
BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

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BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

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BURNHAM GRAMMAR SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2012**

Governors/Directors

Mrs A Bell
Mr J Clayton
Mr D Edwards
Dr S Foster
Mr A Frith, Chairman
Dr A Gillespie, Headteacher
Mr A Hancox
Mrs A Marwaha
Mr N McKeegan
Dr A Mistry (appointed 8 February 2012)
Mr I Nurcombe (resigned 14 May 2012)
Ms A Price (appointed 8 February 2012)
Mr A Trehay (appointed 8 February 2012)
Mr N Walker (appointed 8 February 2012)
Mr J Rogerson

All Governors are also directors

Company registered number

07769232

Registered office

Hogfair Lane, Berkshire, SL1 7HG

Company secretary

Mrs J Hopkins

Chief executive officer

Dr A Gillespie

Auditors

Landau Baker Ltd, Mountcliff House, 154 Brent Street, London, NW4 2DR

Solicitors

Buckinghamshire County Council Legal & Democratic Services, County Hall, Walton Street, Aylesbury,
Buckinghamshire, HP20 1UA

BURNHAM GRAMMAR SCHOOL
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GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2012

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Burnham Grammar School (the academy) for the period ended 31 August 2012. The Governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a Constitution

The Academy is a company limited by guarantee and an exempt charity. It was set up on the 9th September 2011 and in terms of a Funding Agreement entered into with the Secretary of State for Education, became an academy on 1st October 2011. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The governors act as the trustees for the charitable activities of the Academy Trust and some are also the directors of the Charitable Company for the purposes of company law.

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

The academy is constituted under a Memorandum of Association dated 9th September 2011.

b. Method of recruitment and appointment or election of governors

The governors are appointed under the terms of the Academy's Articles of Association.

- 17 governors in total
 - The Headteacher
 - 6 Parent Governors to be elected
 - 6 community/specialist governors
 - 1 LA governor
 - 3 staff governors (to be elected)
 - Up to 3 associate/co-opted governors

There are three founding members of the Trust: Mr Andy Frith, Mr Jon Clayton and Mr Ian Nurcombe. Don Edwards and Alan Hancox were appointed as additional members on 8th February 2012. Mr Ian Nurcombe resigned as a governor on 14th May 2012 and as a member on 9th January 2013.

The term of office for any governor shall be four years. The headteacher's term of office runs parallel with his contract of employment. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

c. Policies and procedures adopted for the induction and training of governors

During the period under review, the governors held 4 meetings. The training and induction provided for new governors will depend on their existing experience. Where necessary, an induction will provide training on charity and educational legal and financial matters. All new governors are given a tour of the Academy, track a class for a day and are given the chance to meet with 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 trustees and directors of the Charitable Company.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

d Organisational structure

The Charitable Company has established a management structure to enable its efficient running. The structure consists of two levels: the governors and the executive who are the senior leadership team.

The governing body has considered its role thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the Charitable Company and monitor its progress towards these objectives.

The governing body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference.

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

e. Risk management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors 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 finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the statement on internal control.

f. Governors' indemnities

Subject to the provisions of the Companies Act, every governor or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Charitable Company.

g. Principal activities

The principal activity of the Charitable Company is to advance, for the public benefit, education in Burnham and the surrounding area by maintaining and operating Burnham Grammar School in Burnham, Buckinghamshire.

OBJECTIVES AND ACTIVITIES

a Objects and aims

The principal object and activity of the Charitable Company is the operation of Burnham Grammar School to provide education for pupils who meet the selection criteria between the ages of 11-18.

In accordance with the articles of association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

b. Objectives, Strategies and Activities

The Academy's main strategy is encompassed in the School Aims, which are to develop students who are

- Active Citizens
- Prepared for their future
- Healthy and safe
- Caring Individuals
- Responsible learners

c Activities for achieving objectives

Active Citizens

- Participate in a range of community activities
- Have opportunities for leadership in all Key Stages
- Create cultural social & economic links with the local and wider communities
- Understand the importance of and contribute to student voice activities
- Demonstrate local, national and global social awareness
- Demonstrate environmental awareness in school and wider communities
- Understand democracy and the importance of voting
- Understand that in any society there are limits to individual freedom for the wellbeing of the society as a whole

Prepared for their future

- Develop the ability to adapt to change
- Develop a broad range of transferable skills
- Develop a broad knowledge of the world of work
- Have real experience of the next Key Stage before making choices
- Have a broad knowledge of post school options to make informed choices
- Develop life skills and academic and personal independence
- Understand the economic realities of their and others lives and ways to manage financial responsibilities

Healthy & Safe

- Understand the importance of healthy eating for physical and mental wellbeing
- Understanding the importance of exercise for physical and mental wellbeing
- Act on awareness of healthy lifestyle choices
- Take advantage of and enjoy a range of extra-curricular activities
- Develop a knowledge of health issues, including sexual, mental and drug related, to enable informed decisions and choices
- Safely enjoy new technologies, experiences and environments

Caring Individuals

- Respect everyone and welcome differences
- Be aware of the consequences of our actions, however small, for ourselves and others
- Provide social & academic support for all members of our community
- Learn to be good listeners & communicators
- Respect other's opinions and beliefs
- Respect oneself

Responsible Learners

- Recognise that making mistakes is a key part of successful learning and persevere
- Enjoy & cultivate a positive approach to, and accept responsibility for, their learning
- Be able to and enjoy applying knowledge & understanding to a wide range of situations
- Work successfully in teams and as individuals
- Supported to take responsibility to achieve beyond their potential
- Reflect on both achievements & setbacks and learn from their experiences
- Think and learn creatively

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

d Key priorities

The key priorities for the Academy for the Period ended were

- 1 Complete conversion to Academy status and deal with any resulting issues
- 2 Restructure the Senior Leadership Team (SLT) to cope with staff changes
- 3 Complete support staff restructuring with particular emphasis on Pastoral Leader selection and induction
- 4 Implement changes to the management of Health and Safety across all areas of school life
- 5 Close gaps in the achievement & attainment of underperforming groups
- 6 Embed the new observation tool and standardise observation judgements across middle management (LM)
- 7 Focus on the embedding of knowledge about 'Growth Mindsets' as a key element of Building Learning Power (BLP) via In-Service Training (INSET) days, Excellence Groups, peer observation (LM)
- 8 Further embed agreed expectations and support across the 6th form and particularly in Year 12
- 9 Look at the implications of the Pupil Premium and Specialist College funding changes and budget accordingly (including a review of the Teaching and Learning Responsibility (TLR) structure)
- 10 Ensure that whole school and departmental self-evaluation procedures are fit for the new Ofsted evaluation framework
- 11 Development of a rolling programme of Information and Communications Technologies (ICT) (including virtual learning environment provision) refurbishment through either a managed or school based system

e. Public benefit

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. As an Academy we make the best use of our skills expertise and experience with regards to the community. Some examples of this are

- Raising money for local, national and international charities
- Linking with the Rotary Club through the Interact scheme
- Providing community events such as the biennial Wellbeing Days
- Working with the Burnham Health Promotion Trust
- 6th form Contribution to the Community Scheme
- Sports Leader programmes that provide sporting activities to local Primary Schools
- Science College support of local Primary Schools

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

ACHIEVEMENTS AND PERFORMANCE

2011-2012 was the first year of the Academy. The Academy was again oversubscribed with 150 places being offered to Year 7 students and 123 Students being admitted into Year 12 (including 18 students who had completed their GCSE programmes of study at other institutions)

In 2012 the results in KS3 Teacher Assessments and GCSE exams at KS4 were as follows

School targets versus actuals (%)

	2010			2011			2012			2013
	Target	Actual	Diff	Target	Actual	Diff	Target	Actual	Diff	Target
Expected Progress KS2-4 English	-	96		97	93	-4.0	97	80	-17.0	97
Expected Progress KS2-4 Maths	-	90		95	93	-2.0	95	92	-3.0	95
5+A*-C inc English & Maths	98	98	0.0	98	100	2.0	99	94	-5.0	100
<i>Cohort</i>	121	120		124	124		123	123		120

School Absence Data

	2010	2011	2012*
	Actual	Actual	Actual
Authorised	7.0%	5.4%	Not available
Unauthorised	0.2%	0.2%	Not available
Combined	7.2%	5.7%	Not available

GOING CONCERN

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy 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.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

FINANCIAL REVIEW

a. Financial and risk management objectives and policies

The Charitable Company was incorporated on the 9th September 2011 and commenced operating as an academy school on 1st October 2011. No activities were carried on by the company from the date of incorporation until 1st October 2011 when the net assets of Burnham Grammar School were transferred to the Charitable Company.

b Principal risks and uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

c Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review. Reserves at the end of the period amounted to £477,757.

d Principal funding

Most of the Academy's income is obtained from the Young People's Learning Agency (YPLA), now the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA/EFA during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the YPLA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005), such 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 concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

PLANS FOR THE FUTURE

The Academy will continue to provide the highest levels of education to its students and be guided by the School Aims and the School Development Plan

Key priorities for 2012-2013 are as follows

- 1 Raising attainment in English and Maths and whole school literacy
- 2 Further embed a BLP approach through the identification and spread of best practice (Learning team)
- 3 Improve, standardise and link departmental and cross-departmental work scrutiny and student voice procedures
- 4 Refine the behavioural tracking systems to take advantage of the Pastoral Leader roles
- 5 Refine the reliability and validity of Progress Grade generation and their use for all stake holders
- 6 Embedding and developing the new Performance Management and Support Staff Appraisal systems
- 7 Premises and ICT refurbishment and Wolfson (iPad) grant implementation *
- 8 Planning for the construction of new teaching accommodation
- 9 Developing the role of departmental attached governors
- 10 Developing staff through distributed leadership and Associate Assistant Head projects

All senior and middle leaders development plans link to the School Development Plan (SDP) and/or the priorities listed above. As a result of their self-evaluation and review practices all departments write detailed development plans

*Premises – the Academy has an ongoing programme of repairs and maintenance and a prioritised improvement plan, for which we will be applying for capital grants from the Department of Education. Over the coming year priority will be given to replacement of windows, key repairs to roofs and refurbishment of the ICT suites, including the purchase of 60 iPads via the Wolfson grant

PROVISION OF INFORMATION TO AUDITORS

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

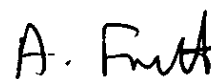
- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information

This report was approved by order of the members of the Governing Body on 23/11/13 and signed on its behalf by

Dr A Gillespie
Governor



Mr A Frith
Chair of governors



BURNHAM GRAMMAR SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The governing body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Burnham Grammar School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Governor	Meetings attended	Out of a possible
Mrs A Bell	4	4
Mr J Clayton	4	4
Mr D Edwards	4	4
Dr S Foster	4	4
Mr A Frith, Chairman	4	4
Dr A Gillespie, Headteacher	4	4
Mr A Hancox	4	4
Mrs A Marwaha	3	4
Mr N McKeegan	4	4
Dr A Mistry (appointed 8 February 2012)	3	3
Mr I Nurcombe (resigned 14 May 2012)	2	4
Ms A Price (appointed 8 February 2012)	2	3
Mr A Trehy (appointed 8 February 2012)	2	3
Mr N Walker (appointed 8 February 2012)	3	3
Mr J Rogerson	1	4

Mr I Nurcombe resigned as a Governor on the 14th May 2012 and as a member on 9th January 2013.

The **Finance and General Purposes Committee** is a sub-committee of the main governing body.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr J Clayton	4	4
Mr A Frith	4	4
Dr A Gillespie	4	4
Mr A Hancox	3	4
Mr J Rogerson	2	4
Mr I Nurcombe	3	4

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THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Burnham Grammar School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The governing body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period ending 31 August 2012 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 academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- 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 (as set purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Alison Bell, a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

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 informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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GOVERNANCE STATEMENT (continued)

Approved by order of the members of the governing body on 23/1/2013 and signed on their behalf, by

Dr A Gillespie
Governor



Mr A Frith
Chair of governors



BURNHAM GRAMMAR SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Dr A Gillespie
Accounting officer

23/1/2013

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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

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

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities Statement of Recommended Practice (SORP),
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

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

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

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

Mr A Frith
Chair of governors



23/1/2013

BURNHAM GRAMMAR SCHOOL
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURNHAM GRAMMAR SCHOOL

We have audited the financial statements of Burnham Grammar School for the period ended 31 August 2012 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 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 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURNHAM GRAMMAR SCHOOL

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

M B Durst (Senior statutory auditor)
for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154
Brent Street
London
NW4 2DR

BURNHAM GRAMMAR SCHOOL
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**INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO BURNHAM GRAMMAR
SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 October 2011 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Burnham Grammar School during the period 1 October 2011 to 31 August 2012 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 Burnham Grammar School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Burnham Grammar 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 Burnham Grammar School and the EFA, for our work, for this report, or for the conclusion we have formed

RESPECTIVE RESPONSIBILITIES OF BURNHAM GRAMMAR SCHOOL'S ACCOUNTING OFFICER AND THE AUDITORS

The Accounting officer is responsible, under the requirements of Burnham Grammar School's funding agreement with the Secretary of State for Education dated 1 October 2011, and the Academies Financial Handbook as published by DfE in 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 October 2011 to 31 August 2012 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 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

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

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO BURNHAM GRAMMAR
SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 October 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary income		(572,366)	1,039,050	466,684
Incoming resources from charitable activities		4,124,774	-	4,124,774
TOTAL INCOMING RESOURCES		3,552,408	1,039,050	4,591,458
RESOURCES EXPENDED				
Charitable activities	9	3,958,042	9,659	3,967,701
Governance costs	5	5,000	-	5,000
TOTAL RESOURCES EXPENDED	8	3,963,042	9,659	3,972,701
NET INCOME BEFORE TRANSFER		(410,634)	1,029,391	618,757
Transfers between funds		(26,627)	26,627	-
NET INCOME FOR THE YEAR		(437,261)	1,056,018	618,757
Actuarial gains and losses on defined benefit pension schemes		(141,000)	-	(141,000)
TOTAL FUNDS AT 31 AUGUST 2012		(578,261)	1,056,018	477,757

All activities relate to continuing operations

All of the academy trust's activities derive from acquisitions in the current financial period

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

The notes on pages 21 to 37 form part of these financial statements

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER 07769232

BALANCE SHEET
AS AT 31 AUGUST 2012

	Note	£	2012 £
FIXED ASSETS			
Tangible assets	14		1,056,018
CURRENT ASSETS			
Debtors	15	49,886	
Cash at bank and in hand		381,940	
		<u>431,826</u>	
CREDITORS: amounts falling due within one year	16	(223,087)	
NET CURRENT ASSETS			<u>208,739</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,264,757</u>
Defined benefit pension scheme liability	21		(787,000)
NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u><u>477,757</u></u>
CHARITY FUNDS			
Restricted funds			
Restricted funds	17	208,739	
Restricted fixed asset funds	17	1,056,018	
		<u>1,264,757</u>	
Restricted funds excluding pension liability		1,264,757	
Pension reserve		(787,000)	
		<u>477,757</u>	
Total restricted funds			<u><u>477,757</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 23/11/2012 and are signed on their behalf, by

Mr A Frith
Chair of governors



Dr A Gillespie
Governor



The notes on pages 21 to 37 form part of these financial statements

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	2012 £
Net cash flow from operating activities	19	353,306
Cash on conversion from predecessor school		<u>28,634</u>
INCREASE IN CASH IN THE PERIOD		<u>381,940</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE PERIOD ENDED 31 AUGUST 2012

	2012 £
Increase in cash in the period	<u>381,940</u>
MOVEMENT IN NET DEBT IN THE PERIOD	<u>381,940</u>
NET FUNDS AT 31 AUGUST 2012	<u><u>381,940</u></u>

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

The notes on pages 21 to 37 form part of these financial statements

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, the Academies Accounts Direction issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

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

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.

The assets and liabilities transferred on conversion from Burnham Grammar School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for an academy trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. All fixed assets have been valued on conversion and their value has been included in the restricted fixed asset fund in voluntary income. The value of the other assets and liabilities on conversion have been included in the restricted fund in voluntary income. Further details of the transactions are set out in note 3.

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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.

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.

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.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 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.

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1.6 Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy 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.

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided 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:

L/Term Leasehold Property	-	125 years
Fixtures and fittings	-	10% Straight-line basis
Computer equipment	-	33% Straight-line basis

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. 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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21, 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.

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

1. ACCOUNTING POLICIES (continued)

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

2. GENERAL ANNUAL GRANT (GAG)

	2012 £
Result and Carry Forward for the Year	
GAG Allocation for current year	3,845,658
Total GAG Available to spend	3,845,658
Recurrent expenditure from GAG	(3,819,031)
Fixed assets purchased from GAG	(26,627)
GAG Carried forward to next year	-
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(461,479)
GAG to surrender to DfE	(461,479)
(12% rule breached if result is positive)	No breach

3. VOLUNTARY INCOME

	Restricted funds 2012 £	Total funds 2012 £
Transferred from predecessor school	466,684	466,684

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2012 £	Total funds 2012 £
Educational operations	<u>4,124,774</u>	<u>4,124,774</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2012 £	Total funds 2012 £
DfE/EFA revenue grant		
GAG	3,845,658	3,845,658
Pupil Premium	8,796	8,796
SEN	69,314	69,314
	<u>3,923,768</u>	<u>3,923,768</u>
Other funding		
Bursary Fund	12,435	12,435
Examination Fees	5,487	5,487
Lettings	40,327	40,327
School Trips	30,486	30,486
Capital income	9,100	9,100
Other income	103,171	103,171
	<u>201,006</u>	<u>201,006</u>
	<u><u>4,124,774</u></u>	<u><u>4,124,774</u></u>

5. GOVERNANCE COSTS

	Restricted funds 2012 £	Total funds 2012 £
Governance Auditors' remuneration	<u>5,000</u>	<u>5,000</u>

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

6. DIRECT COSTS

	Educational operations £	Total 2012 £
Pension cost	30,000	30,000
Educational supplies	92,762	92,762
Staff Advertising	41,392	41,392
ICT	26,906	26,906
Exam fees	70,203	70,203
Other staff cost	137,379	137,379
Professional fees	92,328	92,328
Insurance	48,246	48,246
Wages and salaries	2,136,180	2,136,180
National insurance	167,526	167,526
Pension cost	289,898	289,898
	<u>3,132,820</u>	<u>3,132,820</u>

7 SUPPORT COSTS

	Educational operations £	Total 2012 £
Educational supplies	67,500	67,500
Catering supplies	15,216	15,216
Ground maintenance	28,955	28,955
General repairs	43,185	43,185
Cleaning	56,289	56,289
Gas & Electricity	49,408	49,408
Water rates	29,328	29,328
Vehicle maintenance	3,808	3,808
Telephone	8,535	8,535
Other staff cost	99,310	99,310
School Trips	36,448	36,448
Courses & Conference fees	19,648	19,648
Miscellaneous expenses	4,968	4,968
Wages and salaries	276,927	276,927
National insurance	19,145	19,145
Pension cost	66,552	66,552
Depreciation	9,659	9,659
	<u>834,881</u>	<u>834,881</u>

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £
Educational operations	2,956,228	9,659	1,001,814	3,967,701
Governance	-	-	5,000	5,000
	<u>2,956,228</u>	<u>9,659</u>	<u>1,006,814</u>	<u>3,972,701</u>

9 ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2012 £	Support costs 2012 £	Total 2012 £
Educational operations	<u>3,132,820</u>	<u>834,881</u>	<u>3,967,701</u>

10 NET INCOME

This is stated after charging

	2012 £
Depreciation of tangible fixed assets - owned by the charity	9,659
Auditors' remuneration	5,000
Governance Internal audit costs	-
	<u>-</u>

During the period, no Governors received any benefits in kind

During the period, no Governors received any reimbursement of expenses

The Headteacher and staff governors only receive remuneration 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, other than expenses, from the academy in respect of their role as governors.

	2012 £
Dr A Gillespie - Governor and Trustee	80,000 – 90,000

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

11. STAFF COSTS

Staff costs were as follows

	2012 £
Wages and salaries	2,413,107
Social security costs	186,671
Other pension costs (Note 22)	356,449
	<hr/> 2,956,227 <hr/>

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

	2012 No
Admin	28
Leadership	6
Teacher	20
Teacher Upper	22
	<hr/> 76 <hr/>

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

	2012 No
In the band £60,001 - £70,000	1
In the band £80,001 - £90,000	1
	<hr/> 2 <hr/>

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1,596 66

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

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

13 OTHER FINANCE INCOME

	2012 £
Expected return on pension scheme assets	20,000
Interest on pension scheme liabilities	(50,000)
	<u>(30,000)</u>

14. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 October 2011	-	-	-	-
Additions	1,039,050	4,627	22,000	1,065,677
At 31 August 2012	<u>1,039,050</u>	<u>4,627</u>	<u>22,000</u>	<u>1,065,677</u>
Depreciation				
At 1 October 2011	-	-	-	-
Charge for the period	8,313	301	1,045	9,659
At 31 August 2012	<u>8,313</u>	<u>301</u>	<u>1,045</u>	<u>9,659</u>
Net book value				
At 31 August 2012	<u>1,030,737</u>	<u>4,326</u>	<u>20,955</u>	<u>1,056,018</u>

15 DEBTORS

	2012 £
Other debtors	39,846
Prepayments and accrued income	10,040
	<u>49,886</u>

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

16. CREDITORS:
Amounts falling due within one year

	2012 £
Trade creditors	1,170
Social security and other taxes	89,494
Other creditors	100,000
Accruals and deferred income	32,423
	<u>223,087</u>

17. STATEMENT OF FUNDS

	Transfer Between funds £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Restricted funds					
Restricted Funds - all fund	(26,627)	4,153,408	(3,918,042)	-	208,739
Pension reserve	-	(601,000)	(45,000)	(141,000)	(787,000)
	<u>(26,627)</u>	<u>3,552,408</u>	<u>(3,963,042)</u>	<u>(141,000)</u>	<u>(578,261)</u>

Restricted fixed asset funds

Restricted Fixed Asset Funds - all Funds	26,627	1,039,050	(9,659)	-	1,056,018
Total restricted funds	<u>-</u>	<u>4,591,458</u>	<u>(3,972,701)</u>	<u>(141,000)</u>	<u>477,757</u>
Total of funds	<u>-</u>	<u>4,591,458</u>	<u>(3,972,701)</u>	<u>(141,000)</u>	<u>477,757</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Restricted funds	(26,627)	3,552,408	(3,963,042)	(141,000)	(578,261)
Restricted fixed asset fund	26,627	1,039,050	(9,659)	-	1,056,018

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
Tangible fixed assets	-	1,056,018	1,056,018
Current assets	431,826	-	431,826
Creditors due within one year	(223,087)	-	(223,087)
Provisions for liabilities and charges	(787,000)	-	(787,000)
	<u>(578,261)</u>	<u>1,056,018</u>	<u>477,757</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	£
Net incoming resources before revaluations	618,757
Capital expenditure	(26,627)
Increase in debtors	(49,886)
Increase in creditors	223,087
Assets gifted from predecessor school	(466,684)
Pension costs	45,000
Depreciation on tangible fixed assets	9,659
Net cash inflow from operations	<u><u>353,306</u></u>

20. ANALYSIS OF CHANGES IN NET DEBT

	1 October 2011 £	Cash flow £	Other non-cash changes £	31 August 2012 £
Cash at bank and in hand	-	381,940	-	381,940
Net funds	<u>-</u>	<u>381,940</u>	<u>-</u>	<u>381,940</u>

21. CONVERSION TO AN ACADEMY TRUST

On 01 October 2011 Burnham Grammar School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Burnham Grammar School from Bucks County 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 recognised in the Statement of financial activities as voluntary income/ other resources expended

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

21. CONVERSION TO AN ACADEMY TRUST (continued)

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

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
- Freehold/leasehold land and buildings	-	1,039,050	1,039,050
LGPS pension surplus/(deficit)	(601,000)	-	(601,000)
Other identified assets and liabilities	28,634	-	28,634
	<u> </u>	<u> </u>	<u> </u>
Net assets/(liabilities)	<u>(572,366)</u>	<u>1,039,050</u>	<u>466,684</u>

The above net assets/liabilities include £28,634 that were transferred as cash

22 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 Bucks County Council Both are defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries Thlatest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010 There were no outstanding or prepaid contributions at either the beginning or the end of the financial period

BURNHAM GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

22 PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ('SCR') is 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 investigation, 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 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, 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 cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

22. PENSION COMMITMENTS (continued)

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS17) 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 FRS17 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 and the implications for the academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £139,000, of which employer's contributions totalled £109,000. The agreed contribution rate for future years are 22.8% for employers and 5.5% to 7.5% for employees.

As described in note 21 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows

	2012 £
Present value of funded obligations	(1,144,000)
Fair value of scheme assets	357,000
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Net liability	(787,000)
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The amounts recognised in the Statement of financial activities are as follows

	2012 £
Current service cost	(105,000)
Interest on obligation	(50,000)
Expected return on scheme assets	20,000
Loss on curtailments and settlements	(25,000)
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Total	(160,000)
	<hr/> <hr/>
Actual return on scheme assets	27,000
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

22. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows

	2012 £
Current service cost	105,000
Interest cost	50,000
Contributions by scheme participants	30,000
Actuarial Losses	141,000
Losses on curtailments	25,000
Benefits paid	(36,000)
Opening defined benefit obligation	829,000
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Closing defined benefit obligation	1,144,000
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Movements in the fair value of the academy's share of scheme assets

	2012 £
Expected return on assets	20,000
Actuarial gains	6,000
Contributions by employer	109,000
Contributions by employees	30,000
Benefits paid	(36,000)
Opening value of Scheme assets	228,000
	<hr/>
	357,000
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The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £135,000

The academy expects to contribute £101,000 to its Defined benefit pension scheme in 2013

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

22. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2012	Fair value at 31 August 2012 £
Equities	5.8%	228,000
Bonds	3.9%	36,000
Property	5.3%	29,000
Cash	0.5%	7,000
Gilts	4.2%	25,000
Alternative assets	5.8%	32,000
Total market value of assets		357,000
Present value of scheme liabilities		(1,144,000)
Surplus/(deficit) in the scheme		(787,000)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

	2012
Discount rate for scheme liabilities	3.90 %
Rate of increase in salaries	4.10 %
Rate of increase for pensions in payment / inflation	1.90 %
Inflation assumption (CPI)	1.90 %
RPI Increase	2.70 %

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

	2012
Retiring today	
Males	20.0
Females	24.0
Retiring in 20 years	
Males	22.0
Females	25.9

Amounts for the current period are as follows

Defined benefit pension schemes

	2012 £
Defined benefit obligation	(1,144,000)
Scheme assets	357,000
Deficit	(787,000)

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23 OPERATING LEASE COMMITMENTS

At 31 August 2012 the academy had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2012 £	Other 2012 £
Expiry date.		
Within 1 year	-	2,130