

**ISLEWORTH AND SYON SCHOOL FOR BOYS  
(A Company Limited by Guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**PERIOD ENDED 31 AUGUST 2012**

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08/02/2013  
COMPANIES HOUSE

**Company Limited by Guarantee  
Registration Number:  
7962216 (England and Wales)**

# ISLEWORTH AND SYON SCHOOL FOR BOYS

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## **ISLEWORTH AND SYON SCHOOL FOR BOYS**

### **REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS**

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#### **Governors (Directors)**

Mr Fergus Euan Ferguson (Head Teacher)  
Mrs Vanessa Smith (Chair of Governors)  
Professor Ian Campbell  
Mr Basil Crichlow  
Mrs Samantha Dixon  
Dr Amjad Farooq  
Dr Roy Gardner  
Mr Antonio Giannotta  
Mrs Anne Gittins  
Mr Ernie Glancy  
Mrs Catherine Gower  
Mrs Elizabeth Ireland  
Mrs Nita Khanna  
Mr Martin King  
Mr Raymond O'Neill  
Mrs Tina Robertson  
Mr Alan Smith  
Dr Emily Tomlinson  
Dr Iris Turner

#### **Registered Office**

Isleworth and Syon School for Boys  
Ridgeway Road  
Isleworth  
London  
TW7 5LJ

#### **Company Registration Number**

07962216

#### **Statutory Auditor**

Wilkins Kennedy LLP  
Statutory Auditor  
Chartered Accountants  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

#### **Bankers**

Lloyds TSB  
PO Box 1000  
Andover  
BX1 1LT

#### **Solicitors**

Browne Jacobson LLP  
77 Gracechurch Street  
City of London  
EC3V 0AS

## **ISLEWORTH AND SYON SCHOOL FOR BOYS**

### **GOVERNORS' REPORT 31 AUGUST 2012**

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The Governors present their report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2012

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

##### **Constitution**

The Academy Trust is a company limited by guarantee with no share capital (registration no 7962216) and an exempt charity. 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 Isleworth and Syon School for Boys and are also Directors of the charitable company for the purposes of company law. The charitable company is known as Isleworth and Syon School for Boys. Details of the Governors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Isleworth and Syon School for Boys was incorporated on 23 February 2012 and obtained Academy status from 1 March 2012.

##### **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 period 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.

##### **Principal Activities**

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

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

The members of the Academy Trust shall comprise the signatories to the Memorandum, 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose, the Chairman of the Governors and any person appointed under Article 16.

The number of Governors shall be not less than 3, but shall not be subject to a maximum. The first Governors shall be those named in the initial Memorandum. The Academy Trust shall have the following Governors, up to 11 Governors, 2 Staff Governors, 1 LA Governor, 4 parent Governors, the Principal, any Additional Governors if appointed under Article 62, 62A or 68A, and any Further Governors if appointed under Article 63 or Article 68A. The Academy may also have up to 3 Co-opted Governors, a person who is appointed to be a governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed one third of the total number of Governors (including the Principal).

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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

During the period under review the Governors held 3 meetings. The training and induction provided for new Governors will depend on their existing experience. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All relevant 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. As there are normally only two or three new Governors a period, induction tends to be done informally and is tailored specifically to the individual.

**Organisational Structure**

The structure consists of three levels: the Governors, Senior Leadership Team and Heads of curriculum departments and Heads of Year. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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 are the Headteacher, Deputy Headteachers and Assistant Headteachers. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for middle and senior leader posts will contain a Governor (s). Some spending control is devolved to Heads of Departments/Years, with limits above which a Senior Leader must countersign.

**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. The Governors are introducing systems, including operational procedures, internal financial controls 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 Governance Statement on page 10.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims (as set out in the governing document)**

Isleworth and Syon School for Boys is a mixed 11-18 comprehensive school which sees its rich cultural heritage as perhaps the most important of its many strengths. It is truly an international school. We foster a genuine sense of respect for the individual alongside an appreciation of the culture and beliefs of others.

The principal object of the Academy is specifically restricted to the following, to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum being Isleworth and Syon School for Boys.

**OBJECTIVES AND ACTIVITIES (continued)**

**Objectives, Strategies and Activities**

The main objectives of the Academy during the period ended 31 August 2012 are summarised below

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Isleworth and Syon School for Boys community values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit Isleworth and Syon School for Boys

Students will be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at school. They will be independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers will enthuse and inspire others to explore new ideas

Parents will fulfill their roles as true partners, recognizing their role in the student- school – parent partnership to ensure that their child realizes his/her potential

Governors will contribute to the life of the school on a wider scale, acting as critical friends to support the school in becoming a nationally recognised centre of excellence

**Equal opportunities policy**

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued

**Disabled persons**

The Academy complies fully with DDA regulations and is equipped to welcome and/or teach any child or adult with a disability

**PUBLIC BENEFIT**

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set

## **ACHIEVEMENTS AND PERFORMANCE**

In summer 2012 the performance of students in public examinations overall was good at both GCSE, Advanced Level and in vocational courses

The GCSE cohort that completed examinations in the summer was statistically the weakest academic group to complete Key Stage 4. On the positive side 91% of the cohort managed to gain five or more high grade GCSEs, a school record (five per cent higher than 2011) and well above national average figures for all students and when compared to boys only. Average Points Scores (capped or uncapped and with equivalences or without) are again above national figures for all students and when compared against boys. It is also likely that these measures will be 'significantly above' national data.

The summer's results were, however, disappointing for English Language GCSE results. The proportion gaining C grades fell from 63% to 45% and was well below expectation. This is explained by the very late change to grade boundaries by the AQA examination board. Students and staff fell let down by this unjustified manipulation of national data and the lack of leadership from politicians. The school are contributing to the legal challenge of this decision. 69 students – of the cohort of 151 – would have scored a grade higher if they had completed their studies in January. Of these 38 students would have gained a grade C rather than a D and all concerned would have been celebrating excellent results.

The proportion of students gaining high grades in maths has risen and is in line with national expectations. Science results remain outstanding.

With regard to groups of students there are no significant differences between groups of students and their performance. This has been the case for a number of years.

To ensure that standards continue to rise we have a system of internal reviews and also remain part of 'Challenge Partners', an organisation of schools that work collaboratively to improve the performance of our students.

Our current focus is on ensuring that our 5 A\*-C(E&M) threshold rises. Strategies are in place to make this happen over the next few years. We have just joined PiXL and are utilising some of the strategies to drive standards in core subjects.

In our last Ofsted inspection (2010) we were graded as 'Good'. A subject inspection for PE (2011) graded us as 'Outstanding'.

## **GOING CONCERN**

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

## KEY PERFORMANCE INDICATORS

Main Strategic Theme	Objective	Targets to be achieved
<b>1 Achievement</b>	Ensure that students achieve outstanding <b>outcomes</b> at all key stages	Targets to be confirmed Specifically GCSE 5+ACEM at 55%+ 5+ACEM at 90%+
	Ensure that high quality, realistic <b>data</b> is used to track progress and meet challenging targets	Refined data sets for GCSE to include fine grades for English and maths To develop predictions of outcomes within 5% for individual staff and whole school
	Ensure that the overall effectiveness of the <b>Sixth Form</b> is outstanding in all respects	See Sixth Form Plan
<b>2 Teaching &amp; Learning</b>	Develop the 'I&S Lesson' based on a clear <b>pedagogical</b> philosophy that is focussed on boys' learning	Lesson format to be clear and utilised by all staff and understood by all students Focus on learning culture
	<b>Teaching and Learning</b> throughout the school is consistently outstanding	Good and outstanding lessons to be increased to 70%+ Inadequate lessons to be 0%
	Develop high quality <b>technology</b> to support learning	Upgrade Library as ICT resource centre Improve internet provision Laptop refresh for staff
<b>3. Behaviour &amp; Safety</b>	<b>Behaviour</b> across the school is outstanding	PARs data shows improving trends Fixed-term/MT (5 or less) / Perm Ex (2 or less) figures reduced
	Actively promote <b>safety</b> and well-being	Audit of student responses shows full understanding of safe behaviour
	Promote an <b>inclusive</b> learning environment	Observations show all students engage in lessons and are supported to do so
<b>4 Leadership &amp; Management</b>	School <b>vision</b> is explicit, shared and underpins practice	Vision shared widely – with stakeholders and through various media
	Promote a culture of <b>high expectations</b> for all	Raising Attainment Team implemented and sets culture of ambition and attainment
	On-going <b>CPD</b> and <b>PM</b> ensure continual improvements	Focus on Improving Teachers and Outstanding Teachers programmes
<b>5 Resources &amp; Innovation</b>	Ensure <b>staffing</b> levels effectively and efficiently support learning	Review Learning Support staff and Senior Leadership teams
	Ensure <b>financial</b> best-practice across the school	Appoint new Finance Manager and Auditors Funding secure and well utilised
	Maintain, improve and develop <b>facilities</b>	Prepare Master Plan for school development
	Ensure a high level of <b>communications</b> in a variety of media	Improve website Develop Parent Portal Appoint colleague to take responsibility for communications and marketing
	Routinely engage in <b>futures</b> planning	Prepare specifically for the potential growth of the school and meet changing educational demands



## **ISLEWORTH AND SYON SCHOOL FOR BOYS**

### **GOVERNORS' REPORT 31 AUGUST 2012 (continued)**

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#### **FINANCIAL REVIEW**

##### **Financial report for the period**

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the 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 receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and 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.

During the period ended 31 August 2012, total expenditure of £3,405k was met by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £1,049k.

At 31 August 2012 the net book value of fixed assets was £17,396k. Movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The London Borough of Hounslow Pension Fund, in which the Academy participates, showed a deficit of £965k at 31 August 2012. Of this sum, £884k was inherited by Isleworth and Syon School for Boys from the London Borough of Hounslow on 1 August 2012, the date the local authority's staff transferred to employment with the Academy.

The statement of financial activities includes the assets and liabilities from the predecessor school, details of these can be found in Note 3 on page 24.

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

The financial risks which Isleworth and Syon School for Boys is exposed to relates primarily to

- Change in government and legislation
- Potential of reduced funding and cash flow
- Reduction in student numbers

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £965k.

##### **Principal Risks and Uncertainties**

The principal risks and uncertainties that Isleworth and Syon School for Boys faces are mitigated by the risk management process that the academy trust has in place.

##### **Reserve policy and financial review**

###### **Reserves policy**

The Governors review the reserve levels of the Academy 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 four weeks' expenditure, approximately £410k.

***Reserves policy (continued)***

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves of £1,085 (total funds less the amount held in fixed assets and restricted funds). The Governors expect the excess of general unrestricted funds to reduce in the coming years.

***Investment policy***

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

***Financial position***

The Academy held fund balances at 31 August 2012 of £18,061k comprising £16,976k of restricted funds and £1,085 of unrestricted general funds. Of the restricted funds, £17,396 is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £965k in deficit.

**PLANS FOR FUTURE PERIODS**

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher education once they leave.

The school knows its strengths and weaknesses based on continual self-assessment. External validation – through subject visits or partnerships – is well used to formulate developments. The School Strategic Plan is succinct and well-focussed on key developmental areas. Subject areas also assess their outcomes and plan developments accordingly.

Subject areas that are underperforming are challenged and supported so that improvements are made. Colleagues that require support to improve their own professional practice are similarly challenged and supported. Interventions for students are thorough, although these are being modified to focus even more clearly on key strategic areas for improvement.

The culture is one of openness and senior staff and teaching staff are clear about the need to collaborate and commit to their own professional development.

Currently the school is planning for growth as the local population is expanding rapidly at primary level and is due to impact at secondary level from 2016 onwards. A key focus is on a master planning exercise and ensuring that the school buildings are in a suitable state to accommodate extra numbers.

**ISLEWORTH AND SYON SCHOOL FOR BOYS**

**GOVERNORS' REPORT 31 AUGUST 2012 (continued)**

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**Information provided to auditors**

The Governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

The auditors, Wilkins Kennedy LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The report of the Governors was approved by the Governors on 15 November and signed on their behalf by

  
.....  
**Vanessa Smith**  
**Chair**

## ISLEWORTH AND SYON SCHOOL FOR BOYS

### GOVERNANCE STATEMENT 31 AUGUST 2012

#### Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Isleworth and Syon School for Boys 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 Principal, 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 Isleworth and Syon School for Boys 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 Statement of Governors' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Prof I Campbell	1	3
Basil Crichlow	2	3
Samantha Dixon	2	3
Amjad Farooq	1	3
Fergus Euan Ferguson	3	3
Roy Gardener	3	3
Antonio Giannotta	3	3
Anne Gittings	2	3
Ernie Glancy	2	3
Catherine Gower	3	3
Elizabeth Ireland	3	3
Nita Khanna	1	3
Martin King	1	3
Raymond O'Neill	2	3
Tina Robertson	2	3
Alan Smith	2	3
Vanessa Smith	2	3
Emily Tomlinson	2	3
Iris Turner	2	3

The Finance Committee is a sub-committee of the main governing body. Attendances at meetings in the year were as follows:

Governor	Meetings attended	Out of a possible
Amjad Farooq	1	1
Fergus Euan Ferguson	1	1
Ernie Glancy	1	1
Raymond O'Neill	1	1
Tina Robertson	1	1
Alan Smith	0	1

### **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 Isleworth and Syon School for Boys 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluation and managing the Academy Trust'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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes -

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

The Governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mrs Vanessa Smith, 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 Trust's financial systems. The RO will be providing 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 Principal) 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 Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Governing Body on 15 November 2012 and signed on its behalf by

  
.....  
**Vanessa Smith**  
Chair

  
.....  
**Fergus Euan Ferguson**  
Accounting Officer

**ISLEWORTH AND SYON SCHOOL FOR BOYS**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE 31 AUGUST 2012**

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As accounting officer of Isleworth and Syon School for Boys I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

  
.....  
**Fergus Euan Ferguson**  
**Accounting Officer**

15/11/12

## ISLEWORTH AND SYON SCHOOL FOR BOYS

### STATEMENT OF GOVERNORS' RESPONSIBILITIES 31 AUGUST 2012

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The Governors (who act as Trustees for charitable activities of Isleworth and Syon School for Boys 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 period. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income, and expenditure, for that period. In preparing these financial statements, the Governors are required to -


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

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

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

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

Approved by order of the members of the Governing Body on 15 November 2012 and signed on its behalf by -

  
.....  
**Vanessa Smith**  
Chair



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISLEWORTH AND SYON SCHOOL FOR BOYS**

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We have audited the financial statements of Isleworth and Syon School for Boys 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 opinions we have formed.

### **Respective Responsibilities of Governors and Auditor**

As explained more fully in the Governors' Responsibilities Statement (set out on page 14), the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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,
- 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 Governors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ISLEWORTH AND SYON SCHOOL FOR BOYS (continued)**

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**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

*Wilkins Kennedy LLP*

**Michelle Wilkes (Senior Statutory Auditor)**

For and on behalf of Wilkins Kennedy LLP, Statutory Auditor

Greytown House

221-227 High Street

Orpington

Kent BR6 0NZ

Date

*19/11/12*

**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF  
ISLEWORTH AND SYON SCHOOL FOR BOYS AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 3 October 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 March 2012 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 the Governing Body and the EFA. Our review work has been undertaken so that we might state to the Governing Body and the EFA those matters we are required to state to it 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 governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

**Respective responsibilities of the Governing Body and Auditors**

The Governing Body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 March 2012 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.

**Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

**Opinion**

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 March 2012 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Wilkins Kennedy LLP*

**Michelle Wilkes (Senior Statutory Auditor)**

For and on behalf of Wilkins Kennedy LLP, Statutory Auditor  
Greytown House  
221-227 High Street  
Orpington  
Kent BR6 0NZ

**Date:**

*19/11/12*

**ISLEWORTH AND SYON SCHOOL FOR BOYS**
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2012 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	13 months to 31 August 2012 £000
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
- Voluntary income	4	107	-	-	107
- Transfer from local authority on conversion	3	622	(884)	17,352	17,090
- Transfer from predecessor school	3	339	435	-	774
- Activities for generating funds	5	47	-	-	47
- Investment income	6	1	-	-	1
<i>Incoming resources from charitable activities</i>					
- Funding for the Academy's educational operations	7	-	3,528	-	3,528
<b>Total incoming resources</b>		<u>1,116</u>	<u>3,079</u>	<u>17,352</u>	<u>21,547</u>
<b>Resources expended</b>					
<i>Charitable activities</i>					
Academy's educational operations	9	31	3,052	259	3,342
<i>Governance costs</i>	10	-	63	-	63
<b>Total resources expended</b>	8	<u>31</u>	<u>3,115</u>	<u>259</u>	<u>3,405</u>
<b>Net incoming (outgoing) resources before other recognised gains and losses</b>					
		1,085	(36)	17,093	18,142
<b>Other recognised gains and losses</b>					
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(81)	-	(81)
Transfer of funds	17		(303)	303	-
<b>Net movement in funds</b>		<u>1,085</u>	<u>(420)</u>	<u>17,396</u>	<u>18,061</u>
<b>Reconciliation of funds</b>					
<b>Total funds carried forward at 31 August 2012</b>		<u>1,085</u>	<u>(420)</u>	<u>17,396</u>	<u>18,061</u>


- All of the academy's activities derive from acquisitions in the current financial period
- All recognised gains and losses are included in the Statement of Financial Activities

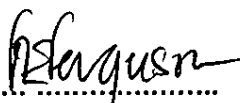
# ISLEWORTH AND SYON SCHOOL FOR BOYS

BALANCE SHEET AS AT 31 AUGUST 2012  
COMPANY NUMBER: 7962216

	Notes	2012 £000	2012 £000
<b>Fixed assets</b>			
Tangible assets	14		17,396
<b>Total fixed assets</b>			
<b>Current assets</b>			
Debtors	15	209	
Cash at bank and in hand		2,059	
<b>Total current assets</b>		2,267	
<b>Liabilities:</b>			
Creditors Amounts falling due within one year	16	(638)	
<b>Net current assets</b>			1,629
<b>Total assets less current liabilities</b>			19,026
<b>Net assets excluding pension liability</b>			
Pension scheme liability	21		(965)
<b>Net assets including pension liability</b>			<b>18,061</b>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Fixed asset fund	17		17,396
Pension fund			(965)
General fund	17		545
			16,976
<b>Unrestricted funds</b>			
General fund	17		1,085
<b>Total unrestricted funds</b>			1,085
<b>TOTAL FUNDS</b>			<b>18,061</b>

The financial statements on pages 18 to 35 were approved by the Governors and authorised for issue on 15 / 11 2012 and signed on their behalf by

  
.....  
Vanessa Smith  
Chair

  
.....  
Fergus Euan Ferguson  
Accounting Officer

**ISLEWORTH AND SYON SCHOOL FOR BOYS****CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2012**

	Notes	2012 £000s
Net cash inflow from operating activities	24	2,361
Returns on Investments and Servicing of Finance	25	1
Capital expenditure	26	(303)
Increase in cash in the year		<u>2,059</u>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Net funds at 31 August 2012	27	<u>2,059</u>

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

**1 ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements are 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 (SORP 2005), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**Going Concern**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

**Conversion to Academy Trust**

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

The assets and liabilities transferred on conversion from Isleworth and Syon School for Boys 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 Coketown Academy Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transactions are set out in Note 3.

**Incoming resources**

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

**Grants receivable**

Grants, where conditions have been met to establish entitlement, are included in the statement of financial activities on a receivable basis. Where grants are received but conditions establishing entitlement have not been met, these are deferred. The balance of income receivable for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

**Donations**

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

**Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lie substantially with the Academy, a reasonable estimate of the gross value is included within fixed assets and, with an appropriate credit to voluntary income (gift in kind), within the restricted fixed asset fund. The valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

**Interest receivable**

Interest receivable is included within the statement of financial activities on a receivable basis.

**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.

**Allocation of costs**

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs and depreciation are directly attributable to the one principle activity of the academy.

**Governance Costs**

Governance costs include the costs attributable to the Academy's compliance and constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

**Fund accounting**

General funds represent those resources which may be used towards meeting any of the 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 EFA and DfE where the asset acquired or created is held for a specific purpose.

Restricted funds comprise all other restricted funds received and include grants from the EFA and DfE.

**Tangible fixed assets**

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £1,000 are written off in the period of acquisition. All other assets 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 carried forward in the balance sheet). The depreciation on such assets is charged to the restricted fund in the Statement of Financial Activities.

**Depreciation**

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Buildings	2%
Furniture	25%
ICT equipment	33.3%

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

Depreciation is not charged in the year of acquisition.



**Leased assets**

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

**Taxation**

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

**Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes which are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy trust

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensional 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 trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

	<b>2012 £000s</b>
<b>2 GENERAL ANNUAL GRANT (GAG)</b>	
<b>a. Results and Carry Forward for the Period</b>	
GAG allocation for current period	3,062
<b>Total GAG available to spend</b>	<b>3,062</b>
Recurrent expenditure from GAG	(3,062)
<b>GAG carried forward to next period</b>	<b>-</b>
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	(367)
<b>GAG to surrender to DfES</b>	
(12% rule breached if result is positive)	(367)
	No breach

**2 GENERAL ANNUAL GRANT (GAG) contd.****b. Use of GAG Brought Forward from Previous Period for Recurrent Purposes**

(Of the amount carried forward each period, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

	2012 £000
Recurrent expenditure from GAG in current period	3,062
GAG allocation for current period	(3,062)
GAG allocation for previous period x 2%	-
	<hr/>
<b>GAG b/fwd from previous period in excess of 2%, used on recurrent expenditure in current period</b>	-
(2% rule breached if result is positive)	No breach

**3 TRANSFER ON CONVERSION**

	Unrestricted Funds £000	Restricted Funds £000	2012 Total £000
<b>From Local Authority</b>			
Pension fund deficit	-	(884)	(884)
Property valuation	-	17,352	17,352
Surplus on schools budget	622	-	622
<b>From Predecessor School</b>			
Surplus on School Funds	339	435	774
	<hr/>	<hr/>	<hr/>
	961	16,903	17,864

**4 VOLUNTARY INCOME**

	Unrestricted Funds £000	Restricted Funds £000	2012 Total £000
Trips	37	-	37
Other donations	70	-	70
	<hr/>	<hr/>	<hr/>
	107	-	107

**5 ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted Funds £000	Restricted Funds £000	2012 Total £000
Hire of facilities	11	-	11
School shop	36	-	36
	<hr/>	<hr/>	<hr/>
	47	-	47

**ISLEWORTH AND SYON SCHOOL FOR BOYS**

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

6	INVESTMENT INCOME	Unrestricted Funds £000	Restricted Funds £000	2012 Total £000	
	Short term deposits	1	-	1	
7	FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS	Unrestricted Funds £000	Restricted Funds £000	2012 Total £000	
	DfE/EFA revenue grants				
	General Annual Grant (GAG)(note 2)	-	3,062	3,062	
	Start Up Grants	-	25	25	
	Other DfE / EFA Grants	-	24	24	
		-	3,111	3,111	
	Other Government grants				
	Local Authority Grants	-	141	141	
	Sports England	-	188	188	
	Special educational projects	-	88	88	
		-	417	417	
	TOTAL	-	3,528	3,528	
8	RESOURCES EXPENDED	Staff Costs £000	Non Pay Expenditure Premises Costs £000	Other Costs £000	Total 2012 £000
	Academy's educational operations				
	Direct costs	2,096	259	148	2,503
	Allocated support costs	310	308	221	839
		2,406	567	369	3,342
	Governance costs including allocated Support costs	-	-	63	63
		2,406	567	432	3,405
	Incoming/ Outgoing resources for the year include				
	Operating Leases				25
	Auditors' Remuneration - audit				8

**ISLEWORTH AND SYON SCHOOL FOR BOYS**

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

<b>9 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>2012 Total £000</b>
<b>Direct costs</b>			
Teaching and educational support			
staff costs	-	2,096	2,096
Depreciation	-	259	6
Educational supplies	-	69	69
Examination fees	-	51	51
Staff development	-	4	4
Other direct costs	-	24	24
	<u>-</u>	<u>2,503</u>	<u>2,250</u>
<b>Allocated support costs</b>			
Support staff costs	-	310	310
Recruitment and support	-	39	39
Maintenance of premises and			
Equipment	-	228	228
Cleaning	-	39	39
Rent and rates	-	13	13
Insurance	-	32	32
Catering	31	-	31
Other support costs	-	147	147
	<u>31</u>	<u>808</u>	<u>839</u>
<b>Total Costs</b>	<u>31</u>	<u>3,311</u>	<u>3,342</u>
<b>10 GOVERNANCE COSTS</b>			
Legal and professional fees	-	55	55
Audit of financial statements	-	8	8
	<u>-</u>	<u>63</u>	<u>63</u>
<b>11 STAFF COSTS</b>			<b>2012 £000</b>
Staff costs during the period were -			
- Wages and salaries			1,934
- Social security costs			156
- Other pension costs			291
			<u>2,381</u>
Supply teacher costs			25
			<u>2,406</u>

**11 STAFF COSTS (continued)**

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

	<b>2012 No.</b>
<b>Charitable Activities</b>	
Teachers	77
Administration and support	37
	<hr/> 114 <hr/>

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

	<b>2012 No.</b>
£60,001 - £70,000	1
£70,001 - £80,000	3
£90,001 - £100,000	1
	<hr/> 5 <hr/>

The employees above participated in the Teachers Pension Scheme. During the period to 31 August 2012, pension contributions for these members of staff amounted to £54,124

**12 GOVERNORS' REMUNERATION AND EXPENSES**

Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal 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. The four Governors who received remuneration are

<b>Name</b>	<b>Amount</b>
Euan Ferguson (Headteacher)	£95,001 to £100,000
Ray O'Neill, Antonio Giannotta and Tina Robertson	£155,609

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board and the recruitment and retention of future staff governors.

During the period ended 31 August 2012, there were no reimbursed expenses to Governors.

Related party transactions involving the Governors are set out in note 23

**13 GOVERNORS' AND OFFICERS' INSURANCE**

The Governors have not purchased insurance during the period to 31 August 2012

**14 TANGIBLE FIXED ASSETS**

	Freehold Land and Buildings £'000s	Furniture, fittings and Computers £000s	Total  £000s
<b>Cost</b>			
Transfer on conversion	17,352	-	17,352
Additions	136	167	303
At 31 August 2012	<u>17,488</u>	<u>167</u>	<u>17,655</u>
<b>Depreciation</b>			
Charged in period	253	6	259
At 31 August 2012	<u>253</u>	<u>6</u>	<u>259</u>
<b>Net book values</b>			
At 31 August 2012	<u>17,235</u>	<u>161</u>	<u>17,396</u>

**15 DEBTORS**

	2012 £000s
Prepayments	121
Grant and other income	6
VAT recoverable	82
	<u>209</u>

**16 CREDITORS: amounts falling due within one period**

	2012 £000s
Wages and social security	415
Other creditors	56
Accruals and deferred income	167
	<u>638</u>

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

17 FUNDS

	Incoming Resources	Resources Expended	Transfer between funds	Balance at 31 August 2012
	£000s	£000s	£000s	£000s
<b>Restricted general funds</b>				
General annual grant GAG	3,062	(2,759)	(303)	-
Start Up Grant	25	(25)	-	-
Other DfE/EFA grants	24	(24)	-	-
LEA and other grants	417	(211)	-	18
Sports England	623	(96)	-	527
	<u>3,963</u>	<u>(3,115)</u>	<u>(303)</u>	<u>545</u>
<b>Restricted other funds</b>				
<b>Restricted fixed asset funds</b>				
General fixed assets	-	(6)	303	297
Assets transferred from predecessor school	17,352	(253)	-	17,099
	<u>17,352</u>	<u>(259)</u>	<u>303</u>	<u>17,396</u>
Pension reserve	(884)	(81)	-	(965)
<b>Total restricted funds</b>	<u>20,431</u>	<u>(3,455)</u>	<u>-</u>	<u>16,976</u>
<b>Unrestricted funds</b>				
Unrestricted funds	1,116	(31)	-	1,085
<b>Total unrestricted funds</b>	<u>1,116</u>	<u>(31)</u>	<u>-</u>	<u>1,085</u>
<b>Total funds</b>	<u>21,547</u>	<u>(3,486)</u>	<u>-</u>	<u>18,061</u>

18 ANALYSIS OF NET ASSETS  
BETWEEN FUNDS

	Unrestricted General Fund	Restricted General Fund	Restricted fixed asset fund	Total
	£000	£000	£000	2012 £000
Tangible fixed assets	-	-	17,396	17,396
Current assets	1,085	1,183	-	2,268
Current liabilities	-	(638)	-	(638)
Pension scheme liability	-	(965)	-	(965)
	<u>1,085</u>	<u>(420)</u>	<u>17,396</u>	<u>18,061</u>

**19 FINANCIAL COMMITMENTS*****Operating leases***

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

	Other £000s
Expiring within one year	8
Expiring within two and five years inclusive	17
	<hr/> 25 <hr/>

**20 CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

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

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

**21 PENSION COSTS**

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the London Borough of Hounslow Pension Fund (LBHPF) for non-teaching staff

The total pension cost to the Academy during the period ended 31 August 2012 was £291k of which £211k relates to the TPS and £80k relates to LBHPF

**Teachers' Pension Scheme (TPS)**

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 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



**21 PENSION COSTS (continued)**

**Teachers' Pension Scheme (TPS) (continued)**

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 investigations, 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.

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 (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 and the implications for the academy in terms of the anticipated contribution rates.

**21 PENSION COSTS (continued)****London Borough of Hounslow Pension Scheme (LBHPS)**

The Academy is one of several employing bodies included within the London Borough of Hounslow

The LBHPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year period 31 August 2012 was £104,000, of which employer's contributions totalled £80,000 and employees' contributions totalled £24,000.

The following information is based upon a full actuarial valuation of the fund at 31 August 2012 by a qualified independent actuary.

**Principle Actuarial assumptions**

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

	<b>At 31 August 2012</b>
<i>Retiring in 20 years</i>	
Males	<b>21.0</b>
Females	<b>25.0</b>
<i>Retiring today</i>	
Males	<b>19.0</b>
Females	<b>23.1</b>

	<b>At 31 August 2012</b>	<b>At 1 March 2012</b>
Rate of prices increases (RPI)	<b>2.7%</b>	<b>3.2%</b>
Rate of prices increases (CPI)	<b>1.9%</b>	<b>2.4%</b>
Rate of increase in salaries	<b>4.1%</b>	<b>4.7%</b>
Rate of increase in pensions	<b>1.9%</b>	<b>2.4%</b>
Discount rate for liabilities	<b>3.9%</b>	<b>4.6%</b>

**21 PENSION COSTS (continued)****London Borough of Hounslow Pension Scheme (continued)**

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

	Long-term rate of return expected at 31 August 2012	Value at 31 August 2012
	%	£'000
Equities	68	387
Gilts	14	80
Other Bonds	9	51
Property	3	17
Cash	6	34
<b>Total fair value of assets</b>	<b>100</b>	<b>569</b>
Present value of scheme liabilities		(1,534)
<b>Net pension liability</b>		<b>(965)</b>

The return on the fund (on a bid value to bid value basis) for the period to 31 August 2012 is estimated to be 5%. This is based on the estimated fund value used at the previous accounting date and the estimated fund value used at this accounting date. The actual return on Fund assets over the period may be different.

**Amounts recognised in the statement of financial activity**

	2012
	£'000
Current service cost (net of employee contributions)	92
Total Operating Charge	92
<b>Analysis of pension finance income/ (costs)</b>	
Expected return on pension scheme assets	(13)
Interest on pension liabilities	32
<b>Pension finance income/ (costs)</b>	<b>19</b>

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 £45,000 loss.

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

	2012 £000s
Value of Scheme liabilities at 1 March 2012	1,326
Current service cost	97
Interest cost	32
Contributions by Scheme participants	24
Actuarial loss / (gain) on Scheme liabilities	55
<b>Value of Scheme liabilities at 31 August 2012</b>	<b>1,534</b>

**21 PENSION COSTS continued****London Borough of Hounslow Pension Scheme (continued)**

<b>Movement in the fair value of academy's share of Scheme assets:</b>	<b>2012 £000s</b>
Fair value Scheme assets at 1 March 2012	442
Expected return on Scheme assets	13
Actuarial gain/(loss) on Scheme assets	10
Contributions by the employer	80
Contributions by Scheme participants	24
<b>Fair value of Scheme assets at 31 August 2012</b>	<b>569</b>

The estimated value of employer contributions for the year ended 31 August 2013 is £176,000

**22 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 period 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

**23 RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

There were no related party transactions during the year.

**ISLEWORTH AND SYON SCHOOL FOR BOYS**

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

**24 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2012 £'000</b>
Net income	18,142
Depreciation	259
Interest receivable	(1)
Assets transferred from predecessor school	(17,352)
LGP liability from predecessor school	884
Increase in debtors	(209)
Increase in creditors	638
	<u>2,361</u>
Net cash inflow from operating activities	<u>2,361</u>

**25 RETURNS ON INVESTMENTS AND SERVICES OF FINANCE**

	<b>2012 £'000</b>
Interest received	1
	<u>1</u>

**26 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

	<b>2012 £'000</b>
Purchase of tangible assets	(303)
	<u>(303)</u>

**27 ANALYSIS OF CHANGES IN NET FUNDS**

	<b>Cash Flows £'000</b>	<b>At 31 August 2012 £'000</b>
Cash in hand and at bank	<u>2,059</u>	<u>2,059</u>