

COMPANY REGISTRATION NUMBER 08520286



**NORWOOD GREEN JUNIOR SCHOOL**  
**FINANCIAL STATEMENTS**  
**31 AUGUST 2014**

SATURDAY



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COMPANIES HOUSE

**AUDIT FOR BUSINESS DEVELOPMENT AND SOLUTIONS LIMITED**

Chartered Accountants & Statutory Auditor  
15 Oxford Street  
Southampton  
Hampshire  
SO14 3DJ

**NORWOOD GREEN JUNIOR SCHOOL**  
**FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

<b>CONTENTS</b>	<b>PAGE</b>
Members of the board and professional advisers	<b>1</b>
Trustees' annual report	<b>2</b>
Governance statement	<b>15</b>
Statement on regularity, propriety and compliance	<b>18</b>
Statement of trustees' responsibilities	<b>19</b>
Independent auditor's report to the members	<b>20</b>
Independent reporting accountant's report on regularity	<b>22</b>
Statement of financial activities (incorporating the income and expenditure account)	<b>24</b>
Balance sheet	<b>25</b>
Cash flow statement	<b>26</b>
Notes to the financial statements	<b>27</b>

**NORWOOD GREEN JUNIOR SCHOOL**  
**MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**Registered charity name** Norwood Green Junior School

**Company registration number** 08520286

**Principal office** Thorncliffe Road  
Southall  
Middlesex  
UB2 5RN

**Registered office** Thorncliffe Road  
Southall  
Middlesex  
UB2 5RN

**The trustees**

The trustees who served the company during the period were as follows:

	Appointed	Resigned
Mr R Khosla	8 May 2013	
Mr G Wood	8 May 2013	18 July 2014
Ms M Wood	8 May 2013	
Mrs S Mann	18 July 2014	
Mrs V Gerber		
Mrs C Norfolk (headteacher)		
Mrs P Sehgal (staff governor)		
K. Gahir	23 May 2014	
G. Mungroo	23 May 2014	
Mrs S. Grewal		October 2013

**Secretary** D Blackburn

**Auditor** Audit for Business Development and Solutions Limited  
Chartered Accountants  
& Statutory Auditor  
15 Oxford Street  
Southampton  
Hampshire  
SO14 3DJ

**Bankers** NatWest plc  
275-277 High Street  
Hounslow, TW3 1ZA

**Financial Support Service** LMS Ltd., PO Box 599  
Walton-on-Thames  
Surrey, KT12, 9EZ

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

# **NORWOOD GREEN JUNIOR SCHOOL**

## **TRUSTEES ANNUAL REPORT**

### **PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 10<sup>th</sup> May 2013 to 31<sup>st</sup> August 2014. The school converted to an academy on 1<sup>st</sup> July 2013. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy with a capacity of 360 pupils (348 on roll as at January 2014) aged 7 to 11 serving a catchment area in Hounslow.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

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

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

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

##### **Trustees' Indemnities**

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 £1,000,000 on any one claim and the cost for the period ended 31 August 2014 was £600. The cost is included in the total insurance cost.

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

The members appoint the governors. The members may appoint staff governors through such process as they may determine, provided that such total numbers (including the headteacher) who are employees of the academy does not exceed one third of the total number of governors. Parent governors shall be elected by parents of registered pupils. The secretary of state may appoint governors under in certain circumstances.

Subject to Articles 48-49 of the Articles of association which outline the initial members (named in the initial memorandum) of the Governing Body and the Secretary of State's right to appoint in specific circumstances additional Governors and remove Governors appointed under article 50, the Academy Trust (also referred to as the Governing Body) shall have the following Governors:

- At least 4 but no more than 5 Governors, appointed by the Governing Body under Article 50 recruited by nomination, recommendation or through periodic appeal for persons with specific skills, knowledge, experience which will benefit the overall composition of the Governing Body.
- 2 Staff Governors, appointed by the Governing Body under Article 50A-D. The Governing Body has determined the election procedures and Staff Governors (other than the Headteacher) are recruited, when a vacancy arises, through election by secret ballot (if contested) of all the staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Principal/Executive Headteacher).

**NORWOOD GREEN JUNIOR SCHOOL**  
**TRUSTEES ANNUAL REPORT**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

- 2 Parent Governors elected or appointed under Articles 53 – 58. The Governing Body has determined the election procedures and Parent Governors are recruited, when a vacancy arises, through election by secret ballot (if contested) of all the known parents of pupils registered at the academy at the time. Vacancies are advertised at the most appropriate juncture to all those known to be the parents of a pupil registered at the school at the time of the election. In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a parent of a former pupil at the Academy or predecessor Cranford Community College; or where it is not reasonably practical to do so, a person who is the parent of a child of, or under, compulsory school age.
- The Headteacher shall be treated for all purposes as an ex-officio Governor.

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

All new governors will be given a tour of the academy and the opportunity to meet staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

The Governing Body has a Governor Induction via Hounslow's Governor section which provides information and training activities which all new Governors must undertake. This includes core training, key documentation, a discussion of protocols, a further exploration of skills, experience and interests and how these might be best utilized.

On-going training is the responsibility of the Governing Body and is supported by expertise from within the academy and beyond. Skills audits are undertaken periodically and Governors are required to sign key declarations at least annually.

**Organisational Structure**

The Academy trust holds an annual general meeting every year in addition to any other meeting in that year. The Trustees hold at least 3 meetings in every school year, normally once every term. Committees are also required to meet 3 times a year.

The unified management structure consists of two levels: the Governors and the Senior Leadership Team of the Headteacher and the two Deputy Headteachers.

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

The senior leadership team control the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. As a group the team is responsible for the authorisation of expenditure within agreed budgets and the appointment of staff, though appointment boards for posts in the team always contain a governor.

**NORWOOD GREEN JUNIOR SCHOOL**  
**TRUSTEES ANNUAL REPORT**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

The Governing Body is organised as follows:

Full Governing Body, with Chair and Vice Chair

Personnel Committee

Finance and Audit Committee

Headteacher's PM committee - formed on a yearly basis

Appeals & Complaints Committee – formed as required

Headteacher/Deputy Headteacher Appointment Panel – formed as required

Curriculum Governor on Full Governing Body

SEN Governor on Full Governing Body

Child Protection/Safeguarding Governor on Full Governing Body

Looked After Children Governor on Full Governing Body

Hounslow Schools Governing Body Association Representative

The Governing Body has responsibility for monitoring its own performance and for its own training. It reports through the Annual General Meeting and is subject to scrutiny by the regulators, Ofsted. It has established protocols for the operation of the Governing Body, a clear structure, written terms of reference and a regular cycle of meetings and activities.

The school is subject to external review, scrutiny and validation through a variety of inspections and audits by a range of agencies including Ofsted, ABDS Ltd, the auditors, the Education Funding Agency, the Health and Safety Executive, etc. and reports by these agencies are shared with the Governing Body and where required published.

**Connected Organisations including Related Party Relationships**

The academy is involved in a loose collaboration between a number of primary and secondary schools known as 'The Cranford Group of Schools' or 'The Cranford Group'. The main purpose of involved has revolved around procurement of services to seek best value e.g. grounds maintenance and I.T. Managed Service. There is no joint Governance.

The school is a member of other school improvement networks including the London West Alliance and the Hounslow Education Improvement Partnership (EIP). There is no joint Governance.

Regular joint SMT meetings occur with our Infant feeder school to ensure continuity of teaching and learning for pupils that transfer to the Academy. The two Hearing Impaired centres from the infant and Junior school liaise regularly to ensure best outcomes for Hounslow's deaf pupils attached to our centres. There is no joint Governance.

The school is affiliated to Sport Impact for the provision of its staff training, competitions and in-school delivery on PE. Sports Grant funding is used for this purpose and the direction of the year's programme is decided by the facilitator, Headteacher and PE leader. There is no joint Governance.

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The principal activities are to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

**Objectives, Strategies and Activities**

The principal object and activity of the charitable company is the operation of the school to provide education for pupils of all abilities between the ages of 7 and 11.

**NORWOOD GREEN JUNIOR SCHOOL**  
**TRUSTEES ANNUAL REPORT**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

In accordance with the Articles of Association the school has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, among other things, the basis for admitting students to the school, and that the curriculum should comply with the substance of the national curriculum.

The main objectives are:

- To provide a safe learning environment for every pupil.
- To provide facilities and opportunities to all pupils to stimulate creativity and learning and enable every student to achieve.
- To provide a broad and challenging curriculum.
- To enable all students to achieve their individual potential regardless of disability or background.
- To develop broad based enterprise skills and encourage all students to become independent, active, citizens who contribute positively to the community in which they live.

**Public Benefit**

The school's governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Norwood Green Junior School supports other schools through the delivery of professional development and the sharing of good practice. Family learning opportunities are provided to support families in such things as literacy, numeracy, healthy eating and ICT.

After school clubs support pupils in expanding the breadth of opportunities and enabling them to experience activities they may not otherwise have access to.

# NORWOOD GREEN JUNIOR SCHOOL

## TRUSTEES ANNUAL REPORT

### PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014

#### STRATEGIC REPORT

#### ACHIEVEMENTS AND PERFORMANCE

##### Key Performance Indicators

In the period ended 31 August 2014 there were 348 students on the school roll. The full capacity of the school is 360 pupils.

##### 1. **Improve progress of identified underperforming groups / subjects.**

- Yr 4 Writing progress
- Yr 4 Maths progress
- Reading Yr 5 SA and SAP
- Reading for Yr 6 SAP
- Maths Yr 6 SAP
- Maths Yr 5 SA and SAP
- HI pupils.

##### Year 4 – Writing Progress APS

	Progress APS	Minimum expected progress*
Y5	10.49	9
Y4	7.1	6
Y3	2.55	3

##### Year 4 Maths Progress APS

	Progress APS	Minimum expected progress*
Y5	10.43	9
Y4	6.6	6
Y3	3.05	3

##### Year 5 – Reading Progress APS

Yr 5	SEN (all)	10.93	Min expected points = 9
	SA	10.5	
	SAP	11.09	
	S	11.6	

##### Year 5 –Maths Progress SA and SAP Value Added

		M	Min points expected
Yr 5	SEN (all)	9.29	9
	SA	9	
	SAP	9.27	
	S	10	



**NORWOOD GREEN JUNIOR SCHOOL**  
**TRUSTEES ANNUAL REPORT**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

Year 6 – Reading Progress SAP Value Added

Overall: all subjects	2013	2104
Non SEN	101.2 (100.1)	100.2 (100.2)
SEN (excl. S)	99.8 (99.4)	99.5 (99.4)
SA	100.2 (99.6)	99.7 (99.6)
SAP	98.8 (99.1)	99.2 (99.1)
S	93.9 (97.9)	98.8 (97.9)

Reading	2013	2104
Non SEN	100.5 (100.1)	100.3 (100.1)
SEN (excl. S)	99.3 (99.3)	99.4 (99.4)
SA	99.1 (99.5)	99.6 (99.6)
SAP	99.8 (99.0)	99.0 (99.0)
S	92.8 (97.8)	95.3 (97.8)

Maths	2013	2104
Non SEN	101.2 (100.2)	100.4 (100.2)
SEN (excl. S)	99.5 (99.4)	99.3 (99.4)
SA	100.3 (99.6)	99.6 (99.6)
SAP	97.9 (99.2)	99.0 (99.2)
S	94.1 (98.1)	102.5 (98.0)

HI Progress Sept 13 – July 14

	Reading	Writing	Maths
Year 6 (2 pupils)	From KS1: 102 Years progress: 101	From KS1: 97 Years progress: 100	From KS1: 106 Years progress: 104
Year 5 (4 pupils)	From KS1: 101.5 Years progress: 101.5	From KS1: 100 Years progress: 100	From KS1: 102.5 Years progress: 101
Year 4 (4 pupils)	From KS1: 99 Years progress: 101	From KS1: 97 Years progress: 100.5	From KS1: 94.5 Years progress: 100
Year 3 (1)	From KS1: 99 Years progress: 99	From KS1: 97 Years progress: 97	From KS1: 99 Years progress: 99

**NORWOOD GREEN JUNIOR SCHOOL**  
**TRUSTEES ANNUAL REPORT**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

2. Further develop progress of Most Able (data given as a %)

		R	W	M
Yr 3	Low	89	89	83
	Mid	96	88	85
	High	96	67	92

		R	W	M
Yr 4	Low	100	100	100
	Mid	96	89	75
	High	100	100	89

		R	W	M
Yr 5	Low	100	86	100
	Mid	94	97	88
	High	100	100	100

		R	W	M
Yr 6	Low	88 (79)	88 (86)	100 (76)
	Mid	92 (94)	94 (95)	94 (92)
	High	90 (92)	95 (95)	95 (94)

3. To increase the number of outstanding lessons

The school judges 53% of its teaching to be Good and 47% of its teaching to be Outstanding, with no teaching below Good. This is an improvement on the previous year where 50% was Outstanding and 33% was judged Good with 17% in Requires Improvement.

4. To develop pupils' ability to understand their successes, and next steps (metacognition)

Pupils are more able to assess their own success against success criteria. Book monitoring, pupil interviews and lesson observations have demonstrated an increased ability of pupils to utilize feedback and understand their own learning. This will continue to be a focus for 2014-15, since pupils would still benefit from learning to respond to marking further.

5. To develop pupil leadership across the school in a range of areas

Pupil leaders have gained in focus this year, increasing the range of work undertaking by them. Roles now include: ICT leaders; Playground leaders; Prefects; Wet play monitors; Press Release Officers; School Council members; JSROs; and Yr 4/6 Reading Buddies.

6. To develop the school values as a positive behaviour management tool and strengthen the ethos of the school

The school values are established and have been used to help inform the next stage of our Behaviour Policy. The school values are: Friendship, Honesty, Good Manners, Determination' Respect and Responsibility.

**NORWOOD GREEN JUNIOR SCHOOL**  
**TRUSTEES ANNUAL REPORT**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

7. To monitor playtime behaviour and identify aspects to improve this year

Behaviour analysis and parent surveys show that behaviour is regarded as good or better with 95.3 % of parents agreeing with this. The analysis of the types of behaviour and occurrence has indicated that behaviour on Friday lunchtimes is at its worst. The decision to employ a Fair Play leader in 2014-15 has been informed by the data compiled.

8. To ensure pupils feel safe at all times and in all areas of school

Following a meeting with school council, areas of anxiety regarding safety were identified by the school – these include: fencing at the back of the field; the car park step area; playground and toilets. Action has been taken, or is in the process of being taken in all these areas.

9. To introduce and implement new pay policy in preparation for pay awards 2014

This has been successfully implemented.

10. Engage parents to further enhance pupil achievement

A number of initiatives occurred last year including: Somalian group established with a linked community leader; home learning homework for holidays; various parent / staff meetings; Cultural Event to establish positive relationships and engage parent helpers.

11. Further develop governance so as to evaluate, question and aid with strategic leadership in the school.

Training session with Governors have been introduced as a regular feature prior to the main GB meeting. These have proved very successful in developing Governors skill to act as a critical friend and aid strategic leadership.

12. To successfully oversee satisfactory completion of expansion project and roof renewal

Both the roof and the expansion work have been completed or are near completion, with the expansion work at the snagging phase.

13. Quality of science teaching and leadership is further improved through the PSQM

The Primary Science Mark was achieved for the school and served as the impetus to improve the quality of teaching in science across the school.

14. To induct new staff successfully

Our NQTs successfully passed their induction year and found the support and process very useful. This year we have 3 NQTs and are following the same format of support in the main due to the success of the previous year.

15. Staff awareness of SDP and whole school data

Staff were more aware of the aims of the school as identified through our SDP. In particular they were clear who the targeted children were regarding progress and used data to keep themselves informed and focused on achievement. The PM process also supported this.

16. To further develop pupils understanding of a healthy lifestyle.

Healthy schools week occurred early in the year and work on developing healthy packed lunches also happened. This is an on-going area for school focus.

**NORWOOD GREEN JUNIOR SCHOOL**  
**TRUSTEES ANNUAL REPORT**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

15. Staff awareness of SDP and whole school data

Staff were more aware of the aims of the school as identified through our SDP. In particular they were clear who the targeted children were regarding progress and used data to keep themselves informed and focused on achievement. The PM process also supported this.

16. To further develop pupils understanding of a healthy lifestyle.

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**SATS results 2013-14**

Attainment:

		A/T	<L3	L3+	L4+	L4B+	L5+	L6
<b>Mathematics</b>	<b>Entries</b>	0	2	82	78	67	45	7
	<b>School%</b>	0	2	98	93	80	54	8
	<b>National%</b>	0	4	96	86	76	42	9
	<b>Difference%</b>	0	-1	2	7	4	12	-1
	<b>Significance</b>	-	-	-			Sig+	
<b>Reading</b>	<b>Entries</b>	0	1	83	77	69	45	0
	<b>School%</b>	0	1	99	92	82	54	0
	<b>National%</b>	0	5	95	89	78	49	0
	<b>Difference%</b>	0	-4	4	3	4	4	0
	<b>Significance</b>	-	-	-				-
<b>Writing (TA)</b> (Writing TA is reported as a level)	<b>Entries</b>	0	1	83	76	-	22	2
	<b>School%</b>	0	1	99	90	-	26	2
	<b>National%</b>	0	4	96	85	-	33	2
	<b>Difference%</b>	0	-3	3	5	-	-7	0
	<b>Significance</b>	-	-	-		-		-
<b>English Grammar, Punctuation and Spelling (EGPS)</b>	<b>Entries</b>	0	1	83	72	65	56	7
	<b>School%</b>	0	1	99	86	77	67	8
	<b>National%</b>	0	6	94	76	68	52	4
	<b>Difference%</b>	0	-4	5	9	9	15	5
	<b>Significance</b>	-	-		Sig+		Sig+	-

**NORWOOD GREEN JUNIOR SCHOOL**  
**TRUSTEES ANNUAL REPORT**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

Progress:

		2012	2013	2014
<b>All subjects</b>	<b>Cohort for VA</b>	78	69	80
	<b>VA School score</b>	100.6	100.5	100.0
	<b>95% confidence interval +/-</b>	0.5	0.6	0.5
	<b>Significance</b>	Sig+		
	<b>Percentile rank</b>	27	32	52
	<b>Coverage</b>	94%	87%	95%
<b>Mathematics</b>	<b>Cohort for VA</b>	78	69	80
	<b>VA School score</b>	100.7	100.4	100.2
	<b>95% confidence interval +/-</b>	0.6	0.7	0.7
	<b>Significance</b>	Sig+		
	<b>Percentile rank</b>	28	38	44
	<b>Coverage</b>	94%	87%	95%
<b>Reading</b>	<b>Cohort for VA</b>	-	69	80
	<b>VA School score</b>	-	99.9	99.9
	<b>95% confidence interval +/-</b>	-	0.7	0.6
	<b>Significance</b>	-		
	<b>Percentile rank</b>	-	55	56
	<b>Coverage</b>	-	87%	95%
<b>Writing (TA)</b>	<b>Cohort for VA</b>	-	69	80
	<b>VA School score</b>	-	101.2	99.5 ↓
	<b>95% confidence interval +/-</b>	-	0.7	0.6
	<b>Significance</b>	-	Sig+	
	<b>Percentile rank</b>	-	12	69
	<b>Coverage</b>	-	87%	95%
<b>English</b>	<b>Cohort for VA</b>	78	-	-
	<b>VA School score</b>	100.5	-	-
	<b>95% confidence interval +/-</b>	0.6	-	-
	<b>Significance</b>	-	-	-
	<b>Percentile rank</b>	30	-	-
	<b>Coverage</b>	94%	-	-

# NORWOOD GREEN JUNIOR SCHOOL

## TRUSTEES ANNUAL REPORT

### PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014

#### Key Financial Performance Indicators

The governors have identified the following key financial performance indicators:

- Average gross income per pupil - £5,850
- Ratio of staff costs to total costs – 76%
- Surplus as percentage of income – 16.7%
- Free reserves expressed as number of days expenditure – 96 days

Performance Indicator	Performance
Budget Setting	Detailed budget setting by Headteacher and LMS Ltd and approved by the Academy Trust Board
Budget monitoring	Constant by LMS Ltd, HT, and ATB termly
Staying within budget	No deficits
Sound systems & controls	Evidenced by Responsible Officer visits and audit, Financial Regulations Manual
Investment	Special Interest Bearing Account & Fixed Rate Deposit accounts
Debtors pursued	Regular invoicing and chasing by Company Secretary / SBM
Reconciliations	All monthly reconciliations complete - RO visit and audit
Cash flow	Always sufficient
Reserves	Adequate reserves
Adequate insurance cover	Adequate insurance cover ensured by HT and SBM in liaison with insurance broker
Payroll Administration	Sound authorisation procedures and separation of duties between HR & Payroll departments
ATB financial oversight & decision making	Experienced governors, Register of Interests completed, meetings in line with agreed schedule
Fixed asset administration	New assets recorded, depreciation applied, asset register maintained

#### Going Concern

After making appropriate enquiries, the board of governors has 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 Statement of Accounting Policies.

#### FINANCIAL REVIEW

The school's income and expenditure for the period is set out in the Statement of Financial Activities. Income and expenditure is separately disclosed by type of fund, as follows:

1. **Unrestricted Funds**  
Funds which must be spent for the benefit of the school generally and at the discretion of the governors.
2. **Restricted Funds**  
Funds which must be spent for the benefit of a particular aspect of the school and at the discretion of the governors.
3. **Restricted Fixed Asset Funds**  
A specific Restricted Fund relating to the school's fixed assets, including its land and buildings.

97% of the school's income consisted of recurrent grants from the Department for Education's delivery agency, the Education Funding Agency (EFA). The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as Restricted Funds in the

**NORWOOD GREEN JUNIOR SCHOOL**  
**TRUSTEES ANNUAL REPORT**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

3. **Restricted Fixed Asset Funds**

A specific Restricted Fund relating to the school's fixed assets, including its land and buildings.

97% of the school's income consisted of recurrent grants from the Department for Education's delivery agency, the Education Funding Agency (EFA). The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the period ended 31 August 2014, total income from recurrent grant funding and other incoming resources was £2.27m. Expenditure in the same period was £2.00m. The excess of expenditure over income for the period (excluding transfers of funds and movements on the Restricted Fixed Assets Fund) was £0.27m.

The school also received grants for fixed assets from the EFA which are shown in the Statement of Financial Activities within the Restricted Fixed Assets Fund.

**Reserves Policy**

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

The governors have determined that the appropriate level of free reserves should be equivalent to 30 days of average expenditure, approximately £142k. This is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide the ability to deal with unexpected emergencies such as urgent maintenance.

The school's current level of free reserves (total funds less the amount held in fixed assets restricted funds) is £456k, equivalent to 96 days of average expenditure and approximately £314k more than is needed.

The school will aim to hold reserves to support the rolling three year budget projection.

Cash balances are deposited with UK banks.

**Financial and Risk Management Objectives and Policies**

The Local Government Pension Scheme (LGPS) for support staff is a defined benefit pension scheme. A deficit of £317k was transferred to the school by Hounslow Borough Council. This is to be eliminated over 17 years by increased contribution percentages and annual payments.

**Principal Risks and Uncertainties**

The governors have assessed the major risks to which the school is exposed, in particular those relating to:

1. Operational areas of the school including teaching, recruitment, health and safety, school trips, pupil safety and the suitability of facilities.
2. Finances and the internal controls over accounting procedures.

The governors have implemented systems, including operational procedures and internal financial controls in order to minimise risks. The school has an effective system of internal control and this is explained in more detail on page 16.

**NORWOOD GREEN JUNIOR SCHOOL**  
**TRUSTEES ANNUAL REPORT**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**Plans for Future Periods**

Through converting to Academy Status the school has accessed additional revenue funding streams that have enabled governors to protect the educational provision currently provided while moving to a more sustainable structure over time. It has also given the school access to bid for capital grants that would otherwise not have been available.

This additional funding has limited the impact of the pupil based formula funding changes that have significantly reduced the standards grants and Special Education Needs (SEN) funding that the school was historically dependent upon.

Future pressure in finance is coming from reduction of EFA grants, minimum funding guarantee reductions, reduced Local Authority Central Spend Equivalent Grant (LACSEG) funding, reduced SEN funding and contractual pay rises.

It is likely that existing cash reserves will be absorbed as the school adjusts to a more austere funding environment.

**AUDITOR**

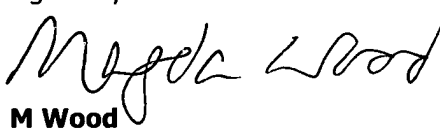
Audit for Business Development and Solutions Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:  
Thorncliffe Road  
Southall  
Middlesex  
UB2 5RN

Signed by order of the trustees

  
**M Wood**

Chair of Governors

12 December 2014



# NORWOOD GREEN JUNIOR SCHOOL

## GOVERNANCE STATEMENT

### PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014

#### Scope of Responsibility

As governors we acknowledge we have overall responsibility for ensuring that the 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 governors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the school and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Full GB	Attended	Out of
M Wood	4	4
S Mann	3	4
S Grewal	1	1
B Kalyan	3	4
R Khosla	3	4
K Norfolk	4	4
P Sehgal	4	4
G Wood	4	4
V Gerber	2	3
K Garhir	1	1
G Mungroo	0	1

The Personnel and Finance Committee of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

P & F Committee	Attended	Out of
R. Khosla	4	4
S Mann	4	4
C Norfolk	4	4
P Sehgal	4	4
M Wood	1	4
V Gerber	2	4

#### Governance review

A FMGS review occurred in June 2014 to check the validity of the FMGS return and their capabilities. In the autumn of 2014 a skills audit was taken and the results of this will be used in Spring 2015 to guide training on Governor development. We are looking to appoint an external reviewer in Spring 2015.

**NORWOOD GREEN JUNIOR SCHOOL**  
**GOVERNANCE STATEMENT**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**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 school policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the School for the period from 1 July 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of governors has 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 governors 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 period from 1 July 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

**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 governors;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the governors have delegated to the external auditors the giving of advice on financial matters and the performance of a range of checks on the school's financial systems. The external auditors reported to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities, as a result of which no material control issues arose.

**NORWOOD GREEN JUNIOR SCHOOL**  
**GOVERNANCE STATEMENT**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**Review of Effectiveness**

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been performed by:

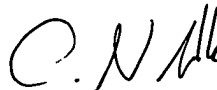
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the school who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and ensures continuous improvement of the system is in place.

Approved by order of the members of the board of governors on 12<sup>th</sup> Dec '14 and signed on its behalf by:



**M Wood**  
Chair of Governors



**C Norfolk**  
Accounting Officer

**NORWOOD GREEN JUNIOR SCHOOL**  
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

As accounting officer of Norwood Green Junior School I have considered my responsibility to notify the school board of governors 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.

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



**C Norfolk**  
Accounting Officer

12 December 2014

**NORWOOD GREEN JUNIOR SCHOOL**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

The trustees (who act as governors of Norwood Green Junior School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the income and expenditure of the company for that period.

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements of both propriety and of good financial management. They are also responsible for ensuring grants received from 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on  
by:

**M Wood**  
Director



12<sup>th</sup> Dec '14

and signed on its behalf

**NORWOOD GREEN JUNIOR SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORWOOD**  
**GREEN JUNIOR SCHOOL**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

We have audited the financial statements of Norwood Green Junior School for the period from 8 May 2013 to 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's trustees 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 company and the company's trustees 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 Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the 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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**NORWOOD GREEN JUNIOR SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORWOOD**  
**GREEN JUNIOR SCHOOL**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**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.

*P.J. Ham*

**P J Ham**  
Senior Statutory Auditor  
For and on behalf of  
Audit for Business Development and Solutions Limited  
15 Oxford Street  
Southampton  
Hampshire  
SO14 3DJ

*17 December 2014*

# **NORWOOD GREEN JUNIOR SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORWOOD GREEN JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY**

### **PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

In accordance with the terms of our engagement letter dated 15<sup>th</sup> August 2014 and 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 Norwood Green Junior School during the period from 1<sup>st</sup> July 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 Norwood Green Junior School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Norwood Green Junior 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 the School and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Norwood Green Junior School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Norwood Green Junior School's funding agreement with the Secretary of State for Education dated 28 June 2013 and the Academies Financial Handbook extant from 1<sup>st</sup> 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 period from 1<sup>st</sup> July 2013 to 31<sup>st</sup> 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 the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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



# **NORWOOD GREEN JUNIOR SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORWOOD GREEN JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY**

**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1<sup>st</sup> July 2013 to 31<sup>st</sup> August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*P. J. Ham*

### **P J Ham**

Reporting Accountant

For and on behalf of

Audit for Business Development and Solutions Limited

15 Oxford Street

Southampton

Hampshire

SO14 3DJ

*17 December 2014*

# NORWOOD GREEN JUNIOR SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014

		Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds Period from 8 May 13 to 31 Aug 14 £
	Note				
<b>INCOMING RESOURCES</b>					
Incoming resources from generating funds:					
Voluntary income	2	35,124	(90,807)	8,121,067	8,065,384
Investment income	3	2,129	—	—	2,129
Incoming resources from charitable activities:					
Funding for the academy trust's educational operations	2	—	2,364,973	204,529	2,569,502
<b>TOTAL INCOMING RESOURCES</b>		<b>37,253</b>	<b>2,274,166</b>	<b>8,325,596</b>	<b>10,637,015</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	4/5	(849)	(1,995,109)	(92,094)	(2,088,052)
Governance costs	6	—	(10,437)	—	(10,437)
<b>TOTAL RESOURCES EXPENDED</b>		<b>(849)</b>	<b>(2,005,546)</b>	<b>(92,094)</b>	<b>(2,098,489)</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>					
Transfer between funds	8	—	(165,014)	165,014	—
<b>NET INCOMING RESOURCES FOR THE PERIOD</b>		<b>36,404</b>	<b>103,606</b>	<b>8,398,516</b>	<b>8,538,526</b>
Actuarial loss on defined benefit pension scheme		—	(87,000)	—	(87,000)
<b>NET MOVEMENT IN FUNDS/NET INCOME FOR THE PERIOD</b>		<b>36,404</b>	<b>16,606</b>	<b>8,398,516</b>	<b>8,451,526</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		—	—	—	—
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>36,404</b>	<b>16,606</b>	<b>8,398,516</b>	<b>8,451,526</b>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on page 27 to 41 form part of these financial statements.

# NORWOOD GREEN JUNIOR SCHOOL

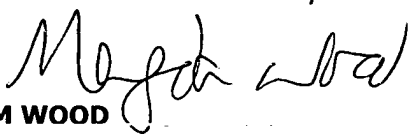
## BALANCE SHEET

31 AUGUST 2014

	Note	£	31 Aug 14 £
<b>FIXED ASSETS</b>			
Tangible assets	10		8,398,516
<b>CURRENT ASSETS</b>			
Debtors	11	80,021	
Cash at bank and in hand		651,257	
		<u>731,278</u>	
<b>CREDITORS: Amounts falling due within one year</b>	12	(257,268)	
			<u>474,010</u>
<b>NET CURRENT ASSETS</b>			
			<u>8,872,526</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>PROVISIONS FOR LIABILITIES</b>			
Pension scheme liability	19		(421,000)
<b>NET ASSETS</b>			<u><u>8,451,526</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>			
<b>Restricted funds</b>			
Fixed assets fund	14	8,398,516	
General fund	14	437,606	
Pension reserve (deficit)	19	(421,000)	
<b>Total restricted funds</b>			<u>8,415,122</u>
<b>Total unrestricted funds</b>			
General fund	14	36,404	
<b>Total unrestricted funds</b>			<u>36,404</u>
<b>TOTAL FUNDS</b>			<u><u>8,451,526</u></u>

These financial statements were approved by the members of the committee and authorised for issue on the ..... and are signed on their behalf by:

12<sup>th</sup> Dec '14

  
M WOOD  
Director

Company Registration Number: 08520286

The notes on page 27 to 41 form part of these financial statements.

# **NORWOOD GREEN JUNIOR SCHOOL**

## **CASH FLOW STATEMENT**

**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

	<b>£</b>	<b>£</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>16</b>	<b>814,142</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	<b>2,129</b>	
	<hr/>	
Net cash inflow from returns on investments and servicing of finance		<b>2,129</b>
<b>CAPITAL EXPENDITURE</b>		
Payments to acquire tangible fixed assets	<b>(369,543)</b>	
Capital grants	<b>204,529</b>	
	<hr/>	
Net cash outflow from capital expenditure		<b>(165,014)</b>
<b>INCREASE IN CASH</b>	<b>17</b>	<b>651,257</b>
		<hr/> <hr/>

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

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' issued in March 2005 (SORP 2005), the Academies Accounts Direction issued by the EFA and the Companies Act 2006.

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

Leasehold land and buildings were transferred from the local authority on 1 July 2013. A depreciated replacement cost valuation of the long leasehold buildings was not obtained so the rebuild insurance value has been used instead. The EFA values academies properties for the WGA at 31 March each year and informs academies accordingly and this value at 31 March 2014 will be used when received in future. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as income/net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The EFA considers that such valuations were undertaken on a depreciated replacement cost basis. The EFA instructs Mouchel to value the property as a "desktop" exercise only, without visiting the property. The EFA will include the valuation for land and buildings in their consolidated group accounts.

Fixtures and equipment were transferred for nil consideration and have been included at nil value except for a few recently identifiable major items.

Further details of the transaction are set out in note 20.

**Going Concern**

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

**Incoming resources**

All incoming resources are recognised when the school 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 in the balance sheet. Where income is received in advance of entitlement 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 (GAG) 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.

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**1. ACCOUNTING POLICIES (continued)**

**Donations**

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

**Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

**Charitable trading**

Rents and lettings are included in the statement of financial activities on a receivable basis.

**Fund accounting**

General funds represent those resources which may be used towards meeting any of the objects of the school at the discretion of the governors. Restricted funds comprise grants from the Department for Education and other donors which may be used for specific purposes.

**Resources expended**

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

- **Costs of Generating Funds**

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

- **Charitable Activities**

These are costs incurred on the school's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

**Fixed assets**

Tangible fixed assets acquired since the school was established are included in the accounts at cost. 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 life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities) and carried forward in the balance sheet. The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**1. ACCOUNTING POLICIES (continued)**

**Depreciation**

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

Long leasehold land and buildings	-	0.8% (125yrs) Straight line
Plant and Machinery	-	20% (5yrs) SL with nil residual value.
Computer Equipment and Software	-	50% (2yrs) SL with nil residual value

Assets costing less than £500 are written off in the year of acquisition. All other assets are capitalised.

**Stock**

Clothing and unused stationery are valued at the lower of cost or net realizable value and are included in prepayments.

**Taxation**

The school 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 Corporation Tax purposes. Accordingly, the school 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 income or gains are applied exclusively to charitable purposes.

**Pensions Benefits**

Retirement benefits to employees of the school 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 school.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school 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 19, the TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the school in separate governor administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

The LGPS defined benefit pension scheme has a deficit of £421K which is to be eliminated over 17 years according to the actuary by increased contribution percentages and annual payments.

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**1. ACCOUNTING POLICIES (continued)**

**Fund Accounting**

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

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

**2. INCOME**

	Unrestrict- ed Funds £	Restricted General Funds £	Restricted Fixed Assets Fund £	Total Funds 2014 £
<b>Grants receivable</b>				
Grants receivable GAG	—	2,081,290	—	2,081,290
Start up grant	—	25,000	—	25,000
Grants receivable - local authority	—	229,666	4,529	234,195
Grants receivable - capital	—	—	200,000	200,000
<b>Other income</b>				
Transfer from local authority on conversion	—	226,193	8,121,067	8,347,260
Transfer from local authority on conversion LGPS deficit	—	(317,000)	—	(317,000)
Other voluntary income - staff insurance claims	—	11,878	—	11,878
Other voluntary income - hosted courses	11,416	—	—	11,416
Other voluntary income - contribution to journeys	—	15,405	—	15,405
Other voluntary income	23,708	1,734	—	25,442
	<b>35,124</b>	<b>2,274,166</b>	<b>8,325,596</b>	<b>10,634,886</b>

**3. INVESTMENT INCOME**

	Unrestrict- ed Funds £	Total Funds 2014 £
Bank interest receivable	2,129	2,129



**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**4 COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE**

	Unrestrict- ed Funds	Restricted General Funds	Restricted fixed asset funds	Total Funds 2014
	£	£	£	£
Charitable activity	–	1,508,117	92,094	1,600,211
Support costs	849	486,992	–	487,841
	<u>849</u>	<u>1,995,109</u>	<u>92,094</u>	<u>2,088,052</u>

**5. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Total Funds 2014 £
<b>Direct costs – educational operations</b>	
Teaching and educational support staff costs	1,327,824
Depreciation	92,094
Curriculum consumables & Technology costs	78,004
Educational supplies	40,489
Staff recruitment & development	21,120
Educational consultancy	500
Other direct costs	40,180
Charitable activity	<u>1,600,211</u>
<b>Support costs</b>	
Support staff costs	173,627
Recruitment and support	5,042
Maintenance of premises and equipment	28,605
Cleaning	44,990
Rates and water	14,742
Energy costs	28,437
Insurance	34,492
Trips	8,952
Catering	3,965
Finance cost of defined benefit pension scheme	15,000
Other support costs	129,989
Support costs	<u>487,841</u>
Total direct and support costs	<u><u>2,088,052</u></u>

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**6. GOVERNANCE COSTS**

	<b>Restricted Funds</b>	<b>Total Funds 2014</b>
	<b>£</b>	<b>£</b>
Audit fees	6,000	6,000
Costs of governors' training	4,329	4,329
Governors' expenses	108	108
	<u>10,437</u>	<u>10,437</u>

**7. NET INCOMING RESOURCES FOR THE PERIOD**

This is stated after charging:

	<b>Period from 8 May 13 to 31 Aug 14 £</b>
Staff pension contributions	171,595
Depreciation	92,094
Auditors' remuneration: - audit of the financial statements	<u>6,000</u>

**8. FUND TRANSFERS**

Fund transfers are transfers from restricted income funds to restricted fixed asset funds.

**9. STAFF COSTS AND EMOLUMENTS**

**Total staff costs were as follows:**

	<b>Period from 8 May 13 to 31 Aug 14 £</b>
Wages and salaries	1,132,086
Social security costs	88,895
Other pension costs	171,595
	<u>1,392,576</u>
Supply staff costs	108,875
	<u>1,501,451</u>

Other pension costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other finance costs (see note 5).

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**9. STAFF COSTS AND EMOLUMENTS (Continued)**

**Particulars of employees:**

The average number of employees during the period, calculated on the basis of full-time equivalents, was as follows:

	<b>Period from 8 May 13 to 31 Aug 14 Number</b>
Teachers	<b>21</b>
Administration and support	<b>9</b>
Management	<b>3</b>
	<hr/> <b>33</b> <hr/>

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

£60,001 - £70,000

**2014**  
**1**

The above employee participated in the Teachers' Pension Scheme. During the period the pension contributions amounted to £8,986.

The Headteacher and other staff governors receive remuneration only in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments. The value of governors' remuneration was as follows:

C Norfolk (Headteacher and ex-officio governor)	£60,001 - £70,000
P Sehgal (Staff governor)	£50,001 - £60,000

**Related Party Transactions**

Owing to the nature of the school's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the school's financial regulations and normal procurement procedures. No related party transactions took place in the period of account.

**Governors' and Officers' insurance**

In accordance with normal commercial practice the school has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £1m on any one claim and the cost for the period ended 31 August 2014 was £600. The cost of this insurance is included in the total insurance cost.

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**10. TANGIBLE FIXED ASSETS**

	Long Leasehold Property £	Computer Equipment £	Furniture and Equipment £	Total £
<b>COST</b>				
Additions	339,994	11,993	17,556	369,543
Transfers	8,061,038	23,789	36,240	8,121,067
<b>At 31 August 2014</b>	<b>8,401,032</b>	<b>35,782</b>	<b>53,796</b>	<b>8,490,610</b>
<b>DEPRECIATION</b>				
Charge for the period	78,189	8,735	5,170	92,094
<b>At 31 August 2014</b>	<b>78,189</b>	<b>8,735</b>	<b>5,170</b>	<b>92,094</b>
<b>NET BOOK VALUE</b>				
<b>At 31 August 2014</b>	<b>8,322,843</b>	<b>27,047</b>	<b>48,626</b>	<b>8,398,516</b>

**11. DEBTORS**

	<b>31 Aug 14</b>
	<b>£</b>
Trade debtors	6,134
Other debtors - VAT	49,056
Prepayments	24,831
	<b>80,021</b>

**12. CREDITORS: Amounts falling due within one year**

	<b>31 Aug 14</b>
	<b>£</b>
Bank loans and overdrafts	12,955
Trade creditors	137,970
Accruals	106,343
	<b>257,268</b>

**13. COMMITMENTS**

**OPERATING LEASES**

At 31 August 2014 the school had annual commitments under non-cancellable operating leases on equipment expiring:

	<b>2014</b>
	<b>£nil</b>
Within one year	

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**14. FUNDS**

	Balance at 1 July 2013 £	Incoming resources £	Resources expended £	Gains, Losses and transfers £	Balance at 31 August 2014 £
<b>Restricted general funds</b>					
Transfer from local authority	–	226,193	226,193	–	–
General Annual Grant	–	2,081,290	1,478,670	(165,014)	437,606
Start up grant		25,000	25,000		
Other DfE/EFA grants	–	29,017	29,017	–	–
Local authority grants	–	229,666	229,666	–	–
Pension reserve	–	(317,000)	17,000	(87,000)	(421,000)
	–	2,274,166	2,005,546	(252,014)	16,606
<b>Restricted fixed asset funds</b>					
Transfer from local authority	–	8,121,067	92,094	165,014	8,193,987
DfE/EFA capital grants	–	204,529	–	–	204,529
	–	8,325,596	92,094	165,014	8,398,516
Total restricted funds	–	10,599,762	2,097,640	(87,000)	8,415,122
<b>Unrestricted funds</b>					
Unrestricted funds	–	37,253	849	–	36,404
Total unrestricted funds	–	37,253	849	–	36,404
Total funds	–	10,637,015	2,098,489	(87,000)	8,451,526

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

EFA revenue grant fund relates to the school's development and educational activities.

Restricted fixed assets fund relates to fixed assets transferred from the state maintained school. EFA capital grant fund relates to refurbishment grant.

Under the funding agreement with the Secretary of State, the school was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	–	–	8,398,516	8,398,516
Current assets	36,404	694,874	–	731,278
Current liabilities	–	(257,268)	–	(257,268)
Pension fund liability	–	(421,000)	–	(421,000)
	36,404	16,606	8,398,516	8,451,526

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**16. RECONCILIATION OF NET INCOMING RESOURCES BEFORE TRANSFERS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Period from 8 May 13 to 31 Aug 14 £
Net incoming resources before transfers	8,538,526
Interest receivable	(2,129)
Transfers of fixed assets	(8,121,067)
LGPS deficit transferred from local authority	317,000
Capital grants received	(204,529)
Depreciation	92,094
FRS 17 Current service cost less employer contributions	2,000
FRS 17 Interest cost less return on assets	15,000
Increase in debtors	(80,021)
Increase in creditors	257,268
	<hr/>
Net cash inflow from operating activities	<b>814,142</b> <hr/>

**17. RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET FUNDS**

	31 August 2014 £
Increase in cash in the period	651,257
	<hr/>
Change in net funds	651,257
	<hr/>
Net funds at 31 August 2014	<b>651,257</b> <hr/>

**18. ANALYSIS OF CHANGES IN NET FUNDS**

	8 May 13 £	Cash flows £	31 Aug 14 £
Cash in hand and at bank	–	651,257	651,257
Overdrafts	–	(12,955)	(12,955)
	<hr/>	<hr/>	<hr/>
	–	638,302	638,302
	<hr/>	<hr/>	<hr/>

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**19. PENSION AND SIMILAR OBLIGATIONS**

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

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

Contributions amounting to £17,941 were payable to the schemes at 31 August 2014 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and from 1 April 2014 by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers 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, The Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75% and

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**19. PENSION AND SIMILAR OBLIGATIONS (continued)**

the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations 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 Services 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 published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation 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 1/57<sup>th</sup>; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

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

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

The Department of Education has continued to work closely with trade unions and other representative 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 academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.



# NORWOOD GREEN JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014

### 19. PENSION AND SIMILAR OBLIGATIONS (continued)

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate governor-administered funds. The total contribution made for the year was £44,672 of which employer's contributions totaled £33,953 and employees' contributions totaled £10,719.

The agreed contribution rates for future years are 13.5% for employers and various % for employees.

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 of Education. The guarantee came into force on 18 July 2013.

The deficit of £421K is envisaged to be eliminated over 20 years by increased contribution rates and annual contributions.

Principal Actuarial Assumptions	At 31 August 2014	At 1 July 2013
Rate of increase in salaries	4.5%	4.7%
Rate of increase for pensions in payment/inflation	2.7%	2.9%
Discount rate for scheme liabilities	3.9%	4.8%

Members will exchange half of their commutable pensions for cash at retirement.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2014	Approximate monetary amount £000
0.1% increase to discount rate	45
1 year increase in member life expectancy	44
0.1% increase in the salary increase rate	46
0.1% increase in the pension increase rate	47

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 1 July 2013
Retiring today		
Males	22.0	19.2
Females	26.5	23.2
Retiring in 20 years		
Males	24.1	21.1
Females	28.8	25.1

#### The school's share of the assets and liabilities in the scheme:

	At 31 August 2014	At 1 July 2013
	£000	£000
Equities	70.0% 241	72.0% 185
Gilts	4.0% 14	5.0% 12
Other bonds	14.0% 48	17.0% 42
Property	5.0% 17	3.0% 7
Absolute return funds	4.0% 14	n/a n/a
Cash	3.0% 10	4.0% 10
Total market value of assets	344	256
Present value of scheme liabilities – Funded	(765)	(573)
(Deficit) in the scheme	(421)	(317)

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**19. PENSION AND SIMILAR OBLIGATIONS (continued)**

Breakdown of the expected rate of return on assets by category

	At 31 August 2014	At 1 July 2013
Equities	6.4%	6.6%
Gilts	3.0%	3.6%
Other bonds	3.6%	4.2%
Property	5.6%	5.8%
Absolute return funds	6.4%	n/a
Cash	2.9%	3.4%
Total	5.7%	5.9%

Amounts recognised in the statement of financial activities:

	At 31 August 2014
	£000
Current service cost (net of employee contributions)	44
Interest on obligation	34
Expected return on pension scheme assets	(19)
Total	<u>59</u>
Actual return on fund assets	<u>35</u>

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 £101k loss.

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

	2014
	£000
At 1 September Obligation	573
Current service cost	44
Interest cost	34
Employee contributions	11
Actuarial loss	<u>103</u>
At 31 August Obligation	<u>765</u>

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

	2014
	£000
Opening fair value of employer assets	256
Expected return on assets	19
Contributions by members	11
Contributions by employer	42
Actuarial gain	16
Estimated benefits paid	-
Closing fair value of employer assets	<u>344</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £27,000.

**NORWOOD GREEN JUNIOR SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 8 MAY 2013 TO 31 AUGUST 2014**

**20. CONVERSION TO AN ACADEMY TRUST**

On 1 July 2013 Norwood Green Junior School converted to academy status under the Academies Act 2010 and all of the operations and assets and liabilities were transferred to Norwood Green Junior School from Hounslow Borough Council for £nil consideration.

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

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

	<b>Unrestricted funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets				
Leasehold land and buildings			8,061,038	8,061,038
Other tangible fixed assets			60,029	60,029
Budget surplus on LA funds		226,193		226,193
LGPS pension deficit		(317,000)		(317,000)
Net (liabilities)/assets		(90,807)	8,121,067	8,030,261

The above net liabilities include £226,193 that was transferred as cash.