013 | At 31 Aug 2012 |
|--------------------------------------|---------------------------|---------------------------|
| Discount rate | 4.6% | 4.1% |
| Rate of increase in salaries | 5.1% | 4.5% |
| Rate of increase in pensions payment | 2.8% | 2.2% |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

16. Pensions and similar obligations (continued)

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

| | At 31 Aug 13 | At 31 Aug 12 |
|----------------------|-----------------|-----------------|
| Retiring today | | |
| Males | 20.8 | 20.8 |
| Females | 24.1 | 24.1 |
| Retiring in 20 years | | |
| Males | 22.3 | 22.3 |
| Females | 25.7 | 25.7 |

Sensitivity analysis

| | Approx increase to employer liability % | Approx monetary amount £ |
|--|--|-----------------------------------|
| 0.5% decrease in Real Discount Rate | 12 | 298,000 |
| 1 year increase in member life expectancy | 3 | 72,000 |
| 0.5% increase in the Salary Increase rate | 6 | 140,000 |
| 0.5% increase in the Pension Increase rate | 6 | 150,000 |

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were

| | Expected return at 31 Aug 2013 % | Fair value at 31 Aug 2013 £ | Expected return at 31 Aug 2012 % | Fair value at 31 Aug 2012 £ |
|---|---|-----------------------------------|---|-----------------------------------|
| Equities | 6.6 | 720,000 | 5.5 | 417,000 |
| Bonds | 4.0 | 247,000 | 3.4 | 174,000 |
| Property | 4.7 | 75,000 | 3.7 | 56,000 |
| Cash | 3.6 | 32,000 | 2.8 | 49,000 |
| Total market value of assets | | 1,074,000 | | 696,000 |
| Present value of scheme liabilities - funded | | (2,408,000) | | (2,042,000) |
| Deficit in the scheme | | <u>(1,334,000)</u> | | <u>(1,346,000)</u> |

The expected rate of return is based on the long-term future expected investment return for each asset class at the beginning of the period

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

16 Pensions and similar obligations (continued)

Amounts recognised in the Statement of Financial Activities

| | 2013 £ | 2012 £ |
|--|----------------|----------------|
| Current service cost (net of employee contributions) | 188,000 | 137,000 |
| Interest on pension liabilities | 88,000 | 66,000 |
| Expected return on pension scheme assets | (38,000) | (25,000) |
| Total operating charge | 238,000 | 178,000 |

Analysis of pension finance income/(costs)

| | 2013 £ | 2012 £ |
|--|-----------------|-----------------|
| Expected return on pension scheme assets | 38,000 | 25,000 |
| Interest on pension liabilities | (88,000) | (66,000) |
| Pension finance income/(costs) | (50,000) | (41,000) |

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is £167,000 loss (2012 £185,000 loss).

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

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

| | 2013 £ | 2012 £ |
|---------------------------------|------------------|------------------|
| At 1 September 2012 | 2,042,000 | 1,598,000 |
| Current service cost | 188,000 | 137,000 |
| Interest on pension liabilities | 88,000 | 66,000 |
| Employee contributions | 52,000 | 44,000 |
| Actuarial loss | 56,000 | 207,000 |
| Estimated benefits paid | (18,000) | (10,000) |
| At 31 August 2013 | 2,408,000 | 2,042,000 |

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

| | 2013 £ | 2012 £ |
|--|------------------|----------------|
| At 1 September 2012 | 696,000 | 438,000 |
| Expected return on pension scheme assets | 38,000 | 25,000 |
| Actuarial gain/(loss) | 74,000 | 22,000 |
| Employer contributions | 232,000 | 177,000 |
| Employee contributions | 52,000 | 44,000 |
| Benefits paid | (18,000) | (10,000) |
| At 31 August 2013 | 1,074,000 | 696,000 |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

16. Pensions and similar obligations (continued)

Reconciliation of opening and closing deficit:

| | 2013 £ | 2012 £ |
|--|--------------------|--------------------|
| Pension scheme liability transferred | (1,346,000) | (1,160,000) |
| Current service cost (net of employee contributions) | (188,000) | (137,000) |
| Employer contributions | 232,000 | 177,000 |
| Other finance income/(costs) | (50,000) | (41,000) |
| Actuarial (gain)/loss | 18,000 | (185,000) |
| Deficit at 31 August 2013 | (1,334,000) | (1,346,000) |

The five year history of experience adjustments is as follows:

| | 2013 £ | 2012 £ |
|---|--------------------|--------------------|
| Present value of defined benefit obligations | (2,408,000) | (2,042,000) |
| Fair value of share of scheme assets | 1,074,000 | 696,000 |
| Deficit in the scheme | (1,334,000) | (1,346,000) |
| Experience adjustments on share of scheme assets | | |
| Amount (£) | 74,000 | 22,000 |
| Experience adjustments on scheme liabilities | - | - |

17. Commitments under operating leases

At 31 Aug 13 the academy had annual commitments under non-cancellable operating leases as set out below

| | 2013 | | 2012 | |
|---------------------------------------|-------------------------------|---------------------|-------------------------------|---------------------|
| | Land and buildings £ | Other items £ | Land and buildings £ | Other items £ |
| Operating leases which expire: | | | | |
| Within 1 year | 20,800 | 29,236 | 29,575 | 30,784 |
| Within 2 to 5 years | 26,809 | 68,377 | 26,809 | 66,434 |
| | <u>£47,609</u> | <u>£97,613</u> | <u>£56,384</u> | <u>£97,218</u> |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

18. Funds Group

| | Balance at 1 Sep 12 £ | Incoming resources £ | Resources expended £ | Gains and losses £ | Transfer £ | Balance at 31 Aug 13 |
|--|-----------------------------|----------------------------|----------------------------|-----------------------------|-----------------|-------------------------|
| Restricted general funds | | | | | | |
| General annual grant (GAG) | 175,500 | 7,043,634 | (6,779,582) | – | (68,128) | 371,424 |
| Other government grants | – | 421,210 | (421,210) | – | – | – |
| Other DfE/EFA grants | – | 180,446 | (180,446) | – | – | – |
| Funds on conversion | 543,379 | – | – | – | – | 543,379 |
| Cecil De Salis Scholarship Fund | 303,909 | 31,076 | (2,861) | – | – | 332,124 |
| Bishopshalt School Operatic and Dramatic Society | 4,380 | 9,079 | (7,995) | – | – | 5,464 |
| Other restricted funds | – | 182,450 | (182,450) | – | – | – |
| | <u>1,027,168</u> | <u>7,867,895</u> | <u>(7,574,544)</u> | <u>–</u> | <u>(68,128)</u> | <u>1,252,391</u> |
| Defined benefit pension scheme | (1,346,000) | – | (6,000) | 18,000 | – | (1,334,000) |
| | <u>(318,832)</u> | <u>7,867,895</u> | <u>(7,580,544)</u> | <u>18,000</u> | <u>(68,128)</u> | <u>(81,609)</u> |
| Restricted fixed asset funds | | | | | | |
| DfE/EFA capital grants | – | 711,103 | (20,994) | – | – | 690,109 |
| Donations | – | 50,650 | – | – | – | 50,650 |
| Fixed assets on conversion | 20,620,047 | – | (395,879) | – | – | 20,224,168 |
| Capital expenditure from GAG | 65,383 | – | (8,997) | – | 68,128 | 124,514 |
| | <u>20,685,430</u> | <u>761,753</u> | <u>(425,870)</u> | <u>–</u> | <u>68,128</u> | <u>21,089,441</u> |
| Total restricted funds | <u>20,366,598</u> | <u>8,629,648</u> | <u>(8,006,414)</u> | <u>18,000</u> | <u>–</u> | <u>21,007,832</u> |
| Unrestricted funds | | | | | | |
| General unrestricted funds | 3,793 | 223,684 | (193,112) | – | – | 34,365 |
| Total unrestricted funds | <u>3,793</u> | <u>223,684</u> | <u>(193,112)</u> | <u>–</u> | <u>–</u> | <u>34,365</u> |
| Total funds | <u>20,370,391</u> | <u>8,853,332</u> | <u>(8,199,526)</u> | <u>18,000</u> | <u>–</u> | <u>21,042,197</u> |

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period

All general funds are held for the purpose of education in line with the Academy's objectives

The Restricted Fixed Asset fund represents the net book value of capitalised fixed assets and unspent funds. Cecil De Salis Scholarship Fund is a separate registered charity

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

18. Funds (continued)
Academy

| | Balance at 1 Sep 12 £ | Incoming resources £ | Resources expended £ | Gains and losses £ | Transfer £ | Balance at 31 Aug 13 |
|---|-----------------------------|----------------------------|----------------------------|-----------------------------|-----------------|-------------------------|
| Restricted general funds | | | | | | |
| General annual grant (GAG) | 175,500 | 7,043,634 | (6,779,582) | – | (68,128) | 371,424 |
| Other government grants | – | 421,210 | (421,210) | – | – | – |
| Other DfE/EFA grants | – | 180,446 | (180,446) | – | – | – |
| Funds on conversion | 543,379 | – | – | – | – | 543,379 |
| Bishopshalt School Operatic and Dramatic Society | 4,380 | 9,079 | (7,995) | – | – | 5,464 |
| Other restricted funds | – | 182,450 | (182,450) | – | – | – |
| | <u>723,259</u> | <u>7,836,819</u> | <u>(7,571,683)</u> | <u>–</u> | <u>(68,128)</u> | <u>920,267</u> |
| Defined benefit pension scheme | (1,346,000) | – | (6,000) | 18,000 | – | (1,334,000) |
| | <u>(622,741)</u> | <u>7,836,819</u> | <u>(7,577,683)</u> | <u>18,000</u> | <u>(68,128)</u> | <u>(413,733)</u> |
| Restricted fixed asset funds | | | | | | |
| DfE/EFA capital grants | – | 711,103 | (20,994) | – | – | 690,109 |
| Donations | – | 50,650 | – | – | – | 50,650 |
| Fixed assets on conversion | 20,620,047 | – | (395,879) | – | – | 20,224,168 |
| Capital expenditure from GAG | 65,383 | – | (8,997) | – | 68,128 | 124,514 |
| | <u>20,685,430</u> | <u>761,753</u> | <u>(425,870)</u> | <u>–</u> | <u>68,128</u> | <u>21,089,441</u> |
| Total restricted funds | <u>20,062,689</u> | <u>8,598,572</u> | <u>(8,003,553)</u> | <u>18,000</u> | <u>–</u> | <u>20,675,708</u> |
| Unrestricted funds | | | | | | |
| General unrestricted funds | 3,793 | 223,684 | (193,112) | – | – | 34,365 |
| Total unrestricted funds | <u>3,793</u> | <u>223,684</u> | <u>(193,112)</u> | <u>–</u> | <u>–</u> | <u>34,365</u> |
| Total funds | <u>20,066,482</u> | <u>8,822,256</u> | <u>(8,196,665)</u> | <u>18,000</u> | <u>–</u> | <u>20,710,073</u> |

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period

All general funds are held for the purpose of education in line with the Academy's objectives

The Restricted Fixed Asset fund represents the net book value of capitalised fixed assets and unspent funds

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

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

19. Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by

| Group | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset fund £ | Total £ |
|--------------------------|-------------------------------------|---|--|--------------------|
| Tangible fixed assets | – | – | 21,089,441 | 21,089,441 |
| Investments | – | 301,432 | – | 301,432 |
| Current assets | 34,365 | 1,295,919 | – | 1,330,284 |
| Current liabilities | – | (344,960) | – | (344,960) |
| Pension scheme liability | – | (1,334,000) | – | (1,334,000) |
| | <u>£34,365</u> | <u>£(81,609)</u> | <u>£21,089,441</u> | <u>£21,042,197</u> |

| Academy | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset fund £ | Total £ |
|--------------------------|-------------------------------------|---|--|--------------------|
| Tangible fixed assets | – | – | 21,089,441 | 21,089,441 |
| Current assets | 34,365 | 1,264,936 | – | 1,299,301 |
| Current liabilities | – | (344,669) | – | (344,669) |
| Pension scheme liability | – | (1,334,000) | – | (1,334,000) |
| | <u>£34,365</u> | <u>£(413,733)</u> | <u>£21,089,441</u> | <u>£20,710,073</u> |

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

20. Conversion to an Academy Trust

On 01 November 2011 the predecessor school converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishopshalt from Hillingdon Borough Council Local Authority for £nil consideration

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

| | Unrestricted funds £ | Restricted general fund £ | Restricted fixed asset fund £ | Total £ |
|---------------------------------------|----------------------------|------------------------------------|--|--------------------|
| Tangible fixed assets | | | | |
| Freehold/leasehold land and buildings | – | – | 20,885,000 | 20,885,000 |
| Other tangible fixed assets | – | – | 67,579 | 67,579 |
| Budget surplus/(deficit) on LA funds | – | 543,379 | – | 543,379 |
| LGPS pension surplus/(deficit) | – | (1,160,000) | – | (1,160,000) |
| Net assets / (liabilities) | – | £(616,621) | £20,952,579 | £20,335,958 |

The above net assets/(liabilities) include £499,440 that were transferred as cash

| | | | | |
|---|----------|-----------------|----------|-----------------|
| Other Fund transfers on conversion | | | | |
| Cecil De Salis Scholarship Fund | – | 323,973 | – | 323,973 |
| Bishopshalt Operatic & Dramatic Society | – | 5,355 | – | 5,355 |
| Net fund assets | – | £329,328 | – | £329,328 |

The above net Fund assets/(liabilities) include £36,820 that were transferred as cash

21. Ultimate controlling party

There is no ultimate controlling party

22. Company limited by guarantee

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

Bishopshalt School, Company number 07799811
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

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

| | Year to 31 Aug 13 £ | 10 months 31 Aug 12 £ |
|---|------------------------------------|--------------------------------------|
| Net incoming resources before transfers | 653,806 | 20,555,391 |
| Fixed assets transferred from local authority on conversion | – | (20,952,579) |
| Depreciation | 425,870 | 332,532 |
| Pension transferred from local authority on conversion | – | 1,160,000 |
| Scholarship Fund investments transferred on conversion | – | (244,649) |
| Scholarship Fund loss/(gain) on revaluation | (24,917) | 11,783 |
| DfE/EFA capital grants | (711,103) | – |
| Donations | (50,650) | – |
| Interest receivable | (5,410) | (2,158) |
| FRS 17 pension cost less contributions payable | (44,000) | (40,000) |
| FRS 17 pension finance income | 50,000 | 41,000 |
| Decrease/(increase) in stocks | 854 | (6,266) |
| Decrease/(increase) in debtors | (12,040) | (170,025) |
| (Decrease)/increase in creditors | (181,313) | 517,473 |
| Net cash inflow from operating activities | £101,097 | £1,202,502 |

24. Returns on investments and servicing of finance

| | Year to 31 Aug 13 £ | 10 months 31 Aug 12 £ |
|-------------------|------------------------------------|--------------------------------------|
| Interest received | 5,410 | 2,158 |

25. Capital expenditure and financial investment

| | Year to 31 Aug 13 £ | 10 months 31 Aug 12 £ |
|---|------------------------------------|--------------------------------------|
| Additions to tangible fixed assets | 829,881 | 65,383 |
| Less DfE/EFA capital grants | (711,103) | – |
| Less Donations | (50,650) | – |
| Investments acquired | 6,116 | 284,092 |
| Investments disposed of | (1,070) | (245,489) |
| Net cash outflow from capital expenditure and financial investment | £73,174 | £103,986 |

26 Analysis of changes in net funds

| | 1 Sep 12 £ | Cash flows £ | 31 Aug 13 £ |
|--------------------------|-----------------------|-------------------------|------------------------|
| Cash in hand and at bank | 1,100,674 | 33,333 | 1,134,007 |

27. Members' liability

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

[Find us]



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