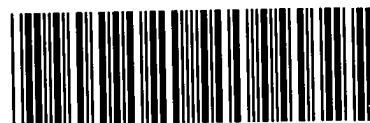

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 15
Statement on regularity, propriety and compliance	16
Trustees' responsibilities statement	17
Independent auditors' report	18 - 19
Independent reporting accountant's assurance report on regularity	20 - 21
Statement of financial activities (incorporating Income and Expenditure Account)	22
Balance sheet	23
Cash flow statement	24
Notes to the financial statements	25 - 43

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members and Trustees

Howard Evans, Chair of Trustees (resigned 28 August 2014)
Andrew Parkin (resigned 28 August 2014)
Jamie Hassan (resigned 28 August 2014)
Arina Hester (resigned 28 August 2014)
Barbara Clark (appointed 3 September 2014)
Penel Meredith (appointed 3 September 2014)
Jon Reekie (appointed 2 December 2014)
Patricia Briggs (appointed 2 December 2014)

Trustees

Natasha Hopping (resigned 3 January 2014)
Charmaine Wattley (resigned 28 August 2014)
Jigna Boghani (resigned 11 November 2013)
Robina Khan (resigned 28 August 2014)
Yvonne Patterson (resigned 28 August 2014)
Philip Gregory (resigned 28 August 2014)
Sara Harrison (resigned 28 August 2014)
Harpreet Toor (appointed 5 September 2013, resigned 28 August 2014)
Rhian Diaz (appointed 5 September 2013, resigned 28 August 2014)
Bhavesh Fatania (appointed 15 December 2013, resigned 28 August 2014)
Farzanah Iqbal (appointed 17 December 2013, resigned 28 August 2014)
Barbara Clark, Chair of Trustees (appointed 3 September 2014)
Penel Meredith Vice Chair of Trustees (appointed 3 September 2014)
Maureen Ricketts (appointed 3 September 2014 and resigned 10 November 2014)
Jon Reekie (appointed 2 December 2014)
Patricia Briggs (appointed 2 December 2014)

Company secretary

Lynne Tindall (resigned 31 October 2014)

Senior management team

Executive Head
Head Teacher

Deborah Ajose (3 October 2014)
Arina Hester (resigned 31 October 2014)
Gareth Thomas (appointed 1 October 2014)
Petra Ali
Natasha Hopping
Kim Coombes
Lynne Tindall (resigned 31 October 2014)
Judi Szubert (appointed 1 September 2014)

Deputy Head Teacher
Assistant Head Teacher
Assistant Head Teacher
HR & Premises Manager
Business Manager

Principal and registered office

Warrington Avenue
Slough
Berkshire
SL1 8Q

Company registered number

8107846

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Advisers (continued)

Independent auditors

Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

Bankers

Lloyds TSB
Slough
Berkshire SL1 1DH

Bankers

Barclays Bank Plc
Leicester
LE87 2BR

Solicitors

Winckworth Sherwood Solicitors
Minerva House
5 Montague Close
London
SE1 9BB

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014.

Godolphin Infant School was incorporated as a charitable company under the Companies Act 2006 on 18 June 2012 and commenced operations on 1 September 2012. The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company (the "School") for the year ended 31 August 2014. The School went into special measures in July 2014 and a transitional Board of Governors has been appointed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a charitable company limited by guarantee and was set up by a Trust deed. The Academy Trust is known as Godolphin Infant School ("the School") and 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 School Trust. It has a capacity of 360 and had a roll of 352 in the school census summer 2014.

The Trustees are directors for the purpose of the Companies Act 2006. They are also Governors of the School and together with others appointed and elected in accordance with the Articles of Association comprise the Board of Trustees of the School. The Governors are also the Trustees for the purposes of charity law.

The board of trustees delegate the management of operations of the School to the senior leadership team.

The Members of the Charitable Company comprise:

1. the signatories to the Memorandum (of which there must be no less than 3 signatories);
2. up to 1 person who may be appointed by the Umbrella Trust;
3. 1 person appointed by the Secretary of State, in the event that the Secretary of State appoint a person for this purpose;
4. the chairman of the Governors;
5. the vice chairman of the Governors;
6. the chairman of one of the committees of the Academy Trust; and
7. any person appointed where the Members may agree unanimously in writing to appoint such additional members as they think fit and may unanimously in writing agree to remove such additional members.

Details of the Trustees who served throughout the period to the date of this report, except as noted, are included in the Reference and Administrative Details on page one.

The School is committed to exhibiting best practice in all aspects of corporate governance and its practices are consistent with the provisions of the Academies Financial Handbook and the Academies: Accounts Direction 2013-14. The Strategy Group of the Governing Body is responsible for the system of internal control operating within the School and for reviewing its effectiveness. Such a system can only provide reasonable, and not absolute, assurance against material misstatement or loss, and cannot eliminate business risk. The Strategy Group may identify areas for improvement in the system of internal control, based on reports and views from its own and other committees.

Members' Liability

The liabilities of the Members of the School are limited. 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.

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Trustees' Indemnities

The School's insurers indemnify against any claims in respect of any civil liability and which arises out of the conduct of the insured in their personal capacity as a director, governor, trustee or officer of the School.

Method of Recruitment and Appointment or Election of Trustees

The School has the following Trustees and methods of appointment:

1. up to 9 Community Governors appointed by the Governing Body;
2. 3 Staff Governors appointed by the Governing Body provided that the total number of Governors (including the Headteacher who are employees of the Academy Trust does not exceed one third of the total number of Governors) 2 Staff Governors shall be teachers elected by the teaching staff only; and 1 Staff Governor shall be a member of the support staff elected by the support staff only;
3. The Headteacher;
4. Up to 3 but no fewer than 2 Parent Governors elected or appointed (Parent Governors shall be elected by parents of registered pupils at the Academy and must be a parent of a pupil at the Academy at the time when he is elected); and
5. Any additional Governors, if appointed by the Secretary of State.

Term of office

The usual term of office for any Trustee shall be four years, save that this time limit shall not apply to the Head Teacher. However, as there is a Transition Governing Body in place their term of office is shorter with a current remit to act for up to a year whilst the School's new strategy plan is implemented for 2014-15 and beyond.

Policies and Procedures Adopted for the Induction and Training of Trustees

Upon their appointment, all new Trustees are given an induction by the School and Board of Trustees. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The structure of the organisation has three levels; the Trustees, the school leadership team and the operational school managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for agreeing general policy, adopting the annual plan and budget, monitoring the School by use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments.

The School leadership team comprises the Head Teacher, Deputy Head, Assistant Head Teachers and the HR & Premises Manager. These managers control the School at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the Senior Managers are responsible for authorising spending within the agreed budgets and the appointment of staff. The Trustees devolve the responsibility for staff appointments, other than those to the School leadership team.

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

The operational school managers are responsible for the day to day operation of the School departments, in particular organising staff, facilities and pupils.

Connected Organisations, including Related Party Relationships

The School is a member of an Umbrella Trust, The Godolphin Education Trust (GET), which acts as a strategic body helping to promote and assist education to those schools that are a part of its membership. GET does not have any control over the operation of the School. There are no other connected organisations or related party relationships other than those noted in note 20 to the Financial Statements.

OBJECTIVES AND ACTIVITIES

Principal Activities

The principal object and activity of the School is the provision of primary education for pupils between the ages of 4 and 7.

In accordance with the Articles of Association the Academy Trust has adopted a funding agreement approved by the Secretary for Education. The funding agreement specifies, amongst other things, the basis for admitting pupils to the School and that the School will provide a broad and balanced curriculum.

The aims and values of the School

At Godolphin Infant School we are concerned with the all round development of every child entrusted to us:

- We aim for each child to form positive attitudes to learning and to have the maximum opportunity and encouragement to achieve the aims of the National Curriculum.
- We aim to equip all pupils with the basic tools of learning. The highest priority is put on the teaching of numeracy, literacy and oracy as these skills will provide the sound basis for future educational advancement.
- We aim to help children to develop morally and spiritually; to understand, achieve and maintain acceptable standards of behaviour whilst developing feelings of consideration, tolerance and respect towards others.
- We make clear expectations of all children to treat each other with respect regardless of race, creed, colour, age or ability and actively promote all aspects of equality and justice in our school.
- We aim to provide an educational environment which is stimulating and caring, within which each child has room to grow and develop confidence, intellectual curiosity and a sense of identity.

Objects and Aims

The principal object of the School is specifically restricted to the following: 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.

Objectives, Strategies and Activities

The School's main strategy is encompassed in its vision statements which we developed and agreed together as a whole staff.

Our Shared vision:

We want our school to be a school at the centre of its community and central for its community;

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

To be recognised as a centre of excellence;
Where all members are treated with respect and have equality of opportunity.

And...

We want to be recognised as a school that provides the best education and service for its whole community; where standards and expectations of us all are high; for personal aspirations, development and achievement, in the curriculum, provision, behaviour and relationships.

This is supported by our ethos and belief statements.

The ethos of Godolphin Infant School:

- We are happy and hard-working, always aiming to do and achieve our best.
- We value and respect each individual.
- We behave with tolerance and understanding towards others, irrespective of race, creed or colour.

At Godolphin Infant School we believe that:

- All children deserve equality of opportunity.
- They are entitled to a full and balanced education which sets high expectations and is appropriate to them as individuals.
- We aim to help all children to become mature and responsible members of the community, who are equipped to express themselves coherently, showing respect for others.
- We aim for them to achieve their full potential.
- We will work in partnership with parents to enable children to take their place in the adult world with confidence and self-esteem.

Therefore our priorities at Godolphin Infant School are:

- The welfare of the children – for them to be safe and happy.
- To ensure positive behaviour, equality and inclusion.
- To offer a high standard of education.
- To ensure that all children are making progress.
- High standards in Basic Skills.
- To develop and maintain good parent partnerships.
- To provide opportunities for children to demonstrate the expected behaviour and their knowledge, understanding, skills and learning.

Activities for Achieving Objectives

To achieve this all staff are here:

- To enable every child to reach their full potential.
- To ensure the holistic development of each child.
- To help every child to feel welcome, happy and secure.
- To provide a positive learning environment.
- To be a place where children enjoy learning.
- To be a place where children's achievements are celebrated.
- To help children to grow in confidence.
- To raise the status of the school in the local community and be well regarded.

Public Benefit

The Trustees acknowledge the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

School are for the public benefit.

The School provides a state primary education to boys and girls age 4 to 7 living in the local area. This School is specifically restricted to advance, for public benefit, education in the United Kingdom and reports annually on the ways in which it has successfully delivered in this regard.

Risk Management

The School recognises that it has a responsibility to minimise risk. Any risks to which the School may be exposed, as identified by the Head Teacher and Senior Team, have been reviewed and systems have been established to mitigate these risks.

The Trustees have assessed the major risks to which the School is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the School, and its finances. The Trustees have implemented a number of systems to assess risks that the School faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finances. They have also introduced systems and procedures (e.g. safeguarding) and internal financial controls in order to minimise risk. Where significant risk still remains they have ensured that they have sufficient insurance cover. The School has an effective system of internal financial controls and this is explained in more detail in the following statement.

As Trustees, we acknowledge we have overall responsibility for ensuring that the School has an effective and appropriate system of controls, both financial and otherwise. We are also responsible for ensuring that proper accounting records are kept that disclose with reasonable accuracy the financial position of the School and enable us to prepare financial statements that comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the School and for taking reasonable assurance that:

- The School is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use and disposition;
- Proper records are maintained and financial information used within the School or for publication is reliable;
- The School complies with relevant laws and regulations.

STRATEGIC REPORT

Achievements and Performance

Prior to Academy status and to meet local need the School increased to 4 forms of entry into Reception from September 2011. In September 2012 120 pupils were admitted in our second year of our planned expansion intake.

In addition to the shortage of primary school places across the borough, the School continues to be popular and oversubscribed, even with its increased planned admission number.

The School population reflects the diverse context of Slough. With an average of 355 pupils on roll throughout the year, the School has continued to serve a cosmopolitan community, with 96.2% pupils from ethnic minority groups and 90.6% of its pupils who do not speak English as their first language. Twenty two different languages are spoken in the School in total.

In the School year 2013-2014 Godolphin Infant School had 19.1% of its pupils who are eligible for Free School Meals (PPG) and 28% of pupils receive additional support for special educational needs.

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Our school development plan targets 2013/14 were as follows;

Senior and Middle Management; (Leadership and Management / Overall Effectiveness):

- Senior and Middle Management are effective in continuing school improvement.

Quality of Teaching and Support; (Quality of Teaching in the School):

- A thorough programme of Performance Management and well planned and delivered CPD contribute to 90% of observed teaching being good or better, and for NQTs to make good progress in all aspects of teaching and classroom management.

Curriculum; Reading Writing and Maths; (Achievement of Pupils at the School):

- Maintain the successes achieved in phonics and reading;
- Continue the upward trend in attainment in writing;
- Improve the structure and content of the maths curriculum and improve planning and teaching in lessons;
- Raise standards of progress and attainment in Maths across the School, particularly as recorded in end of year outcomes for EYFS and in SATs at the end of KS1.

Curriculum; ICT and Foundation Subjects, KS1; (Quality of Teaching / Achievement of Pupils / Behaviour and Safety of Pupils):

- The ICT co-ordinator establishes a programme of key skills to be taught across the School;
- A range of IT tools, hardware and software is used to develop children's learning and skills;
- ICT software is used with greater breadth to support other subject areas;
- A curriculum coverage and progress monitoring system is developed to record children's progress in foundation subjects.

Curriculum; EYFS; (Quality of Teaching / Achievement of Pupils / Provision / Behaviour and Safety of Pupils):

- Fully embed new EYFS requirements;
- Ensure planning is improved to secure interest of boys and girls and provide excellent opportunities for all children to develop skills, knowledge and understanding;
- Develop new systems for monitoring and recording progress, to inform subsequent planning.

Whole School Matters; (Overall effectiveness / Quality of Leadership and Management):

- The School has effective business management systems and protocols in place to meet the requirements of its Academy status;
- The new ASD resource base is completed and serving the complex needs of the children assigned to it;
- Trustees continue to work with Site Staff and their managers to maintain a good Health and Safety record in the School;
- Maintain appropriate levels of Safeguarding expertise in the School;
- Increase parental involvement in the School;
- Improve attendance and punctuality;
- Ensure full uptake of FSM by eligible parents;
- Ensure there is a coherent and consistent approach to PSHE across the School.

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

Year	12/13	L2	13/14	13/14	12/13	L2b	13/14	13/14	12/13	L3	13/14	13/14
SUBJECT	Target	Result	Target	Result	Target	Result	Target	Result	Target	Result	Target	Result
Reading	94%	90%	94%	87%	94%	82%	87%	82%	33%	34%	41%	38%
Writing	96%	92%	90%	90%	72%	67%	67%	66%	10%	6%	9%	6%
Maths	94%	92%	95%	92%	85%	83%	88%	79%	25%	25%	33%	27%

Analysis of 2014 Data – School Entered Special Measures in June 2014

Pupil Group and information	Actions for Academic year 2014 - 15
Pakistani pupils have performed above National Average for the last 3 years	Ensure Teachers know who these pupils are. Keep supporting and targeting them Differentiation and challenge within lessons to continue trend Pupil predictions for May 2015 analysed by end of term and compared to data of previous year
SEN pupils with no statement also perform well	Inclusion in classes rather than exclusion – must be good quality inclusion – supported by an adult Differentiation appropriate to their need and ability SMART targets for these pupils to achieve – specific target setting
Statemented pupils; those with English as first language need more support – look at provision this year	SENCo to investigate the quality of the inclusive provision for statemented pupils Investigate the support they are receiving – the quality of it to support their learning Ensure targets are SMART Ensure their differentiation is appropriate to their needs Investigate their barriers to learning
Over last 2 years non / FSM have fared better than National Average	Continue to spend Pupil Premium Grant on delivering good quality first teaching, booster groups and 1-1
All groups have been performing in line with the National Average. In maths some pupil groups have significantly exceeded the NA	Target those groups who have performed 'just above' NA in order to improve their progress to 'significantly above' - differentiation, booster groups, clear LO and SC, challenge and meaningful activities. Indian pupils are one of our biggest here so we need to target them
For last 2 years boys and girls performed just above NA – apart from last year when boys and girls performed just below	Need to ensure we are using good quality materials to inspire and challenge both genders Order more boy-friendly materials to improve reading and writing

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

Key Financial Performance Indicators

The Key Financial Performance Indicators are:

- The School will continue to trade with sufficient balances so as to continue to improve the infra structure of the School and to ensure the continuity of the education of students.
- The School will keep within the agreed budget unless a variation is agreed by the governing body

Non Financial Performance Indicators are: pupil numbers, test results and maintaining facilities to a high standard. The School is at near full capacity. Details of test results and improvement to facilities are explained within this report.

Going Concern

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

Financial Review

The School's principal income is from the Education Funding Agency ("EFA") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2014 and the associated expenditure are shown in the Statement of Financial Activities.

The School also receives Devolved Formula Capital grants. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), these grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets.

During the year ended 31 August 2014, total expenditure of £2,114,000 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the year after pension scheme actuarial losses was £(80,000) (2013: net income £3,734,000). Total funds carried forward amounted to £3,654,000 (2013: £3,734,000) made up of unrestricted funds of £32,000 (2013: £21,000); restricted general funds of £(404,000) (2013: £354,000); and restricted fixed assets funds of £4,026,000 (2013: £4,067,000). The large net surplus in 2013 was the result of including the valuation of the land and buildings through the Statement of Financial Activities.

Expenditure was used to provide a stimulating education for students and to improve the infrastructure of the school in order to improve learning.

As at 31 August 2014, the net book value of assets was £4,026,000 and movements in tangible assets are shown in note 11 to the financial statements.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the Balance Sheet in accordance with FRS17. At 31 August 2014, the deficit stood at £460,000 (2013: £364,000). The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries doing subsequent triennial valuations of the scheme.

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Reserves Policy

The Trustees agree the levels of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves required. For 2014, the Board of Trustees had determined that the appropriate level of free reserves should be 2% of grant income but this is a policy that would be regularly reviewed alongside the available resources the School has both in the short and medium term. The level of reserves being set to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies. For 2014-15, the reserves policy will be reviewed in the light of resources available to the School and with the intention to achieve a reserve of 5% of income.

Investment Policy

The School adopts a low risk policy with regard to investments. Accounts are held with two banks for which the Finance Officer maintains up to date reconciliations. The Strategy Group or equivalent committee monitors the School account balance on a termly basis.

Principal Risks and Uncertainties

The immediate priority for the School is to ensure that it is taken out of special measures within the shortest timescale possible. In addition, it has to safeguard its long term ability to attract high calibre staff and deliver an excellent education to all pupils, and to maintain and renew its physical facilities.

The principal risk for the finances of the Academy is a reduction in pupil numbers and the associated funding, but currently pupil numbers are increasing and the risk is assessed as minimal.

The Trustees have identified the key uncertainties facing the School in the next twelve months to be the extent and impact of changes to government funding and the uncertain economic climate and financial environment, which put pressure on education and capital projects.

Financial and Risk Management Objectives and Policies

The main objective is to ensure that the School operates within its allocated budget and settles its liabilities as they fall due. The largest creditor within the balance sheet is the pension scheme deficit. As stated previously, such a liability does not crystallise immediately but the School ensures scheme contributions are paid as they fall due in line with those recommended by the pension scheme actuaries.

There is currently a deficit on the Local Government Pension scheme, of which £460,000 has been apportioned to the School. The actuaries of the scheme evaluated the fund three years ago and at that time put into place increased contributions in order to reduce this deficit. The Trustees include the contributions within the budgets submitted to the EFA as part of its annual application for GAG funding. The deficit is recognised on the balance sheet in accordance with FRS17.

The majority of the School's income comes from the EFA which is principally calculated by reference to the numbers of students enrolled at the School. The School is very popular and pupil numbers have increased in recent years. As such the Trustees assess the risk of a substantial reduction in funding to be minimal. However, income could still be affected by any changes in government funding. The Trustees undertake budget planning and setting on a conservative, on-going cost basis, hence reductions in funding or increased costs can be managed.

In accordance with the School's statutes, the Trustees and senior staff are responsible for the administration and management of the School's affairs. They are responsible for setting objectives and policies to ensure that:

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- There is an effective system of internal control and that accounting records are properly kept;
- There are appropriate financial and management controls in place to safeguard the assets of the School and prevent and detect fraud; and
- The School secures economical, efficient and effective management of its resources and expenditure.

Plans for the Future Periods

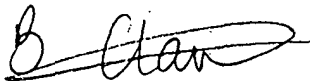
Godolphin Infant School's leaders will look to closely align the Schools available resources to the School Development Plan ensuring priority is given to those areas that will make a difference across both pupil achievement and the maintenance of the School estate.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report, incorporating a strategic report, was approved by order of the Board of Trustees on 18 December 2014 and signed on its behalf by:



Barbara Clark
Chair of Trustees

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Godolphin Infant 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 Board of Trustees has delegated the day to day responsibility to the Executive Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Godolphin Infant School and the Secretary of State for Education. The Accounting Officer is Debra AJose. Debra is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The term of office for any Trustees shall be four years, save that this time limit shall not apply to the Head Teacher. The Transition Governing Board has a remit to act for up to a year.

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 3 times during the academic year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Howard Evans	3	3
Andrew Parkin	2	3
Jigna Boghani	0	1
Phil Gregory	3	3
Jamie Hassan	3	3
Arina Hester	2	3
Robina Khan	2	3
Harpreet Toor	1	3
Charmaine Wattley	3	3
Yvonne Patterson	2	3
Sara Harrison	3	3
Rhian Diaz	2	3
Farzanah Iqbal	2	3
Bhavesh Fatania	1	2

Key changes in appointment are shown on page 1.

The Strategy Group is a subcommittee of the main Board of Trustees. Its purpose is to be responsible for the system of internal financial control operating within the School and for reviewing its effectiveness.

Attendance at meetings in the academic year was as follows:

Trustee	Meetings attended	Out of a possible
Howard Evans	7	7
Arina Hester	5	7
Jamie Hassan	4	7
Charmaine Wattley	6	7

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

When recruiting trustees, the Board identifies which skills and competencies are required to ensure it is represented from a broad range of skill sets. The Transition Governing Body has met once a month since its inception in September 2014. All members, when appointed over this transition period, have attended all tabled meetings. The members of the Transition Board have been appointed on the basis of their experience and skills required to ensure the School's strategic plan can be acted upon in an efficient manner. A comprehensive programme is in place to provide assistance to the Transition Body to meet the School's objectives over their twelve month term of office.

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 the School's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. These systems of internal control have been in place in the School for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees have reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the School's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

THE RISK AND CONTROL FRAMEWORK

The School'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 Board of Trustees;
- regular reviews by the Strategy Group 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 in existence up to August 2014 had considered the need for a specific internal audit function and had decided not to appoint an internal auditor. However, they had appointed a Trustee (Charmaine Watfley) as Responsible Officer and had also decided to purchase the services of an external adviser as/when required. No visits had been made in the period 1 September 2013 to August 2014.

The RO's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a termly basis, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Transitional Board appointed in September 2014, have, since the year end, appointed Fis-edsolutions Ltd as Responsible Officer.

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been performed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer is advised of the results of the review of the internal controls, the implications of any weaknesses identified and a plan of action is made to address weaknesses found to ensure continuous improvement of the system of controls.

Approved by order of the members of the Board of Trustees on 18 December 2014 and signed on their behalf, by:



Barbara Clark
Chair of Trustees

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Godolphin Infant School I have considered my responsibility to notify the School's Board of Trustees 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 School and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the School's Board of Trustees are able to identify any material, irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School's funding agreement and the Academies Financial Handbook (2013).

Having been appointed Accounting Officer from October 2014, I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. However I am aware that the independent review of systems usually undertaken by the Responsible Officer was not undertaken during the year 1 September 2013 to 31 August 2014. If any instances are identified after the date of this statement, these will be notified to the Governing Body and EFA.

Deborah Ajose

Deborah Ajose
Accounting Officer
Date: 18 December 2014

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

The Trustees (who act as governors of Godolphin Infant School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' report (incorporating the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 18 December 2014 and signed on its behalf by:



Barbara Clark
Chair of Trustees

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODOLPHIN SCHOOL

We have audited the financial statements of Godolphin Infant School for the year ended 31 August 2014 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 Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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 charitable 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the charitable company for the purpose 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 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODOLPHIN SCHOOL (continued)

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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ann Mathias

Ann Mathias, Senior Statutory Auditor
For and on behalf of

Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

Date: *19 December 2014*

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
GODOLPHIN INFANT SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 July 2013 further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Godolphin Infant School during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF GODOLPHIN INFANT SCHOOL'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Godolphin Infant School's funding agreement with the Secretary of State for Education dated 31 August 2012, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by 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 School's income and expenditure.

Our procedures included, but not limited to the following:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, review for any indication of purchase for personal use by

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
GODOLPHIN INFANT SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

staff, Headteacher or Governors;

- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Obtaining formal representation from the governing body and accounting officer acknowledging their responsibilities;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and making further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

CONCLUSION

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

To comply with the Academies Financial Handbook 2013 every academy trust must have in place a process for independent checking of financial controls, systems, transactions and risks. No independent checking process was in place in the year. The Trustees have subsequently appointed a Responsible Officer to perform those checks.

Moore Stephens LLP

Moore Stephens LLP
Chartered Accountants
150 Aldersgate Street
London
EC1A 4AB

Date: *19 December 2014*

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total Funds	Total Funds
	Note	2014	2014	2014	2014	2013
		£000	£000	£000	£000	£000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income - transfer from Local Authority on conversion	2	-	-	-	-	3,931
Voluntary income	2	-	4	-	4	-
Activities for generating funds	3	11	49	-	60	42
Incoming resources from charitable activities	4	-	2,011	12	2,023	1,728
TOTAL INCOMING RESOURCES		<u>11</u>	<u>2,064</u>	<u>12</u>	<u>2,087</u>	<u>5,701</u>
RESOURCES EXPENDED						
Charitable activities	6	-	1,979	124	2,103	1,868
Governance costs	7	-	11	-	11	8
TOTAL RESOURCES EXPENDED	5	<u>-</u>	<u>1,990</u>	<u>124</u>	<u>2,114</u>	<u>1,876</u>
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		11	74	(112)	(27)	3,825
Gross transfers between funds		-	(71)	71	-	-
NET INCOMING/(OUTGOING) RESOURCES FOR THE PERIOD		<u>11</u>	<u>3</u>	<u>(41)</u>	<u>(27)</u>	<u>3,825</u>
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial losses defined benefit pension scheme	24	-	(53)	-	(53)	(91)
NET MOVEMENT IN FUNDS FOR THE YEAR		11	(50)	(41)	(80)	3,734
Reconciliation of funds						
Total funds at 1 September 2013		21	(354)	4,067	3,734	-
TOTAL FUNDS AT 31 AUGUST 2014		<u>32</u>	<u>(404)</u>	<u>4,026</u>	<u>3,654</u>	<u>3,734</u>

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

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 25 to 43 form part of these financial statements.

GODOLPHIN INFANT SCHOOL

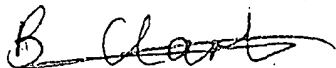
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Co No: 8107846

**BALANCE SHEET
AS AT 31 AUGUST 2014**

	Note	£000	2014 £000	2013 £000
FIXED ASSETS				
Tangible assets	11		4,026	4,067
CURRENT ASSETS				
Debtors	12	70		30
Cash at bank		<u>130</u>	<u>41</u>	
		200	71	
CREDITORS: amounts falling due within one year	13	<u>(112)</u>	<u>(40)</u>	
NET CURRENT ASSETS			<u>88</u>	<u>31</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,114	4,098
Defined benefit pension scheme liability	24	<u>(460)</u>	<u>(364)</u>	
NET (LIABILITIES)/ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>3,654</u>	<u>3,734</u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Fixed assets funds	14	4,026	4,067	
General funds	14	56	10	
Pension reserve	14	<u>(460)</u>	<u>(364)</u>	
Total restricted funds			3,622	3,713
Unrestricted funds	14	<u>32</u>	<u>21</u>	
TOTAL FUNDS			<u>3,654</u>	<u>3,734</u>

The financial statements were approved by the Board of Trustees, and authorised for issue, on 18 December 2014 and are signed on their behalf, by:



Barbara Clark
Chair of Trustees

The notes on pages 25 to 43 form part of these financial statements.

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £000	2013 £000
Net cash flow from operating activities	21	160	18
Returns on investments and servicing of finance	22	-	-
Capital expenditure and financial investment	22	(71)	(38)
Cash transferred on conversion	22	-	61
INCREASE IN CASH IN THE YEAR		89	41

All of the cash flows are derived from acquisitions in the current financial year.

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2014**

	2014 £000	2013 £000
Increase in cash in the year	89	41
MOVEMENT IN NET FUNDS IN THE YEAR	89	41
Net at 1 September 2013	41	-
NET FUNDS AT 31 AUGUST 2014	130	41

The notes on pages 25 to 43 form part of these financial statements.

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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, except where noted, is set out below.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department of Education and other donors where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency, Department of Education and other donors which are to be used for specific purposes, imposed by the donors.

1.3 Incoming resources

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

Grants receivable

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

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

Sponsorship income

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

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

Donated services and gifts in kind

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

The value on transfer of the land and buildings to the academy is based on the professional valuation carried out by Jackie Nickson, MRICS, RICS registered valuer from DVS Property Specialists for Public Sector as at 1 September 2012. The valuation has been made in accordance with Practice Statements in the RICS Valuation Standards.

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

School trips and activities

These transactions are included in restricted funds. Income is recognised when received and expenditure is recognised when paid, any surpluses being carried forward within restricted funds until the trip or activity is completed.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

1.4 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

Assets are recognised when the school takes on the risks and rewards of ownership. Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provisions for impairment.

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

Grants provided to acquire fixed assets may be paid either to the Academy or directly to meet the cost of the fixed asset. Where costs have been paid directly and are part of the capital project, they have been recognised as restricted fixed asset funding.

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.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	-	31 years
Fixtures, fittings and equipment	-	4 years
Computer equipment	-	3 years
Leasehold improvements	-	10 years
Leasehold land	-	125 years

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Local Government Pension Scheme

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

1.10 Conversion to an academy trust

The conversion from a community school to an Academy trust in 2012 was reported in the 2013 financial statements and involved the transfer of identifiable assets and liabilities and the operation of the School for £nil consideration and was accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from a community school to an Academy in 2012 were valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Godolphin Infant School. The amounts were recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

2. VOLUNTARY INCOME - TRANSFER FROM LOCAL AUTHORITY ON CONVERSION

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Donated assets from predecessor school	-	-	-	4,125
Predecessor school LGPS pension deficit	-	-	-	(255)
Predecessor school surplus	-	-	-	61
Donations	-	4	4	-
	<u>-</u>	<u>4</u>	<u>4</u>	<u>3,931</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Hire of facilities	11	-	11	5
Trips and activities	-	12	12	12
Catering income	-	22	22	19
Other income	-	15	15	6
	<u>11</u>	<u>49</u>	<u>60</u>	<u>42</u>

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
DfE/EFA grants				
General Annual Grant	-	1,699	1,699	1,531
Devolved Capital Grants	-	12	12	3
Start Up Grants	-	-	-	23
Other DfE/EFA Grants	-	141	141	49
	-	1,852	1,852	1,606
Other government grants				
Local authority grants	-	169	169	116
Other	-	2	2	-
	-	171	171	116
Other funding				
Cluster funding	-	-	-	6
	-	-	-	6
	-	2,023	2,023	1,728

5. RESOURCES EXPENDED

	Staff costs 2014 £000	Premises 2014 £000	Other costs 2014 £000	Total 2014 £000	Total funds 2013 £000
School's educational operations:					
- Direct costs	1,357	124	101	1,582	1,409
- Allocated support costs	258	-	246	504	447
Pension finance costs	-	-	17	17	12
	1,615	124	364	2,103	1,868
Governance costs	-	-	11	11	8
	1,615	124	375	2,114	1,876

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

Incoming resources for the period include:

This is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the Academy	124	99
Fees payable to Auditor - Audit		
- Other services	6	6
Operating Leases	<u>5</u>	<u>2</u>

6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
DIRECT COSTS				
Teaching and educational support staff costs	-	1,357	1,357	1250
Depreciation	-	124	124	99
Technology costs	-	7	7	2
Educational supplies	-	66	66	35
Staff development	-	19	19	15
Other support costs	-	9	9	8
	<u>-</u>	<u>1,582</u>	<u>1,582</u>	<u>1,409</u>

SUPPORT COSTS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Support staff costs	-	258	258	213
Technology costs	-	20	20	14
Recruitment and support	-	14	14	8
Maintenance of premises and equipment	-	42	42	18
Cleaning	-	18	18	15
Rent and rates	-	6	6	6
Energy costs	-	20	20	27
Insurance	-	16	16	18
Catering	-	46	46	50
Other support costs	-	55	55	66
Trips and activities	-	9	9	12
	<u>-</u>	<u>504</u>	<u>504</u>	<u>447</u>

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS (continued)

SUPPORT COSTS (continued)

Interest costs on pension obligation	-	28	28	18
Expected return on plan assets	-	(11)	(11)	(6)
		<u>17</u>	<u>17</u>	<u>12</u>
	-	<u>2,103</u>	<u>2,103</u>	<u>1,868</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Governance Auditor's remuneration	-	6	6	6
Governance Auditor's non audit costs	-	5	5	2
Legal & Professional	-	-	-	-
	<u>-</u>	<u>11</u>	<u>11</u>	<u>8</u>

8. STAFF COSTS

Staff costs were as follows:

	2014 £000	2013 £000
Wages and salaries	1,250	1,179
Social security costs	94	64
Other pension costs (Note 24)	<u>181</u>	<u>140</u>
	<u>1,525</u>	<u>1,383</u>
Supply teacher costs	<u>90</u>	<u>80</u>
	<u>1,615</u>	<u>1463</u>

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

	2014 No.	2013 No.
Teachers	17	17
Administration and educational support	27	28
Management	<u>4</u>	<u>4</u>
	<u>48</u>	<u>49</u>

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. STAFF COSTS (continued)

1 employee earned more than £60,000 per annum during the period (including taxable benefits but excluding employers' pension contributions) during the period ended 31 August 2014.

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

	2014 No.	2013 No.
£70,001 - £80,000	<u>1</u>	<u>1</u>

During the period ended 31 August 2014 all employees earning over £60,000 per annum participated in the Teachers' Pension Scheme, annualised pension contributions for these staff members amounted to £10,257 (2013: £10,155).

9. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration including employer's pension contributions fell within the following bands:

	2014 £000	2013 £000
EA Hester (Head teacher and trustee)	80-85	80-85
S Harrison (staff trustee)	35-40	30-35
N Hopping (staff trustee)	50-55	50-55
Y Patterson (staff trustee)	10-15	10-15
R Diaz (staff trustee)	45-50	nil

During the year ended 31 August 2014, training course expenses totalling £225 (2013: £159) were incurred on behalf of 1 trustee.

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2014 was £493 (2013: £1,581).

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

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

11. TANGIBLE FIXED ASSETS	<u>Land and leasehold buildings</u> £000	<u>Leasehold improvement</u> £000	<u>Fixtures and Fittings</u> £000	<u>Computer equipment</u> £000	<u>Total</u> £000
Cost					
At 1 September 2013	4,125	4	27	10	4,166
Additions		62	12	9	83
At 31 August 2014	4,125	66	39	19	4,249
Depreciation					
At 1 September 2013	94	1	1	3	99
Charge	104	6	8	6	124
At 31 August 2014	198	7	9	9	223
Net book value					
At 31 August 2014	3,927	59	30	10	4,026
At 31 August 2013	4,031	3	26	7	4,067

The Academy Trust has a lease over the land and buildings and they are capitalised in the financial statements at the valuation on transfer to the academy on 1 September 2012.

12. DEBTORS

	2014 £000	2013 £000
VAT recoverable		
Prepayments and accrued income	42	13
	28	17
	<u>70</u>	<u>30</u>

13. CREDITORS:

Amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	10	24
Accruals and deferred income	102	16
	<u>112</u>	<u>40</u>
	£000	£000
Deferred income		
Resources deferred during the year	<u>66</u>	<u>4</u>

At the Balance Sheet date the Academy was holding funds received in advance for grants unspent.

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

14. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers /Gains/ (Losses) £000	Carried Forward £000
Restricted General Funds					
General Annual Grant (i)	10	1,699	(1,582)	(71)	56
Other DfE/EFA Grants pupil/premium	-	141	(141)	-	-
Other Government Grants SEN funding	-	169	(169)	-	-
Other Grants	-	2	(2)	-	-
Voluntary income	-	4	(4)	-	-
Other Income (ii)	-	49	(49)	-	-
	10	2,064	(1,947)	(71)	56
Pension Reserve	(364)	-	(43)	(53)	(460)
Total Restricted General Funds	(354)	2,064	(1,990)	(124)	(404)
	Brought Forward	Incoming resources	Resources Expended	Transfers /Gains/ (Losses)	Carried Forward
Restricted Fixed Assets Funds					
DfE/EFA Capital Grants	3	12	-	-	15
Donations (iv)	4,031	-	(124)	-	3,907
Capital expenditure from GAG	-	-	-	71	71
Other Government Grants	33	-	-	-	33
	4,067	12	(124)	71	4,026
Unrestricted Funds					
General Funds (iii)	21	11	-	-	32
	21	11	-	-	32
Total of Funds	3,734	2,087	(2,114)	(53)	3,654

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

(i) General Annual Grant must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

(ii) Consists of income received primarily for specific trips and activities, catering and share of salary costs.

(iii) Relates to surplus transferred from community school on transfer to academy in 2012 and cumulative hire of facilities.

(iv) Represents the transfer of the School's premises and other fixed assets from the Local Authority to the Trust on transfer to an academy in 2012.

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Tangible fixed assets	-	4,026	4,026	4,067
Current assets	32	168	200	71
Creditors due within one year	-	(112)	(112)	(40)
Pension Liabilities	-	(460)	(460)	(364)
	<u>32</u>	<u>3,622</u>	<u>3,654</u>	<u>3,734</u>

16. CAPITAL COMMITMENTS

At 31 August 2014 the academy had capital commitments as follows:

2014 £000	2013 £000
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Contracted for but not provided in these financial statements

17. LEASED COMMITMENTS

Operating leases

At 31 August 2014 the company had annual commitments under non-cancellable operating leases as follows:

Land and buildings 2014 £000	2013 £000	2014 £000	Other 2013 £000
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Expiry date:

Between 2 and 5 years

<u> </u>	<u> </u>	<u>5</u>	<u>6</u>
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18. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the DfE (also known as the Department for Education) the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the DfE.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the School's site and premises and other assets held for the purpose of the School; and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

19. 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.

20. RELATED PARTY TRANSACTIONS

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

The Trust purchased education consultancy services from Jamie Hassan totalling £2,734.

The Schools within the Umbrella Trust incur certain costs which are then shared and re-charged between those schools. No profit element is included. The Schools within the Umbrella Trust are Godolphin Infant School and Godolphin Junior School.

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £000	2013 £000
Net incoming resources before revaluations	(27)	3,825
Donation of land and buildings	-	(4,125)
Transfer of cash on conversion	-	(61)
Transfer in of pension scheme liability	-	255
Depreciation of tangible fixed assets	124	99
Capital grants from DfE	(12)	(3)
Increase in debtors	(40)	(30)
Increase in creditors	72	40
FRS 17 pension finance costs	17	12
FRS 17 pension service costs less contributions payable	26	6
Net cash inflow from operations	160	18

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £000	2013 £000
Returns on investments and servicing of finance		
Interest received	-	-

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £000	2013 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(83)	(41)
Capital grants from DiE	12	3
Net cash outflow capital expenditure	<u>(71)</u>	<u>(38)</u>
	2014 £000	2013 £000
Transfers on conversion to academy		
Surplus cash on Local Authority funds	-	61
Net cash inflow from transfer on conversion	<u>-</u>	<u>61</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £000	Cash flow £000	Other non-cash changes £000	31 August 2014 £000
Cash at bank and in hand:	41	89	-	130
Net funds	<u>41</u>	<u>89</u>	<u>-</u>	<u>130</u>

GODOLPHIN INFANT SCHOOL

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Royal Borough of Windsor and Maidenhead. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 August 2014.

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

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

24. PENSION COMMITMENTS (continued)

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

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

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

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

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

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

24. PENSION COMMITMENTS (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £70,000 (2013: £54,000), of which employer's contributions totalled £52,000 (2013: £40,000) and employees' contributions totalled £18,000 (2013: £14,000). The agreed contribution rates for future years are 17.2% for employers and between 5.5% and 12.5% for employees (depending upon salary).

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

The following information is based upon a full actuarial valuation of the fund at 31 August 2014.

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	4.50%	4.85%
Rate of increase in pensions	2.70%	2.90%
Discount rate	3.90%	4.70%
Inflation-RPI	3.50%	3.70%
Inflation-CPI	2.90%	2.90%

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 2014	At 31 August 2013
Retiring today		
Males	22.7	23.1
Females	26.0	25.7
Retiring in 20 years		
Males	24.9	25.1
Females	28.3	27.6

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

24. PENSION COMMITMENTS (continued)

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

	Expected Return at 31 August 2014	Fair Value at 31 August 2014 £000	Expected Return at 31 August 2013	Fair Value at 31 August 2013 £000
Equities	6.7%	142	6.3%	75
Government Bonds	3.0%	4	3.5%	2
Other Bonds	3.6%	50	3.5%	38
Property	5.9%	41	4.3%	16
Cash/liquidity	2.9%	11	0.5%	2
Alternative Assets	0.0%	-	4.7%	47
Target Return Portfolio	6.7%	56	0.0%	-
Commodities	6.7%	29	0.0%	-
Infrastructure	3.6%	15	0.0%	-
Longevity insurance	2.9%	(12)	0.0%	-
Total market value of assets		336		180
Present value of scheme liability		(796)		(544)
Deficit in the scheme		(460)		(364)

The actual return on scheme assets was £21,000 (2013: £12,000).

Amounts recognised in the statement of financial activities are as follows:

	At 31 August 2014	At 31 August 2013
Current service cost	78	46
Interest on obligation	28	18
Expected return on scheme assets	(11)	(6)
Total operating charge	95	58
Analysis of pension finance income/(costs)		
Expected return on scheme assets	11	6
Interest on pension liabilities	(28)	(18)
Pension finance costs	(17)	(12)

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 £144,000 loss (2013: £91,000 loss).

GODOLPHIN INFANT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

24. PENSION COMMITMENTS (continued)

Movements in the present value of the defined obligation are as follows:

	At 31 August 2014	At 31 August 2013
At 1 September 2013	544	-
Transfer in of scheme obligation	-	369
Current service cost	78	46
Interest cost	28	18
Contributions by scheme participants	18	14
Actuarial losses	128	97
Past service costs	-	-
Benefits paid	-	-
Closing defined benefit obligation as at 31 August 2014	<u>796</u>	<u>544</u>

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

	At 31 August 2014	At 31 August 2013
At 1 September 2013	180	-
Transfer in of scheme assets	-	114
Expected return on plan assets	11	6
Actuarial gains	75	6
Employer Contributions	52	40
Employee Contributions	18	14
Benefits paid	-	-
Fair value of plan assets at the end of the period	<u>336</u>	<u>180</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £55,000.

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	£000's	£000's	£000's
Adjustment to the discount rate	+ 0.1%	0%	- 0.1%
Present value of Total Obligation	778	796	815
Projected Service Cost	88	90	92
Adjustment to mortality age rating assumption	+ 1 year	None	- 1 year
Projected value of Total Obligation	769	796	823
Projected Service Cost	87	90	93