

**Bartholomew School  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2013**



**Company Registration Number:  
7939655 (England and Wales)**

**Bartholomew School**  
**Annual report and financial statements for the year ended 31 August 2013**

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## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

#### **Reference and Administrative Details**

##### **Governors (Trustees)**

J Osborne (Chair of Governors)  
M Foster (Vice-chair of Governors)  
A Hamilton (Headteacher and Accounting Officer)  
F Winstone (Staff Governor)  
J Hammond (Staff Governor)  
M Harrison (Staff Governor)  
C Allison (Parent Governor – term of office ended 14/10/12)  
A Blakeborough (Co-Opted Governor)  
S Ryde (Co-Opted Governor)  
L Tritton (Parent Governor – stood down 1/7/13)  
N Bolleurs (Appointed Governor – term of office ended 31/12/12)  
P Coulter (Appointed Governor)  
G Clark (Appointed Governor)  
G Robinson (Appointed Governor)  
F Gunn (Appointed Governor – term of office ended 22/6/13)  
S Hellig (Appointed Governor)  
S Paterson (Appointed Governor)  
M Ryan (Appointed Governor)  
M Marinho (Parent Governor)  
J Marks (Parent Governor)  
M Morera (Parent Governor)  
K McCarthy (Parent Governor – appointed 4/2/13)

Company Secretary

B Bedford

##### **Senior Leadership Team (SLT)**

Headteacher	A S Hamilton
Deputy Headteacher	H Von der Osten
Deputy Headteacher	C Thomas
Assistant Headteacher	S Doherty (resigned 31/12/12)
Assistant Headteacher	A Wood
Assistant Headteacher	A Page
Assistant Headteacher	S Nicholson
Finance Director	M Lawes

Principal and Registered Office

Witney Road  
EYNHAM  
Witney  
Oxon  
OX29 4AP

**Bartholomew School**  
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Company Registration Number                      7939655 (England and Wales)

Independent Auditor                                  Critchleys LLP  
   Greyfriars Court  
   Paradise Square  
   Oxford  
   OX1 1BE

Bankers    Lloyds TSB Bank PLC

Solicitors     Stone King LLP  
   13 Queen Square  
   Bath  
   BA1 2HJ

## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2012 to 31 August 2013. An order for academy conversion was issued by the Secretary of State for Education on 9 November 2011 and Bartholomew School was incorporated on 7 February 2012, formally converting from a Local Authority maintained school to an academy on 1 March 2012.

#### **Structure, Governance and Management**

##### **Constitution**

The Bartholomew School Academy Trust is a company limited by guarantee and *an exempt* charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

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

Details of the governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 3.

##### **Members' Liability**

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

##### **Governors' Indemnities**

Insurance cover is provided by Zurich Municipal under policy number KSC-242046-7073.

##### **Principal Activities**

to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the School"),

to promote for the benefit of the inhabitants of Oxfordshire and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants

## **Bartholomew School**

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#### **Method of Recruitment and Appointment or Election of Governors**

The Members may appoint up to 11 Governors, but the total number of Governors who are employees of the Academy Trust (including the Principal) must not exceed one third of the total number of Governors

Parent Governor(s) shall be elected by parents of registered pupils at the School. A Parent Governor must be a parent of a pupil at the School at the time when they are elected. Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the School is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. Any election of Parent Governors which is contested shall be held by secret ballot.

The Staff Governors shall be elected by staff members at the School. A Staff Governor must be a staff member at the time when they are elected. If a Staff Governor ceases to be a staff member then they shall be deemed to have resigned and shall cease to be a Governor.

The Governors may appoint up to 3 co-opted Governors. A 'co-opted Governor' means a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a co-opted Governor if the number of Governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Governors.

#### **Policies and Procedures Adopted for the Induction and Training of Governors**

Bartholomew School subscribes to Oxfordshire County Council's Governor Services, which exists to provide support and training for Oxfordshire's school governors.

A comprehensive range of services is offered to governing bodies on a subscription basis. These are:

- Induction training
- Governor training programme
- In-house training, including the How can we become more effective? Governing body exercise and customised sessions on specific subjects
- Partnership Training
- Helpline
- Clerking Services
- Clerks' Briefings
- Briefing papers and publications

## **Bartholomew School**

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#### **Organisational Structure**

The School has defined the responsibilities of each person involved in the administration of School finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below

#### ***The Governing Body***

The Governing Body has overall responsibility for the administration of the School's finances. The main responsibilities of the Governing Body are prescribed in the Funding Agreement between the School and the DfE and in the School's scheme of government.

The main responsibilities include

- ensuring that grant from the DfE is used only for the purposes intended
- approval of the annual budget
- appointment of the Accounting Officer
- appointment of the Finance Director, in conjunction with the Accounting Officer

#### **The Strategic Resource & Financial Management Committee**

The Strategic Resource & Financial Management (SRFM) Committee is a committee of the Governing Body. The SRFM Committee meets at least once a term but more frequent meetings can be arranged if necessary.

The main responsibilities of the SRFM Committee are detailed in written Terms of Reference which are authorised and approved by the Governing Body annually. The main financial responsibilities include

- coordinating the planning and budgeting processes
- the regular monitoring of management accounts
- interacting with all other committees, to advise on the appropriate means by which their requirements which have budget implications can best be met
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies
- authorising the award of contracts over £25,000
- authorising changes to the School personnel establishment
- reviewing the reports of the Peer Review Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Governing Body

#### ***The Accounting Officer (Headteacher)***

Within the framework of the School Development Plan (SDP) as approved by the Governing Body, the Accounting Officer has personal responsibility for

- the propriety and regularity of the public finances for which they are answerable
- the keeping of proper accounts
- prudent and economical administration
- the avoidance of waste and extravagance
- ensuring value for money
- the efficient use of all resources their charge

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Much of the day to day financial responsibility has been delegated to the Finance Director but the Accounting Officer still retains responsibility for

- approving new staff appointments within the authorised establishment, except for any senior staff posts which the Governing Body have agreed should be approved by them
- authorising contracts between £5,000 and £25,000 in conjunction with the Finance Director
- signing cheques in conjunction with other authorised signatories

The Accounting Officer must advise the Board of Trustees in writing, whether at any time, in their opinion, any action or policy under consideration by the SRFM Committee or the Governing Body is incompatible with the terms of the Academy's Funding Agreement or the Academies Financial Handbook. Similarly, the Accounting Officer must advise the BSAT in writing if the FGB appears to be failing to act where required to do so by the terms and conditions of the Academy's Funding Agreement or the Academies Financial Handbook.

#### ***The Finance Director***

The Finance Director works in close collaboration with the Accounting Officer through whom they are responsible to the governors. The Finance Director also has direct access to the governors via the SRFM Committee.

The main responsibilities of the Finance Director are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system
- the management of the School's financial position at a strategic and operational level within the framework for financial control determined by the Governing Body
- the maintenance of effective systems of internal control
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the School
- the preparation of monthly management accounts
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance
- additional roles, some of which are not directly finance related, as outlined in the Finance Director's job description

#### ***The Peer Review Officer***

The Peer Review Officer (PRO) is appointed by the Governing Body and provides governors with an independent oversight of the School's financial affairs. The main duties of the PRO are to provide the Governing Body with independent assurance that

- financial responsibilities of the Governing Body are being properly discharged
- resources are being managed in an efficient, economical and effective manner
- sound systems of internal financial control are being maintained
- financial considerations are fully taken into account in reaching decisions



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### **Annual report and financial statements for the year ended 31 August 2013**

The PRO will undertake a quarterly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as lay down by the Governing Body. A report of the findings from each visit will be presented to the SRFM Committee.

#### ***Other Staff***

Other members of staff, primarily the Finance Officer, the Finance Assistant and departmental budget holders, will have some financial responsibilities and these are fully documented in the school.

All staff are responsible for the security of School property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources, and for conformity with the requirements of the School's financial procedures.

#### **Risk Management**

The major risks to which the Academy Trust is exposed, as identified by the governors, have been reviewed, and systems or procedures have been established to manage those risks. The internal control systems and the exposure to risks are considered on a regular basis by management and the governors.

#### **Connected Organisations, including Related Party Relationships**

The Academy Trust is not part of a wider network such as a soft federation.

#### **Auditor**

Insofar as the governors are aware:

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

Critchleys LLP was formally appointed as auditors for the company and a Letter of Engagement was signed by the Chair of Governors.

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#### **Objectives and Activities**

##### ***Objects and Aims***

To develop the intellectual potential of each child to the full, valuing all our students equally,  
To provide a range of opportunities for the wider development of skills and talents,  
To contribute to the growth of each student in terms of physical health, personal and emotional maturity and moral and spiritual development,  
To give our students a sense of responsibility to the community and to society as a whole, in order to heal rather than increase divisions in society

##### ***Objectives, Strategies and Activities***

Over the four years since the school's highly successful OFSTED inspection in May 2009, there have been many new initiatives and improvement priorities for our overall school development planning that have been designed to continue to move the school forward and make the necessary improvements to enable us to maintain our outstanding performance.

The School Development Plan (SDP) for 2012-13 was focused on consolidating and embedding these at a time of major structural and philosophical upheaval both nationally and locally in education. Changes to the school system, and the inspection regime that monitors it, have left us with very different criteria against which we are judged. When self-evaluating against these new criteria, especially when a somewhat fluctuating set of results over that three year period is also considered, it means elements of our performance could be assessed as no longer being *outstanding and requiring immediate improvement*, with others needing to have adjustments made in order to maintain their excellence.

In order to address these issues successfully, the Senior Leadership Team (SLT) determined that it was essential for staff to have a greater ownership of the development priorities that were being identified. They also felt it was essential that our priorities should be identifiable, in a coherent fashion, with the monitoring and evaluation of the school's performance assessed both through our internal self-evaluation processes but also externally against the national OFSTED regime. These required elements meant that the SDP process has had to be changed significantly for this year.

To address the first of these, instead of this overview document and the whole-school priorities for the year being agreed by SLT based on their self-evaluation, this process has been opened up to staff through a series of working groups centred on the main OFSTED assessment areas below. This voluntary involvement has led to a wide range of staff having a positive input to the development of our priorities for the coming year and therefore understanding, and being committed to, the changes that will need to take place to move us forward. Further, as it has been done across the board, all areas have had the opportunity to contribute to the identification of these priorities.

To address the second of these elements, it was agreed that we needed to self-evaluate and prioritise for the new SDP against the new OFSTED framework, enabling us to focus our efforts to ensure improvement in our standards and the further development of the school towards being a truly outstanding school. Each section of the SDP has the ultimate aim of enhancing the standards of learning, development, attainment and achievement of our students. It must do so in such a way that

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the threads of development can be seen and followed from year to year - even if the actual labels of tasks/processes are changed.

The simplest way to do this, whilst keeping a familiarity with our current SDP process, is to use the main OFSTED judgement areas as the overarching areas within which departmental and pastoral area teams can set their specific LDP targets for the year. Therefore, we have generated the following areas for this year's SDP under which priorities for development can be sited

Leadership and Management  
Teaching and Learning  
Data and Achievement  
Behaviour and Ethos  
Strategic Resource Management

We have added the area of Strategic Resource Management to the four main OFSTED areas as developing the school's strategic resource use provides the wherewithal that will enable us to deliver in all the other areas

The school was formally re-inspected by Ofsted between 21 and 22 May 2013 and was judged to be an outstanding school, highly effective in delivering outcomes that provide exceptionally well for all its pupils' needs, ensuring that pupils are very well equipped for the next stage of their education, training or employment. The four key areas inspected were achievement of pupils, quality of teaching, behaviour and safety of pupils and leadership and management. Each of these areas was judged to be outstanding.

The key findings of the Ofsted inspection for parents and pupils were

- Students make outstanding progress in a wide range of subjects, including English and mathematics. Results in GCSE examinations were above average in 2012 and are on track to be even better this year.
- The sixth form is outstanding. Most students continue their studies into the sixth form where they achieve very well. A high proportion of students attain the top grades in their A-level subjects and many proceed to higher education.
- The school leaders have established a climate where everyone is keen to learn and improve. Through regular checking and feedback to teachers, they have maintained a very high quality of teaching and learning throughout the school.
- There is a relentless focus on raising academic standards within a caring atmosphere that also values and promotes students' personal development exceptionally well.
- The needs of each student are considered carefully and alternative programmes and support are planned for those who would benefit from them, to accommodate their strengths and interests.
- The students' behaviour and attitudes to learning are exemplary. They are polite, respectful and work very well together. They are proud of their school and enjoy being given responsibilities, such as being part of the student council or mentoring younger students. Thinking skills lessons are helping them to reflect on their own learning.
- Teachers' high expectations, strong subject knowledge, skilful questioning and positive relationships with students contribute to students' excellent learning in lessons.

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- Teachers also go out of their way to support students through extra lessons at lunchtime and after school. The school organised very well-attended Saturday sessions to boost attainment in English this year.
- The school leaders and governors have a very accurate view of what needs to be done to continue raising standards. There is no hint of complacency and the school improvement plan is based on the school's accurate and realistic judgements on the quality of its work.

The school has been an Investor in People since March 2001. Following an assessment undertaken by an Investor in People specialist in May 2013, the school achieved Bronze recognition and the Investors in People accreditation has been granted indefinitely subject to full assessment every three years.

#### **Public Benefit**

Bartholomew School is a mixed comprehensive school that offers an excellent and educational environment for over 1,000 students. Our successes are built upon the efforts of a highly qualified, hard-working and enthusiastic staff, well-motivated students and very supportive parents. Our excellence in providing outstanding teaching and learning with our students has led us to be recognised nationally as High Performing Specialist School and the addition of two new specialisms in Science, Technology, Engineering and Maths (STEM) and in our innovative Thinking Voice specialism.

The school has a very high quality pastoral care system and our School Council, involving students in the running of the school, is used as a model of good practice throughout Oxfordshire. Members of the School Council are divided into working groups to look at such issues as charity events, the ethos of the school, the school environment, teaching and learning and the use of technology.

Bartholomew School is a focus for wider community educational activities, working closely with our local partners in education and business, to ensure that the school is at the centre of its community. This includes the Eynsham Partnership, that includes all of our partner primary schools, to generate better educational programmes for our young people, as well as improving our transitional activities for students who will be coming up to Bartholomew.

We value highly all contact with parents since we see a successful education being a partnership between parents, students and the school. By working together we are able to meet our aim of ensuring that all who come to Bartholomew School will find it challenging, stimulating, caring and a happy place to be and will enjoy their time here.

Students at Bartholomew School are able to participate in a wide variety of clubs, trips and activities as well as the Duke Of Edinburgh and The Community Sports Leadership Award Schemes.

The Academy Trust Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

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#### **Achievements and Performance**

Bartholomew School achieved excellent results in both the GCSE and A2-level examinations and are a reflection of the fantastic commitment of our students, and the high quality teaching provided for them by all our teaching staff. All our students should be justifiably proud of their efforts and the grades they have achieved

With a mixed ability intake, these outstanding results reflect our dedication to nurture students at all levels of ability. They are a reward for the positive attitudes shown by all students and affirm Ofsted's judgement that "Bartholomew School is outstanding" (June 2013)

#### **GCSE**

This year's GCSE examination results produced the best ever 5A\*-C figures for the school with 81% of students gaining this key benchmark figure. They are a suitable reward for the great efforts put in by the students and staff to improve standards. Bartholomew School's best ever performance in many of the key measures means the School has once again generated significant added value for its students maintaining the excellent standards set in previous years

176 students produced the following highlights

- 81%, or more than 4 out of 5 students, gained 5+A\*-C grades
- 70% gained 5+A\*-C grades including English and Maths
- 99% of all entries gained 5+A\*-G grades

There were many exceptional individual performances, with 23 students, i.e. 13% of all students, gaining 9 or more A\*/A grades

#### **A-Levels**

This year's A Level examination results match Bartholomew School's best ever performance and mean the School has once again generated significant added value for its students maintaining the excellent standards set in previous years. The School has been consistently one of the highest performing state schools in Oxfordshire and these results mean that most students will be able to attend their chosen university

94 students took some 355 exams, with the following highlights

- 82.2% (more than 4 out of 5) of the results gained the highest grades A\*-C
- 61.3% gained grades A\*-B
- 31.2% (almost 1 in 3) of all A2 entries gained grades A\* or A
- 98.5% of all entries gained A\*-E grades

Within the extensive successes at Bartholomew School, there were many exceptional individual performances with ten students achieving three or more grade A\*/As at A2

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#### **Going Concern**

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

#### **Key Financial Performance Indicators**

The Governor approved budget for the period 1 September 2012 – 31 August 2013 forecasted an in-year revenue surplus of £228,679. This represented 4.5% of the original notified General Annual Grant income of £5,060,126 and included the loss of two members of the senior leadership team during the financial year. Restructuring of the senior leadership team was formally approved by governors during the financial year with two new deputy headteacher posts created and appointments made prior to the end of the financial year. The in year-end revenue surplus of £456,537 represented 8.87% of the final General Annual Grant Restricted funds of £5,148,793.

Staffing costs were budgeted at 78% of the original General Annual Grant but final expenditure was 78.5% of the original General Annual Grant (77% of the final General Annual Grant restricted funds). This is slightly lower than similar educational institutions but further appointments are planned during 2013/14 that are expected to bring costs up to 80% of the General Annual Grant.

Total premises expenditure was 8% of total income of £6,109,664 due to additional repairs and maintenance expenditure as part of the planned improvements to the school site. All other supplies and services expenditure was 14% of total income. These percentages are in line with similar educational institutions.

#### **Financial Review**

A Bartholomew School Academy Financial Control checklist has been produced with the intention of helping the School to review its level of internal control with a view to assessing the consequences arising from the controls not being in place. The checklist will be completed on an annual basis as part of the statement on regularity, propriety and compliance that has to be included in the Academies Accounts Direction.

The expected internal controls have been identified for each of the following nominated areas:

- 1 Governance
- 2 Financial Planning and Budgetary Control
- 3 Income
- 4 Expenditure
  - 4.1 Purchasing
  - 4.2 Ordering and Receipt of Goods
  - 4.3 Invoices
  - 4.4 Petty Cash Accounts

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- 5 Assets
- 6 Payroll
- 7 Insurance
- 8 Voluntary Funds
- 9. Data Security

The system relating to each control is documented and the annual review with document whether the internal controls are in place ("Yes" or "No") For any question which generates a "No" response, action will be required by the school to turn the response to a "Yes" Any action required will then be documented in the checklist or an action plan, and both the weakness and the action plan will then be fed into the relevant parts of the statement on regularity, propriety and compliance and the system of internal control

The following colour codes have been incorporated within the checklist to identify those questions for which action is in the course of being implemented or for which action is still required

- Red – Internal Control issues identified which require further action
- Amber – Internal Control issues identified, action taken and implementation agreed

Part of the following year's review will then confirm the implementation of the previous year's action plan, if applicable

Bartholomew School converted to an academy on 1 March 2012 and an Academies Financial Management and Governance Evaluation was undertaken within four months of the conversion date and submitted to the Education Funding Agency (EFA) on 3 July 2012 in accordance with a published submission deadline

The evaluation comprised of five individual areas that contributed to the overall evaluation and was completed in two parts Part A comprised 49 questions and covered mandatory financial management and governance requirements, and Part B comprised 105 questions and covered recommended and best practice in academies' financial management and governance Brief descriptions of evidence held and/or justification to support the evaluation had to be included and an overall grade was then based upon the grades for the five areas Those grades were as follows

Area	Grade derived from Part A requirements	Grade derived from Part B requirements
Financial oversight	Outstanding	Outstanding
Financial planning	Outstanding	Good
Internal control	Good	Good
Financial monitoring	Good	Good
Proper and regular use of public funds	Outstanding	Good
Overall assessment of financial management and governance	Good	

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The Education Funding Agency (EFA) is now placing reliance on the work of the regularity auditor and no longer requires established academies to produce and submit an annual Academies Financial Management and Governance Evaluation. However, a self-assessment was conducted internally on 30 August 2013 with the conclusion that financial management and governance arrangements were in place to ensure that any instances of irregularity, impropriety or funding non-compliance can be identified.

In addition to the self-assessment, a Governance and Accountability Checklist was produced by the academy in June 2013 to address areas of concern identified by the Education Funding Agency (EFA) and notified to all academies, following investigations it had conducted and where there had been a risk of fraud or irregularity. The completed checklist confirmed the following grades

<b>AUDITED FINANCIAL AREAS</b>	<b>ASSURANCE GRADING</b>
PROCUREMENT	High
ACCOUNTING SYSTEM	High
PERSONNEL	High
PAYROLL	High
INCOME	High
FINANCIAL REPORTING	High

The following actions were identified to further strengthen the academies procedures and processes:

<b>ID</b>	<b>Action Item</b>	<b>Assigned To</b>	<b>Due By</b>
1	Fully implement the new Strategic Resources and Financial Management Committee High Risk Register	Strategic Resources & Financial Management Committee	September 2013
2	Complete annual financial control checklist	Finance Director	1/10/2013
3	Discuss, review and re-adopt Internal Financial Regulations manual	Strategic Resources & Financial Management Committee	November 2013

No systems, however robust, can completely protect against individuals who are determined to commit a criminal act. However, our internal financial systems have been established using tested audited principles and procedures and are subject to monthly internal scrutiny, quarterly reviews by our appointed Responsible Officer and annual audit by our appointed external auditors.

Appropriate responsibilities, accountabilities and a segregation of duties are in place. The Finance Director reviews and countersigns the bank, procurement card and payroll reconciliations undertaken by the Finance Officer.



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The Finance Director provides a full written financial report to the Headteacher monthly and termly to governors that includes a reconciliation of academy funding, budget, cashflow, payroll and catering monitoring and a balance sheet and any explanations for variances against plan

The school has a surplus balance of £1,807,840 as at the 31 August 2013 but only £456,537 from the 2012-13 General Annual Grant restricted funds, £150,117 from the 2011-12 General Annual Grant restricted funds and £531,513 from pre-academy conversion balances are freely available for its general purposes. The latter amount is set aside to support a school expansion capital build programme in 2014/15

The main source of funding is the original notified General Academy Grant of £5,060,126 received from the Education Funding Agency (EFA). This is comprised of the School Budget Share £3,827,928, 6<sup>th</sup> form allocation £915,315, rates £20,508, and the Local Authority Central Spend Equivalent Grant (LACSEG) £296,375

Additional General Academy Grant restricted funds of £75,994 for academy insurance and £12,723 for rates have been received during the financial year to 31 August 2013. The first tranche of £193,320 from an Academies Capital Maintenance Fund bid of £966,600 was received in July 2013. Work relating to this bid will be commencing in November 2013.

Financial policies, including Internal Financial Regulations, which were held by the school prior to academy conversion, were adopted for use post conversion but all policies have been subject to a full review within the first year of the Academy Trust's existence

#### **Financial and Risk Management Objectives and Policies**

Risk is the threat that an event or action will adversely affect the Academy Trust's ability to achieve its objectives and to successfully execute its strategies. As such, risk management is an integral part of good governance and is a process whereby there is shared awareness and understanding within the school of

- the nature and extent of the risks it faces
- the extent and categories of risks regarded as acceptable (the School should formulate a sound policy on its threshold to risk)
- the likelihood and potential impacts of the risks materialising
- the ability to reduce the incidence and impact on the organisation of risks that do materialise
- regular and on-going monitoring and reporting of risk including early warning mechanisms
- an appropriate assessment is made of the cost of operating particular controls relative to the benefit obtained in managing the related risk
- the school conducts, at least annually, a review of the effectiveness of the system of internal control in place
- the school reports publicly on the results of the review, and explains the action it is taking to address any significant concerns that it has identified

The school's system of internal control is part of its risk management process and has a key role to play in the management of significant risks to the fulfilment of its business objectives. It also contributes to the safeguarding of public funds and a School's assets, and the promotion of best value. Internal control

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facilitates the effectiveness and efficiency of operations, helps to ensure the reliability of internal and external reporting, and assists compliance with laws and regulations.

Risk Registers have been produced to support the four key risk areas identified in a School:

- Compliance Risks
  - Employee, Environmental, Financial Reporting Risk Register
  - Charities, Tax, Data Protection, Welfare, Local and Central Government Risk Register
- Financial Risks
  - Financial Control and Financial Systems Risk Register
  - Income & Expenditure Risk Register
  - Treasury, Fixed Asset, Investment, Stock Risk Register
  - Debtors, Taxation, Provisions & Contingency, Party Risk Register
  - Funds and Pensions Risk Register
- Operational Risks
  - Management Information Risk Register
  - Human Resources Risk Register
  - Income & Supplier Risk Register
  -
- Strategic & Reputational Risks
  - Strategic Risk Register
  - Public Profile Risk Register
  - Governing Body Organisation Risk Register

Risk register pro-forms have been completed to form the basis of the risk register and focus upon the strategic and reputational risks, the operational risks and the financial risks

Each pro-forma includes the following elements.

- Category
- specific risk issue
- likelihood of occurring (high, medium and low for simplicity)
- impact if occurs (high, medium, and low)
- response (transfer, tolerate, treat or terminate)
- control procedure and target date
- person(s) responsible for action
- date of next review

The Academy Trust has exposure to a number of financial risks including credit, cash flow and liquidity risks. However, given the nature of the Academy Trust, the 'financial instruments' that they deal with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors. Consequently, governors are of the opinion that the financial risks will not be material to the assessment of the trust's assets, liabilities, financial position and its results

Barnett Waddingham Public Sector Consulting were instructed by Oxfordshire County Council, the Administering Authority to the Oxfordshire County Council Pension Fund ("the Fund"), to undertake

## Bartholomew School

### Annual report and financial statements for the year ended 31 August 2013

pension expense calculations in respect of pension benefits provided by the Local Government Pension Scheme ("the LGPS") to employees of Bartholomew School ("the Employer") as at 31 August 2013. The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2007/08, as amended. It is contracted out of the State Second Pension.

In completing their calculations for FRS17 purposes they have used the following items of data, which they received from Oxfordshire County Council:

- The results of the New Academy valuation as at 1 March 2012 which was carried out for funding purposes,
- Estimated whole fund income and expenditure items for the period to 31 August 2013;
- Estimated whole fund returns for the period to 31 August 2013 are based on assets used for the purpose of the FRS17 valuation as at 31 August 2012 and estimated fund returns for the period to 31 August 2013,
- Estimated Fund income and expenditure in respect of the Employer for the period to 31 August 2013.
- Details of any new early retirements for the period to 31 August 2013 that have been paid out on an unreduced basis, which are not anticipated in the normal employer service cost.

Although some of these data items have been estimated, they do not believe that they are likely to have a material effect on the results of this report, especially in the context of the roll-forward approach they have taken. Further, they are not aware of any material changes or events since they received the data.

Net Pension Asset as at		31 Aug 2013	31 Aug 2012	01 Mar 2012
		£000's	£000's	£000's
	Present Value of Funded Obligation	2,093	1,726	1,510
	Fair Value of Scheme Assets (bid value)	965	716	611
<b>Net Liability</b>		<b>1,128</b>	<b>1,010</b>	<b>899</b>
	Present Value of Unfunded Obligation	-	-	-
	Unrecognised Past Service Cost	-	-	-
<b>Net Liability in Balance Sheet</b>		<b>1,128</b>	<b>1,010</b>	<b>899</b>

#### Principal Risks and Uncertainties

Using the risk register pro-formas that have been completed to form the basis of the risk register, a Strategic Resources and Financial Management Committee High Risk Register has been produced to enable principal risks and uncertainties facing the school to be regularly reviewed and addressed. Whilst the format of the register continues to be developed, the principal risks identified are recorded in the document.

## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

#### **Reserves Policy**

Whilst the school has a surplus balance of £1,807,840 as at the 31 August 2013, it only has £456,537 from the 2012-13 General Annual Grant revenue budget (8.87% of total GAG income), £150,117 from the 2011-12 revenue budget and £531,513 from pre-academy conversion revenue balances, including £120,231 from a Returner's Project, that are freely available for its general purposes. The £531,513 has been set aside as a designated reserve for the planned expansion of the school and the building of new classrooms by September 2015. £6,000 of the surplus revenue balance for 2012/13 has been allocated to a designated reserve for photocopier replacement and £8,000 for minibus replacement. The remaining surplus revenue funds are set aside to support the completed strategic School Development Plan, which includes detailed objectives for the coming academic year, the on-going assessed needs of £2,151,806 identified in the Condition / Planned Maintenance Report prepared on behalf of the school in August 2012 and the strategic ICT development plan.

£242,196 of pre-academy conversion devolved capital funding and £25,391 of additional devolved capital is also included in the surplus balances of £1,807,840 along with £183,320 of the first tranche of the Academies Maintenance Capital Funding of £966,600. Work is due to commence in November 2013 on the £966,600 maintenance project as part of the planned programme of capital development work required to meet the assessed needs highlighted above.

The governors have approved a revenue reserves policy to annually allocate funds for the planned replacement of vehicles and photocopying equipment, property maintenance not covered by annual funding (i.e. assessed need condition work) and the continuing development of ICT infrastructure.

#### **Investment Policy**

Investments will be made only in accordance with written procedures approved by the Governing Body.

All investments will be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment.

During the period 1 September 2012 to 31 August 2013 the sum of £789,608 was invested on a three month fixed deposit, earning interest of £1,460.23 on 13 May and £1,194.15 on 13 August 2013.

All remaining funds held by the school as at the 31 August 2013 were in an interest bearing account with Lloyds TSB Bank PLC.

#### **Plans for Future Periods**

With the significant improvements that the School has made in recent years, we have reached the point where the focus can continue to be very clearly centred on *improving teaching and learning* to help us raise standards. The specific areas for focus are:

- Improve achievement standards by enhancing the quality of teaching and learning by implementing the agreed, new assessment and feedback guidelines and procedures

## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

- Develop and improve differentiation practices to meet the needs of all learners including all groups with specific identified needs such as middle ability boys
- Improve the use of data to assess performance and progress, improve the sharing of good practice, address areas for improvement, and assists the reduction of within-school variation in performance
- Improve consistency in the approach to managing student behaviour across the whole school to ensure a calm and purposeful environment that will support student learning, progress and achievement
- Develop and implement an effective range of intervention strategies and systems that address students' learning, behavioural and emotional difficulties and support their progress and achievement

Much of the School site was developed in the 1950's, with additions and extensions to buildings undertaken since then. A Capital Development strategy for the school that includes a 3-5 year capital development plan, a capital bidding strategy and a capital disaster contingency strategy is being developed.

The two main priorities of the capital development plan are tackling building condition issues including Health and Safety issues that cannot be met from routine maintenance and the expansion of facilities and floor space to accommodate more pupils, including a sixth form centre. The Condition / Planned Maintenance Report prepared on behalf of the school in August 2012 estimated total expenditure of £2,151,806 over the next five years and such level of expenditure could only be achieved from a capital bidding strategy.

The school has already bid for and, on appeal, been awarded funding of £513,200 to replace a large section of failed Crittal single glazed windows and asbestos cladding panels and £453,300 to replace aged roof coverings from the Academies Capital Maintenance Fund 2013-14. The programme of works is planned to be completed by 31 March 2014.

The school will also be increasing pupil numbers by 150 by September 2015 under a planned expansion requested by Oxfordshire County Council. £1.72million has been secured to build new classrooms and the school will be contributing £531,513 from designated reserves to the expansion project.

#### **Funds held as Custodian Trustee on behalf of others**

The Academy Trust or its governors are not acting as custodian trustee on behalf of others.

Approved by order of the members of the Governing Body on 9 December 2013 and signed on its behalf by



**Jane Osborne**  
**Chair of the Governing Body**

## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

#### **Governance Statement**

##### **Scope of Responsibility**

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bartholomew School Limited 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 Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
S Ryde	5	6
M Morera	3	6
A Blakeborough	4	6
N Bolleurs	1	6
P Coulter	5	6
M Ryan	5	6
G Clark	5	6
M Foster	6	6
G Robinson	5	6
F Gunn	5	6
J Hammond	5	6
M Harrison	6	6
F Winstone	5	6
J Osborne	6	6
S Paterson	4	6
L Tritton	5	6
S Hellig	4	6
A Hamilton	6	6
M Marinho	5	6
J Marks	6	6
K McCarthy	2	6

## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

The Strategic Resource & Financial Management Committee is a committee of the main Governing Body. The main responsibilities of the committee are set out in page 7 of this report.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
P Coulter	7	7
S Paterson	6	7
M Harrison	6	7
A Hamilton	7	7
J Marks	5	7
M Ryan	7	7
S Ryde	5	7
G Robinson	6	7
K McCarthy	2	7
C Allison	1	7
S Hellig	1	7
J Osborne	1	7
M Morera	1	7

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust 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 Bartholomew School for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

#### **The Risk and Control Framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability

In particular, it includes

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The Strategic Resources & Financial Management Committee fulfils the functions of an audit committee, reviewing the risks to internal control to inform the statement of internal control and, so far as is possible, provide assurance to the external auditors. A Strategic Resources and Financial Management Committee High Risk Register has been produced to enable principal risks and uncertainties facing the school to be regularly reviewed and addressed as outlined in page 18 of this report

The governors initially appointed Michael Lawes, an experienced local authority officer, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The first quarterly RO visit was undertaken on 12 July 2012 and a report was issued to the governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities on 13 July 2012. No significant risk features were identified or reported upon.

Following the appointment of Michael Lawes to the post of Finance Director of the School on 1 September 2012, the governors formally invited Peter Brown, formally Schools Finance Manager at Oxfordshire County Council, to become the Responsible Officer for the School. His first report was issued to the governing body on 24 January 2013. High assurance was given in all areas of financial control and no risk features were identified that required any corrective action.

#### **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 Responsible Officer
- the work of the external auditor
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework



## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Strategic Resource & Financial Management committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the Governing Body on 9 December 2013 and signed on its behalf by



Jane Osborne  
Chair of the Governing Body



Andrew Hamilton  
Accounting officer

## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

#### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Bartholomew School, 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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Andrew Hamilton  
Accounting officer

## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

#### **Statement of Governors' Responsibilities**

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

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

In preparing these financial statements, the governors are required to:

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

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

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

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

Approved by order of the members of the Governing Body on 9 December 2013 and signed on its behalf by



Jane Osborne  
Chair of the Governing Body

## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

#### **Independent Auditor's Report to the members of Bartholomew School**

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

This report is made solely to the charitable company'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 company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of governors and auditor**

As explained more fully in the Statement of Governors' Responsibilities set out on page 26, the governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

*In our opinion the financial statements.*

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

**Bartholomew School**

**Annual report and financial statements for the year ended 31 August 2013**

**Independent Auditor's Report to the members of Bartholomew School (continued)**

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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

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



Robert Kirtland (Senior statutory auditor)  
For and on behalf of Critchleys LLP  
Statutory Auditor  
Oxford

Date.

11/2/13

## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

#### **Independent Reporting Auditor's Assurance Report on Regularity to Bartholomew School and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 14 August 2012 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 Bartholomew School during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of Bartholomew School's accounting officer and the reporting auditor**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies'Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes enquiry, inspection and review, observation and re-performance.

## **Bartholomew School**

### **Annual report and financial statements for the year ended 31 August 2013**

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Robert Kirtland (Senior statutory auditor)  
For and on behalf of Critchleys LLP  
Statutory Auditor  
Oxford

Date 18/12/2013

**Bartholomew School**  
**Statement of Financial Activities**  
**For the year ended 31 August 2013**  
**(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2013	Total 2012 (6 months)
	Note	£	£	£	£	£
<b>Incoming resources</b>						
<i>Incoming resources from generated funds</i>						
Voluntary income - transfer on conversion	3	-	-	-	-	12,367,023
Other voluntary income	4	12,111	-	-	12,111	3,558
Activities for generating funds	5	6,852	-	-	6,852	371
Investment income	6	8,293	-	-	8,293	383
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	7	-	5,251,999	365,174	5,617,173	2,587,300
Other income for educational operations	8	465,235	-	-	465,235	236,389
<b>Total incoming resources</b>		<b>492,491</b>	<b>5,251,999</b>	<b>365,174</b>	<b>6,109,664</b>	<b>15,195,024</b>
<b>Resources expended</b>						
<i>Other resources expended</i>						
Transfer from Local Authority on conversion		-	-	-	-	899,000
<i>Cost of generating funds</i>						
Costs of activities for generating funds	9	-	-	-	-	-
<i>Charitable activities</i>						
Academy's educational operations	9,10	368,620	4,738,679	904,852	6,012,151	3,024,116
Governance costs	11	-	17,100	-	17,100	23,414
<b>Total resources expended</b>		<b>368,620</b>	<b>4,755,779</b>	<b>904,852</b>	<b>6,029,251</b>	<b>3,946,530</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>123,871</b>	<b>496,220</b>	<b>(539,678)</b>	<b>80,413</b>	<b>11,248,494</b>
Gross transfers between funds	19	-	(128,898)	128,898	-	-
<b>Net income/(expenditure) for the period</b>		<b>123,871</b>	<b>367,322</b>	<b>(410,780)</b>	<b>80,413</b>	<b>11,248,494</b>
Actuarial gains and losses in period for defined benefit pension schemes	19,29	-	(30,000)	-	(30,000)	(72,000)
<b>Net movement in funds</b>		<b>123,871</b>	<b>337,322</b>	<b>(410,780)</b>	<b>50,413</b>	<b>11,176,494</b>
Funds brought forward at 1 September 2012		623,019	(855,279)	11,408,754	11,176,494	-
<b>Funds carried forward at 31 August 2013</b>		<b>746,890</b>	<b>(517,957)</b>	<b>10,997,974</b>	<b>11,226,907</b>	<b>11,176,494</b>

All of the Academy's activities are continuing activities

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



Bartholomew School  
Balance sheet  
As at 31 August 2013

Company number  
7939655

	Notes	2013 £	2013 £	2012 £	2012 £
<b>Fixed assets</b>					
Tangible assets	15		10,547,067		11,145,160
<b>Current assets</b>					
Stock	16	25,405		11,000	
Debtors	17	270,128		94,560	
Cash at bank and in hand		<u>2,067,566</u>		<u>1,287,755</u>	
		2,363,099		1,393,315	
<b>Creditors Amounts falling due within one year</b>	18	(555,259)		(361,981)	
<b>Net current assets</b>			<u>1,807,840</u>		<u>1,041,334</u>
<b>Total assets less current liabilities</b>			12,354,907		12,186,494
<b>Net assets excluding pension liability</b>			12,354,907		12,186,494
Pension scheme liability	29		<u>(1,128,000)</u>		<u>(1,010,000)</u>
<b>Net assets including pension liability</b>			<u>11,226,907</u>		<u>11,176,494</u>
<b>Funds of the academy</b>					
<b>Restricted fixed asset funds</b>	19		10,997,974		11,408,754
<b>Restricted funds</b>					
Restricted funds excluding pension liability	19	510,043		154,721	
Pension reserve	19	<u>(1,128,000)</u>		<u>(1,010,000)</u>	
Total restricted funds			(517,957)		(855,279)
Unrestricted funds	19		746,890		623,019
<b>Total funds</b>			<u>11,226,907</u>		<u>11,176,494</u>

The financial statements were approved by the Board of Governors and authorised for issue on 9 December 2013

Signed on behalf of the Board of Governors



Jane Osborne  
Chair of the Governing Body

**Bartholomew School**  
**Cash Flow Statement**  
**For the year ended 31 August 2013**

	Notes	2013 £	2012 £
Net cashflow from operating activities	23	853,103	497,482
Returns on investments and servicing of finance	24	8,293	383
Capital expenditure and financial investment	25	(81,585)	(72,213)
Increase/(decrease) in cash in the period	26	<u>779,811</u>	<u>425,652</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Cash transferred on conversion to an Academy Trust		-	862,103
Net funds at 1 September 2012		1,287,755	-
Net funds at 31 August 2013		<u><u>2,067,566</u></u>	<u><u>1,287,755</u></u>

All of the cash flows are derived from continuing operations

## **1 Statement of Accounting Policies**

### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, is set out below.

### **Going Concern**

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

### **Incoming Resources**

All incoming resources are recognised when the Academy 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 receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

#### **Donations**

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

#### **Other income**

Other income, including the hire of facilities, is recognised in the 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.

## 1 Statement of Accounting Policies (continued)

### Resources Expended

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

#### Costs of generating funds

These are costs incurred in 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 any reimbursed expenses.

All resources expended are inclusive of any irrecoverable VAT.

### Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Leasehold buildings were valued on a depreciated replacement cost basis at 31 August 2012 by qualified surveyors commissioned by the EFA and this report was used as the basis of the valuation of assets transferred on conversion.

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

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

Leasehold buildings	15 years from conversion
Fixtures, fittings and equipment	5-10 years
Motor vehicles	3 years
ICT equipment	3 years

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

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

## **1 Statement of Accounting Policies (continued)**

### **Leased Assets**

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

### **Stock**

Any significant uniform, reprographics and catering stocks are valued at the lower of cost or net realisable value

### **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

### **Pensions Benefits**

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 30, 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.

### **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 Department for Education and 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 Department for Education and other funders.

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**2 General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State the academy trust was not subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next

**3 Voluntary income on conversion to academy**

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Fixed assets transferred to academy	-	-	-	11,485,920
Other capital funds	-	-	-	242,196
Other revenue funds	-	-	-	638,907
	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,367,023</u>

**4 Voluntary income**

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Other grants and donations	12,111	-	12,111	3,558
	<u>12,111</u>	<u>-</u>	<u>12,111</u>	<u>3,558</u>

**5 Activities for Generating Funds**

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Hire of facilities / other lettings	1,780	-	1,780	371
Other income	5,072	-	5,072	-
	<u>6,852</u>	<u>-</u>	<u>6,852</u>	<u>371</u>

**6 Investment Income**

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Bank interest	8,293	-	8,293	383
	<u>8,293</u>	<u>-</u>	<u>8,293</u>	<u>383</u>

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7 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>DfE/EFA capital grants</b>				
Devolved formula capital grant	-	21,854	21,854	21,398
Academies Capital Maintenance Fund grant	-	193,320	193,320	-
	-	215,174	215,174	21,398
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG) (note 2)	-	5,148,793	5,148,793	2,536,626
Other DfE grants	-	99,182	99,182	29,276
	-	5,247,975	5,247,975	2,565,902
<b>Other Government grants</b>				
District Council grant re games area	-	150,000	150,000	-
Other grants	-	4,024	4,024	-
	-	154,024	154,024	-
	-	5,617,173	5,617,173	2,587,300

8 Other income for educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Contributions to salaries	33,252	-	33,252	-
Trip income	128,405	-	128,405	92,054
Uniform sales	25,553	-	25,553	17,241
Catering income	196,261	-	196,261	71,706
Other educational income	81,764	-	81,764	55,388
	465,235	-	465,235	236,389

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**9 Resources Expended (excluding transfer on conversion)**

	Staff Costs £	Premises Costs £	Other Costs £	Total 2013 £	Total 2012 £
<b>Costs of activities for generating funds</b>	-	-	-	-	-
<b>Academy's educational operations</b>					
Direct costs (note 10)	3,395,240	-	454,277	3,849,517	1,938,305
Allocated support costs (note 10)	578,557	315,194	1,268,883	2,162,634	1,085,811
	<u>3,973,797</u>	<u>315,194</u>	<u>1,723,160</u>	<u>6,012,151</u>	<u>3,024,116</u>
<b>Governance costs (note 11)</b>	-	-	17,100	17,100	23,414
	<u>3,973,797</u>	<u>315,194</u>	<u>1,740,260</u>	<u>6,029,251</u>	<u>3,047,530</u>

**Incoming/outgoing resources for the period include**

	2013 £	2012 £
Operating leases	-	-
Fees payable to audit firm		
Audit	7,500	6,250
Other services	4,100	1,050
Profit/(loss) on disposal of fixed assets	<u>-</u>	<u>-</u>



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10 Charitable Activities - Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>Direct costs</b>				
Teaching and educational support staff costs	33,250	3,361,990	3,395,240	1,700,104
Educational supplies and trip costs	155,061	154,008	309,069	185,386
Examination fees	-	82,756	82,756	40,076
Staff development	-	24,177	24,177	11,217
Other direct costs	-	38,275	38,275	1,522
	<u>188,311</u>	<u>3,661,206</u>	<u>3,849,517</u>	<u>1,938,305</u>
<b>Allocated support costs</b>				
Support staff costs	-	386,906	386,906	140,653
Depreciation	-	894,852	894,852	434,371
Recruitment and support	-	11,025	11,025	4,545
Maintenance (inc staff costs)	-	194,775	194,775	173,247
Cleaning (including staff costs)	-	78,464	78,464	42,234
Rent, rates and other utilities	-	99,537	99,537	54,811
Catering costs (inc staff costs)	175,198	24,470	199,668	83,479
Insurance	-	68,811	68,811	32,300
IT costs	-	99,929	99,929	25,860
Photocopier and stationery costs	-	6,721	6,721	2,728
Consultancy and other professional fees	-	14,647	14,647	40,029
Other pension costs	-	60,000	60,000	18,000
Other finance costs (FRS17)	-	28,000	28,000	21,000
Other support costs	5,111	14,188	19,299	12,554
	<u>180,309</u>	<u>1,982,325</u>	<u>2,162,634</u>	<u>1,085,811</u>
<b>Total</b>	<u>368,620</u>	<u>5,643,531</u>	<u>6,012,151</u>	<u>3,024,116</u>

11 Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Legal and professional fees	-	5,500	5,500	15,414
Auditors' remuneration	-	7,500	7,500	6,250
Audit services	-	4,100	4,100	1,050
Other services	-	-	-	700
Other governance costs	-	17,100	17,100	23,414

## 12 Staff Costs

	2013	2012
	£	£
Staff costs for the period were		
Wages and salaries	3,273,459	1,597,235
Social security costs	233,287	113,675
Pension costs	467,051	229,148
	<u>3,973,797</u>	<u>1,940,058</u>
Agency supply teacher costs	-	-
Compensation payments	-	-
	<u>3,973,797</u>	<u>1,940,058</u>

The average number of persons (including core leadership team) employed by the Academy during the period expressed as full time equivalents was as follows

	2013	2012
	No	No
<b>Charitable Activities</b>		
Teachers	56	56
Administration and support	43	40
Core leadership team	6	8
	<u>105</u>	<u>104</u>

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

	2013	2012
	No	No
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

The above employees also participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £14,819 (2012 6 months £6,880)

## 13 Governors' remuneration and expenses

The Headteacher and staff governors only receive remuneration in respect their employment to undertake the roles of Headteacher and staff and not in respect of their additional roles as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. Remuneration for the period (including employers' pension contributions) is disclosed in £5,000 bands for governors who are also Trustees of the academy trust, as follows

	2013	2012 (6 mths)
	£	£
A Hamilton, Headteacher Governor and Trustee	£115k-£120k	£55k-£60k
C Adams, Staff Governor and Trustee		£20k-£25k
J Hammond, Staff Governor and Trustee	£30k-£35k	£15k-£20k
M Harrison, Staff Governor and Trustee	£40k-£45k	£20k-£25k
F Winstone, Staff Governor and Trustee	£45k-£50k	

During the period ended 31 August 2013, no expenses were reimbursed to governors for travel and subsistence expenditure incurred in their roles as governors (2012 none)

There were no related party transactions involving trustees (note 30)

#### 14 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10m on any one claim and the cost for the period ended 31 August 2013 was £2,870 (2012 £2,028)

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

#### 15 Tangible Fixed Assets

	Leasehold Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 September 2012	10,997,429	332,102	225,000	25,000	11,579,531
Additions	185,868	94,448	16,443	-	296,759
At 31 August 2013	11,183,297	426,550	241,443	25,000	11,876,290
<b>Depreciation</b>					
At 1 September 2012	365,697	27,007	37,500	4,167	434,371
Charges in period	733,876	72,163	80,480	8,333	894,852
At 31 August 2013	1,099,573	99,170	117,980	12,500	1,329,223
<b>Net book values</b>					
At 31 August 2013	10,083,724	327,380	123,463	12,500	10,547,067
At 31 August 2012	10,631,732	305,095	187,500	20,833	11,145,160

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**16 Stock**

	2013	2012
	£	£
Uniform	17,137	6,000
Reprographics	5,856	4,000
Catering	2,412	1,000
	<u>25,405</u>	<u>11,000</u>

**17 Debtors**

	2013	2012
	£	£
Trade debtors	2,693	780
Prepayments and accrued income	221,859	56,617
Other debtors	45,576	37,163
	<u>270,128</u>	<u>94,560</u>

**18 Creditors amounts falling due within one year**

	2013	2012
	£	£
Trade creditors	255,496	177,534
PAYE and NIC creditor	71,819	75,273
Other creditors	62,068	60,220
Accruals and deferred income	165,876	38,954
	<u>555,259</u>	<u>351,981</u>

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19 Funds

	Balance at 1 September 2012 £	Incoming Resources £	Resources Expended £	Transfers & actuarial loss on pension £	Balance at 31 August 2013 £
<b>Restricted general funds</b>					
General Annual Grant (GAG) (note 2)	150,117	5,148,793	(4,563,358)	(128,898)	606,654
Pupil Premium funding	-	66,540	(66,540)	-	-
16-19 bursary funding	4,604	2,305	(3,520)	-	3,389
Other DfE funding	-	30,337	(30,337)	-	-
Other government funding	-	4,024	(4,024)	-	-
Pension reserve (note 29)	(1,010,000)	-	(88,000)	(30,000)	(1,128,000)
	<u>(855,279)</u>	<u>5,251,999</u>	<u>(4,755,779)</u>	<u>(158,898)</u>	<u>(517,957)</u>
<b>Restricted fixed asset funds</b>					
Academies Capital Maintenance fund	-	193,320	(10,000)	-	183,320
Devolved formula capital	21,398	21,854	-	(17,861)	25,391
Capital funds transferred on conversion	242,196	-	-	-	242,196
WODC funding	-	150,000	-	(150,000)	-
Fixed asset fund (note 15)	11,145,160	-	(894,852)	296,759	10,547,067
	<u>11,408,754</u>	<u>365,174</u>	<u>(904,852)</u>	<u>128,898</u>	<u>10,997,974</u>
<b>Total restricted funds</b>	<u>10,553,475</u>	<u>5,617,173</u>	<u>(5,660,631)</u>	<u>(30,000)</u>	<u>10,480,017</u>
<b>Unrestricted funds</b>					
School expansion designated funds (see page 19 of report)	-	-	-	531,513	531,513
Unrestricted general funds	623,019	492,491	(368,620)	(531,513)	215,377
<b>Total unrestricted funds</b>	<u>623,019</u>	<u>492,491</u>	<u>(368,620)</u>	<u>-</u>	<u>746,890</u>
<b>Total funds</b>	<u>11,176,494</u>	<u>6,109,664</u>	<u>(6,029,251)</u>	<u>(30,000)</u>	<u>11,226,907</u>

20 Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	10,547,067	10,547,067
Current assets	1,302,149	610,043	450,907	2,363,099
Current liabilities	(555,259)	-	-	(555,259)
Pension Scheme liability	-	(1,128,000)	-	(1,128,000)
<b>Total net assets</b>	<u>746,890</u>	<u>(517,957)</u>	<u>10,997,974</u>	<u>11,226,907</u>

**21 Capital commitments**

	2013 £	2012 £
Contracted for, but not provided in the financial statements	-	-

**22 Financial commitments**

*Operating leases*

At 31 August 2013 the Academy had no annual commitments under non-cancellable operating leases

**23 Reconciliation of net income to net cash flow from operating activities**

	2013 £	2012 £
Net income for the year	80,413	11,248,494
Cash transferred on conversion	-	(862,103)
Stock transferred on conversion	-	(19,000)
Depreciation (note 15)	894,852	434,371
Capital income re fixed assets transferred on conversion	-	(11,485,920)
Capital grants from DfE	(215,174)	(21,398)
Interest receivable (note 6)	(8,293)	(383)
FRS 17 pension liability on transfer to Academy	-	899,000
FRS 17 pension costs less contributions payable (note 29)	60,000	18,000
FRS 17 pension finance income (note 29)	28,000	21,000
(Increase)/decrease in stock	(14,405)	8,000
(Increase)/decrease in debtors	(175,568)	(94,560)
Increase/(decrease) in creditors	203,278	351,981
<b>Net cash inflow from operating activities</b>	<b>853,103</b>	<b>497,482</b>

**24 Returns on investments and servicing of finance**

	2013 £	2012 £
Interest received	8,293	383
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>8,293</b>	<b>383</b>

**25 Capital expenditure and financial investment**

	2013 £	2012 £
Purchase of tangible fixed assets	(296,759)	(93,611)
Capital grants from DfE	215,174	21,398
Receipts from sale of tangible fixed assets	-	-
<b>Net cash outflow from capital income/expenditure</b>	<b>(81,585)</b>	<b>(72,213)</b>

**26 Analysis of changes in net funds**

	At 1 Sept 2012 £	Cashflows £	At 31 August 2013 £
Cash at bank and in hand	1,287,755	779,811	2,067,566
	<b>1,287,755</b>	<b>779,811</b>	<b>2,067,566</b>

**27 Contingent liabilities**

There are no contingent liabilities that require disclosure

**28 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

## 29 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching and related staff, and the Local Government Pension Scheme (LGPS) for support staff, which is managed by Oxfordshire County Council. Both are defined-benefit schemes.

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

Contributions amounting to £61,625 were payable to the schemes at 31 August 2013 (2012: £60,109) and are included within creditors.

### Teachers' Pension Scheme

#### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are 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.



## 29 Pension and similar obligations (continued)

### Teachers' Pension Scheme (continued)

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently 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 the valuation date) was £163,240 million. The assumed real rate of return is 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 is 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.

## 29 Pension 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 period ended 31 August 2013 was £174,000 of which employer's contributions totalled £132,000 and employees' contributions totalled £42,000. The current agreed contribution rates for future years are 19.3% for employers and 5.5%-7.5% for employees.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the Local Authority maintained school and new employees who were eligible to, and did, join the Scheme since conversion to academy status on 1 August 2011. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

### Principal Actuarial Assumptions

	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	5.10%	4.10%
Rate of increase for pensions in payment / inflation	2.90%	1.90%
Discount rate for scheme liabilities	4.70%	3.90%
Inflation assumption (CPI)	2.90%	1.90%
Commutation of pensions to lump sums	50.00%	50.00%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

Sensitivity Analysis	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	2,042,000	2,093,000	2,146,000
Projected service cost	198,000	204,000	210,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	2,013,000	2,093,000	2,174,000
Projected service cost	195,000	204,000	213,000

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

	At 31 August 2013	At 31 August 2012
<i>Retiring today</i>		
Males	19.2	19.0
Females	23.2	23.1
<i>Retiring in 20 years</i>		
Males	21.1	21.0
Females	25.1	25.0

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £
Equities	7.00%	665,000	6.30%	487,000
Gilts	3.50%	116,000	2.80%	72,000
Other bonds	4.40%	39,000	3.90%	50,000
Property	6.00%	58,000	5.30%	43,000
Cash	0.50%	39,000	0.50%	21,000
Other (hedge funds)	5.00%	48,000	4.70%	43,000
<b>Total market value of assets</b>		<b>965,000</b>		<b>716,000</b>
Present value of scheme liabilities				
- Funded		(2,093,000)		(1,726,000)
<b>Surplus/(deficit) in the scheme</b>		<b>(1,128,000)</b>		<b>(1,010,000)</b>

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2013 for the year to 31 August 2014)

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £115,000 (2012: £27,000)

Amounts recognised in the statement of financial activities

	2013 £	2012 £
Current service cost (net of employee contributions)	192,000	80,000
Past service cost	-	-
<b>Total operating charge</b>	<b>192,000</b>	<b>80,000</b>
<b>Analysis of pension finance income / (costs)</b>		
Expected return on pension scheme assets	43,000	17,000
Interest on pension liabilities	(71,000)	(35,000)
<b>Pension finance income / (costs)</b>	<b>(28,000)</b>	<b>(18,000)</b>

## 29 Pension and similar obligations (continued)

### Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities  
The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £102,000 loss (2012 £72,000 loss)

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

	2013 £	2012 £
At beginning of period	1,726,000	1,510,000
Current service cost	192,000	80,000
Interest cost	71,000	35,000
Employee contributions	42,000	18,000
Actuarial (gain)/loss	103,000	83,000
Estimated benefits paid net of transfers in	(41,000)	-
Past Service cost	-	-
Curtailments and settlements	-	-
At 31 August	<u>2,093,000</u>	<u>1,726,000</u>

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

	2013 £	2012 £
At beginning of period	716,000	611,000
Expected return on assets	43,000	17,000
Actuarial gain/(loss)	73,000	11,000
Employer contributions	132,000	59,000
Employee contributions	42,000	18,000
Estimated benefits paid net of transfers in	(41,000)	-
At 31 August	<u>965,000</u>	<u>716,000</u>

### Reconciliation of opening and closing deficit

	2013 £	2012 £
Pension deficit at beginning of period	(1,010,000)	(899,000)
Current service cost	(192,000)	(80,000)
Employer contributions	132,000	59,000
Additional pension cost	(60,000)	(21,000)
Other finance costs	(28,000)	(18,000)
Actuarial losses	(30,000)	(72,000)
Pension deficit at 31 August	<u>(1,128,000)</u>	<u>(1,010,000)</u>

**29 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

The estimated value of employer contributions for the year ended 31 August 2014 is £134,000

The history of experience adjustments is as follows

	2013 £	2012 £
Present value of defined benefit obligations	(2,093,000)	(1,726,000)
Fair value of share of scheme assets	965,000	716,000
Deficit in the scheme	<u>(1,128,000)</u>	<u>(1,010,000)</u>
Experience adjustments on share of scheme assets	<u>73,000</u>	<u>11,000</u>
Experience adjustments on scheme liabilities	<u>-</u>	<u>-</u>

**30 Related party transactions**

There were no transactions in the period with organisations in which a member of the board of governors has a material interest