

REGISTERED COMPANY NUMBER: 07962216 (England and Wales)

*** REPORT OF THE GOVERNORS, STRATEGIC REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014
FOR
ISLEWORTH AND SYON SCHOOL FOR BOYS**

THURSDAY



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COMPANIES HOUSE

Wilkins Kennedy LLP
Chartered Accountants
Statutory Auditor
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ISLEWORTH AND SYON SCHOOL FOR BOYS
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FOR THE YEAR ENDED 31 AUGUST 2014

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ISLEWORTH AND SYON SCHOOL FOR BOYS

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014**

MEMBERS	Mrs V Smith Dr I Turner Mr F Ferguson
GOVERNORS	Mrs V Smith Dr I Turner Mr F E Ferguson Mrs S Dixon Dr R Gardner Mr A Giannotta Mrs A Giltins Mr E Glancy (died August 2014) Mrs C Gower Mrs E Ireland Mr M King Mr R O'Neill Mrs T Robertson Mr A Smith Dr E Tomlinson
SENIOR LEADERSHIP TEAM	Mr E Ferguson (Headteacher) Ms L Simms (Deputy Headteacher) Mr S Fisher (Deputy Headteacher) Mr J Doyle (Assistant Headteacher) Mrs J Lovell (Assistant Headteacher)
REGISTERED OFFICE	Isleworth and Syon School for Boys Ridgeway Road Isleworth London TW7 5LJ
REGISTERED COMPANY NUMBER	07962216 (England and Wales)
AUDITORS	Wilkins Kennedy LLP Chartered Accountants Statutory Auditor Greytown House 221-227 High Street Orpington Kent BR6 0NZ
SOLICITOR	Browne Jacobson LLP 77 Gracechurch Street City of London EC3V 0AS
BANKER	Lloyds TSB PO Box 1000 Andover BX1 1LT

ISLEWORTH AND SYON SCHOOL FOR BOYS

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

The Governors present their report together with the financial statements and auditor's report of the charitable company for the year 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report and a director's report under company law.

The Trust operates an academy for pupils aged 11 to 18 servicing a catchment area in Hounslow (Osterley & Spring Grove Ward), West London. It has a pupil capacity of 979 and had a roll of 994 in the school census on 14/5/2014.

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 year, 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 year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

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.

Recruitment and appointment of new trustees

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, any Governor may be re-appointed or re-elected.

Induction and training of new trustees

During the year 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 year, induction tends to be done informally and is tailored specifically to the individual.

ISLEWORTH AND SYON SCHOOL FOR BOYS

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The structure consists of three levels: the Governors, Senior Leadership Team and Curriculum Leaders and Pastoral Leaders. 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 Middle Leaders (Curriculum and Pastoral Leaders), with limits above which a Senior Leader must countersign.

OBJECTIVES AND ACTIVITIES

Objectives 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. It fosters 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, Strategies and Activities

The main objectives of the Academy during the year ended 31 August 2014 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 fulfil their roles as true partners, recognizing their role in the student- school - parent partnership to ensure that their child realises 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.

ISLEWORTH AND SYON SCHOOL FOR BOYS

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

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. The Academy is a non-selective school; boys are admitted into Year 7 against published admission criteria. The order of priority is: looked after boys; medical/social reasons; sibling; parents who wish their son to be educated in a single sex school; distance of residence from the school.

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.

STRATEGIC REPORT

Achievement and performance

The GCSE exam results in the summer of 2014 (academic year 2013-14) maintained the best results in the school's history. The performance of students at Advanced Level and in post-16 vocational courses was also very encouraging.

The GCSE cohort that completed examinations in the summer achieved well. The headline performance indicator of 5A*-C GCSEs (including English and mathematics) was 63% (first entry only 62%), equalling the school's best ever results. It should also be noted that these results are set in a national context where results fell for the first time in many years. For 'all schools nationally' 52% of students gained 5 or more top grades.

78% of all grades were awarded at C and above. It is clear that these measures will be 'significantly above' national data in terms of the progression students make between Key Stage 2 and Key Stage 4, and significantly above national data when compared to boys only.

In English Language, 72% of grades were C+ and in maths the figure was 75%. In Science 96% of all grades were at C+. In all the core subjects the performance was above national expectation for boys and for progress measures.

In the Sixth Form another set of encouraging results were attained by the students. 25% of all grades were at A*/A and 75% at A*-C. Progress at Advanced Level continues to be above the national benchmarks.

Going concern

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

Key financial performance indicators

Strategic Theme	Priority	Targets
1. Achievement	Ensure that students achieve outstanding outcomes at all key stages.	KS4: 60% 5+A*-C with English and maths: Achieved. KS4: Percentages exceeding expected outcomes to be close to national figures: Achieved. KS5 outcomes: 55%A*-B grades at A2: Achieved.
	Ensure that high quality, realistic data is used to track progress and meet challenging targets.	Data to be continually refined to allow for improved tracking of student progress. On-going work.
	Ensure that the overall effectiveness of the Sixth Form is outstanding in all respects.	Recruitment to: Deputy Sixth Form Leader and Sixth Form Support Officer to enhance support: Achieved. PiXL Strategies to implement: Year 1 progress is good and developing.

ISLEWORTH AND SYON SCHOOL FOR BOYS

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

FINANCIAL REVIEW

Financial report for the year

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014 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 year ended 31 August 2014, total expenditure of £7,473k (2013: £6,738k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £355k (2013: £1,132k).

At 31 August 2014 the net book value of fixed assets was £18,243k (2013: £17,138k). Movements in tangible fixed assets are shown in note 12 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 £1,690k at 31 August 2014 (2013: £1,088k). 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.

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 £500k (2013: £520k).

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 £1,290k (2013: £1,336k) (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 2014 of £18,500k (2013: £18,756k) comprising £17,210k (2013: £17,420k) of restricted funds and £1,290k (2013: £1,336k) of unrestricted general funds. Of the restricted funds, £18,243k (2012: £17,138k) is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £1,690k (2013: £1,088k) in deficit.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risks to 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 £1,690k (2013: £1,088k).

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 have introduced systems, including operational procedures internal and 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 8.

ISLEWORTH AND SYON SCHOOL FOR BOYS

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2014**

Key financial performance indicators - continued

2. Teaching	Develop the 'I&S Lesson' based on a clear pedagogical philosophy that is focussed on boys' learning.	Lesson planning and structures clear for all colleagues. Refined planning documentation implemented.
	Teaching throughout the school is consistently outstanding.	Proportion of good and outstanding teaching is high as evidenced through external and internal reviews.
	Develop high quality technology to support learning.	New ICT facilities implemented in ICT suite. New interactive projectors being installed in all teaching rooms. The use of software packages also being implemented to increase efficiencies.
3. Behaviour & Safety	Behaviour across the school is outstanding.	External review confirms that this objective is achieved.
	Actively promote safety and well-being.	External review confirms that this is clearly evidenced in school.
	Promote an inclusive learning environment.	Student feedback and parent surveys conform that students are included in the classroom environment.
4. Leadership & Management	School vision is explicit, shared and underpins practice.	Vision shared widely – with a particular focus on staff and students.
	Promote a culture of high expectations for all.	A review of the SLT has allowed for broadening the team to better set expectations across the school.
	On-going CPD and PM ensure continual improvements.	CPD programmes are mapped across all staff and good use is made of developmental programmes. There is a strong focus on 'Routes into Teaching' through a wide variety of pathways.
5. Resources & Innovation	Ensure staffing levels effectively and efficiently support learning.	SLT Review has taken place to better support the implementation of whole school strategies. Staffing levels are geared to school and curriculum initiatives.
	Ensure financial best-practice across the school.	Budget outturns for the year show that the finances are well managed, although it is recognised that there are challenges ahead.
	Maintain, improve and develop facilities.	Work has been completed on the refurbishment of the 12-room teaching block. A year-long project that has transformed learning environments.
	Ensure high level communication in a variety of media.	A new Communications Officer has been appointed to better manage the school's publications and publicity. Website and social media implemented.
	Routinely engage in futures planning.	Continue to prepare specifically for the potential growth of the school and meet changing educational demands.

ISLEWORTH AND SYON SCHOOL FOR BOYS

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

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.

FUTURE DEVELOPMENTS

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure that students access places in Higher Education, training or enter the employment market.

The Academy knows its strengths and weaknesses based on continual self-assessment and external validation, through subject visits or partnerships. The Academy is well used to formulating 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 of 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 2018 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the governors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each governor has taken all the steps that they ought to have taken as a governor in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

AUDITORS

The auditors, Wilkins Kennedy LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mrs V Smith - Governor

Date: 13.11.14

ISLEWORTH AND SYON SCHOOL FOR BOYS

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

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 of loss.

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

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors Responsibilities. The board of governors has formally met 3 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
S Dixon	3	3
E Ferguson	3	3
R Gardener	3	3
A Giannotta	2	3
A Gittings	3	3
E Glancy	3	3
C Gower	3	3
E Ireland	1	3
M King	2	3
R O'Neill	3	3
T Robertson	3	3
A Smith	3	3
V Smith	2	3
E Tomlinson	1	3
I Turner	3	3

The Finance Committee is a sub-committee of the main governing body. The role of the Finance Committee is to ensure that the Academy manages its finances in a way that fulfils the criteria of its Funding Agreement with the EFA. The Committee regularly scrutinises and monitors the budget income and expenditure and procurement practices, and ensures that Value for Money is achieved at all times. The Finance Committee also fulfils the role of the Audit Committee. Attendances at meetings in the year were as follows:

Governor	Meetings attended	Out of a possible
E Ferguson	3	3
A Giannotta	2	3
E Glancy	3	3
R O'Neill	3	3
T Robertson	3	3
A Smith	3	3

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Isleworth and Syon School for Boys for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

ISLEWORTH AND SYON SCHOOL FOR BOYS

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

Capacity to Handle Risk

The board of governors 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 board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The Risk and Control Framework

The 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 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 Wilkins Kennedy LLP, to complete the internal audit function. Wilkins Kennedy LLP's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, Wilkins Kennedy LLP reports to the Governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities

The role is carried out by a separate office at Wilkins Kennedy LLP with no connection to the audit team, this is to ensure the reviews are carried out independently.


Review of Effectiveness

As Accounting Officer, (the Headteacher) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:-

- the work of the Internal Audit Review;
- 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 Board of Governors on 13 November 2014 and signed on its behalf by:


.....
Mrs V Smith - Governor


.....
Mr F Ferguson - Accounting Officer

ISLEWORTH AND SYON SCHOOL FOR BOYS

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2014

As accounting officer of Isleworth and Syon School for Boys I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 board of governors 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. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and the EFA.


.....
Mr F Ferguson - Accounting Officer

Date: 13.11.14

ISLEWORTH AND SYON SCHOOL FOR BOYS
STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2014

The governors (who act as trustees 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 Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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 academy trust will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy trust 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 academy trust 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.

ON BEHALF OF THE BOARD:


.....
Mrs V Smith - Governor

13.11.14
Date:

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

We have audited the financial statements of Isleworth and Syon School for Boys for the year ended 31 August 2014 on pages sixteen to thirty two. 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 Accounts Direction 2014 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Governors Responsibilities set out on page eleven, the governors (who are also the directors of the charitable company 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 trust'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 Report of the Governors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

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

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

Date:10.12.14.....

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ISLEWORTH AND SYON SCHOOL FOR BOYS AND THE EDUCATION FUNDING AGENCY

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

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

Respective responsibilities of Isleworth and Syon School for Boys's accounting officer and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

As a firm we have taken the decision to use the Mercia work programme for regularity audit as approved by the ICAEW. The work undertaken to draw to our conclusion includes:

- Identification and assessment of the design and operational effectiveness of controls in place.
- Assessment and review of the policies and procedures in place and implementation thereof.
- Assessment that the policies and procedures have been implemented.
- Considered the activity represented by the expenditure and considered whether any may represent a breach of terms included within the funding agreement and the academy's charitable objects.
- Confirmed that the results of procedures throughout the audit did not provide any evidence that related party transactions and controlling party, if any, is incomplete.
- Considered whether the movements, including the level of disposals, and depreciation of fixed assets appear reasonable in view of our knowledge of the academy, its funding and consent received for disposals.
- Verified a sample of grants receivable to grant documentation, especially noting any restrictions as to timing or other recognition of the income, and any claw back clauses.
- Considered whether income appeared to be derived from activities outside of the academy's charitable objects and wider framework of authorities.
- Ensured that bank accounts are operated within the terms of the governing document, delegated powers, and the bank mandates.
- Considered the systems in place to ensure compliance with terms of funding and other relevant authorities (e.g.. terms of the Academies Financial Handbook or terms relevant to non-core funding streams).
- Ensured that the overall level of retained funds is acceptable in view of the academy's needs and plans, and that the accumulated funds are justifiable and permissible under the terms of funding.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
ISLEWORTH AND SYON SCHOOL FOR BOYS AND THE EDUCATION FUNDING AGENCY

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 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

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

Date:10/12/14.....

ISLEWORTH AND SYON SCHOOL FOR BOYS

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2014**

	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	Total 2014 funds £'000	Total 2013 funds £'000
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	96	-	-	96	148
Activities for generating funds	3	279	-	-	279	101
Investment income	4	4	-	-	4	2
Incoming resources from charitable activities						
Academy's educational operations	5	-	7,095	234	7,329	7,305
Total incoming resources		379	7,095	234	7,708	7,556
RESOURCES EXPENDED						
Charitable activities						
Academy's educational operations	7	-	7,088	354	7,442	6,723
Governance costs	8	-	31	-	31	15
Total resources expended	6	-	7,119	354	7,473	6,738
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS						
		379	(24)	(120)	235	818
Gross transfers between funds						
	18	(425)	(800)	1,225	-	-
Net incoming/(outgoing) resources before other recognised gains and losses						
		(46)	(824)	1,105	235	818
Other recognised gains/losses						
Actuarial gains/losses on defined benefit schemes	19	-	(491)	-	(491)	(123)
NET MOVEMENT IN FUNDS		(46)	(1,315)	1,105	(256)	695
RECONCILIATION OF FUNDS						
Total funds brought forward		1,336	282	17,138	18,756	18,061
TOTAL FUNDS CARRIED FORWARD		<u>1,290</u>	<u>(1,033)</u>	<u>18,243</u>	<u>18,500</u>	<u>18,756</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.


The notes form part of these financial statements

BALANCE SHEET
AT 31 AUGUST 2014

	Notes	2014 £'000	2013 £'000
FIXED ASSETS			
Tangible assets	12	18,243	17,138
CURRENT ASSETS			
Debtors	13	387	184
Cash at bank and in hand		<u>1,810</u>	<u>2,686</u>
		2,197	2,870
CREDITORS			
Amounts falling due within one year	14	(250)	(164)
NET CURRENT ASSETS		<u>1,947</u>	<u>2,706</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		20,190	19,844
PENSION LIABILITY	19	(1,690)	(1,088)
NET ASSETS		<u>18,500</u>	<u>18,756</u>
FUNDS	18		
Unrestricted funds:			
General fund		1,290	1,336
Restricted funds:			
General Restricted		657	1,370
Fixed asset fund		18,243	17,138
Pension reserve		<u>(1,690)</u>	<u>(1,088)</u>
		17,210	17,420
TOTAL FUNDS		<u>18,500</u>	<u>18,756</u>

The financial statements were approved by the Board of Governors on 13 November 2014 and were signed on its behalf by:


Mrs V Smith -Governor


Mr F E Ferguson -Governor

The notes form part of these financial statements

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

		2014	2013
	Notes	£'000	£'000
Net cash inflow from operating activities	22	579	558
Returns on investments and servicing of finance	23	4	2
Capital expenditure and financial investment	23	(1,459)	67
(Decrease)/increase in cash in the period		<u>(876)</u>	<u>627</u>
 Reconciliation of net cash flow to movement in net funds			
	24		
(Decrease)/increase in cash in the period		<u>(876)</u>	<u>627</u>
Change in net funds resulting from cash flows		<u>(876)</u>	<u>627</u>
Movement in net funds in the period		<u>(876)</u>	<u>627</u>
Net funds at 1 September		<u>2,686</u>	<u>2,059</u>
Net funds at 31 August		<u>1,810</u>	<u>2,686</u>

The notes form part of these financial statements

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 (other than in respect of the disclosure of remuneration received by staff governors under employment contracts - see note 9 for details). 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.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the academy trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are 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.

Other income

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy 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.

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

1. ACCOUNTING POLICIES - continued

Resources expended

All expenditure is recognised in the year 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.

All resources expended are inclusive of irrecoverable VAT.

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.

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 year 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.

The property has been included at its donated value as provided by the EFA when completing their desktop valuation.

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.

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

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.

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

1. ACCOUNTING POLICIES - continued

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.

Pension costs and other post-retirement benefits

The academy trust operates a defined contribution pension scheme. Contributions payable to the academy trust's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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 and the assets are held separately from those of the academy trust.

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

2. VOLUNTARY INCOME

	2014 £'000	2013 £'000
Donations	3	12
Trips	93	136
	<u>96</u>	<u>148</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2014 £'000	2013 £'000
Hire of facilities	52	39
Catering income	194	36
Other income	12	-
Rental income	21	26
	<u>279</u>	<u>101</u>

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

4. INVESTMENT INCOME

	2014 £'000	2013 £'000
Deposit account interest	<u>4</u>	<u>2</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted General Funds £'000	2014 Total £'000	2013 Total £'000
DfE/ EFA revenue Grants				
General Annual Grant (GAG)	-	5,996	5,996	6,019
Other DfE/ EFA grants	-	365	365	297
EFA Capital Grant	-	234	234	324
	-	6,595	6,595	6,640
Other Government Grants				
Local Authority Grants	-	60	60	219
Sports England	-	624	624	424
Special Educational projects	-	50	50	22
	-	734	734	665
Total Grants	-	7,329	7,329	7,305

6. RESOURCES EXPENDED

	Staff costs £'000	Non-pay expenditure Premises £'000	Other costs £'000	2014 Total £'000	2013 Total £'000
Charitable activities					
Academy's educational operations					
Direct costs	4,585	280	687	5,552	5,027
Allocated support costs	<u>851</u>	<u>303</u>	<u>736</u>	<u>1,890</u>	<u>1,696</u>
	5,436	583	1,423	7,442	6,723
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>31</u>	<u>31</u>	<u>15</u>
	<u>5,436</u>	<u>583</u>	<u>1,454</u>	<u>7,473</u>	<u>6,738</u>

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

6. RESOURCES EXPENDED - continued

Net resources are stated after charging/(crediting):

	2014	2013
	£'000	£'000
Auditors' remuneration	11	10
Auditors' remuneration for non-audit work	5	-
Depreciation - owned assets	354	314
Operating leases	<u>25</u>	<u>25</u>

7. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Direct costs				
Teaching and educational support staff	-	4,585	4,585	4,294
Depreciation	-	280	280	256
Technology costs	-	128	128	-
Educational supplies	-	344	344	169
Examination fees	-	90	90	103
Staff development	-	93	93	38
Educational consultancy	-	6	6	97
Other direct costs	<u>-</u>	<u>26</u>	<u>26</u>	<u>70</u>
	-	5,552	5,552	5,027
Allocated support costs				
Support staff costs	-	851	851	586
Depreciation	-	74	74	58
Maintenance of premises and equipment	-	137	137	240
Cleaning	-	58	58	82
Rent and rates	-	38	38	33
Energy costs	-	70	70	71
Insurance	-	46	46	43
Catering	-	271	271	182
Other support costs	<u>-</u>	<u>345</u>	<u>345</u>	<u>401</u>
	-	1,890	1,890	1,696
	<u>-</u>	<u>7,442</u>	<u>7,442</u>	<u>6,723</u>

8. GOVERNANCE COSTS

	2014	2013
	£'000	£'000
Auditors' remuneration	11	10
Auditors' remuneration for non-audit work	5	-
Legal and professional fees	<u>15</u>	<u>5</u>
	<u>31</u>	<u>15</u>

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

9. GOVERNORS' REMUNERATION AND BENEFITS

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. The four staff Governors who received remuneration (including pensions) are:

Name	Amount 2014	Amount 2013
Euan Ferguson (Headteacher)	£110,001 to £115,000	£110,001 to £115,000
Ray O'Neill, Antonio Giannotta and Tina Robertson	£145,992	£141,875

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.

Related party transactions involving the Governors are set out in note 21.

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2014 nor for the year ended 31 August 2013.

10. STAFF COSTS

	2014	2013
	£'000	£'000
Wages and salaries	4,046	3,834
Social security costs	333	317
Other pension costs	<u>693</u>	<u>577</u>
	5,072	4,728
Supply teacher costs	262	130
Indirect staff costs	<u>102</u>	<u>22</u>
	<u><u>5,436</u></u>	<u><u>4,880</u></u>

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

	2014	2013
Management	3	4
Teachers	70	69
Administration and support	<u>39</u>	<u>38</u>
	<u><u>112</u></u>	<u><u>112</u></u>

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

	2014	2013
£60,001 - £70,000	-	1
£70,001 - £80,000	2	2
£90,001 - £100,000	<u>1</u>	<u>1</u>
	<u><u>3</u></u>	<u><u>4</u></u>

The employees above participated in the Teachers Pension Scheme. During the year to 31 August 2014, pension contributions for these members of staff amounted to £36,111 (2013: £43,937).

11. 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; the cost for the insurance could not be separated out.

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

12. TANGIBLE FIXED ASSETS

	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
At 1 September 2013	17,488	61	162	17,711
Additions	<u>1,246</u>	<u>112</u>	<u>101</u>	<u>1,459</u>
At 31 August 2014	<u>18,734</u>	<u>173</u>	<u>263</u>	<u>19,170</u>
DEPRECIATION				
At 1 September 2013	510	9	54	573
Charge for year	<u>280</u>	<u>13</u>	<u>61</u>	<u>354</u>
At 31 August 2014	<u>790</u>	<u>22</u>	<u>115</u>	<u>927</u>
NET BOOK VALUE				
At 31 August 2014	<u>17,944</u>	<u>151</u>	<u>148</u>	<u>18,243</u>
At 31 August 2013	<u>16,978</u>	<u>52</u>	<u>108</u>	<u>17,138</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Trade debtors	116	19
VAT	85	15
Prepayments and accrued income	<u>186</u>	<u>150</u>
	<u>387</u>	<u>184</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Trade creditors	23	1
Social security and other taxes	25	14
Other creditors	27	-
Accruals and deferred income	<u>175</u>	<u>149</u>
	<u>250</u>	<u>164</u>

Deferred income analysis

	2014 £000	2013 £000
Deferred income at start of the period	65	49
Resources deferred in the period	41	65
Amounts released from previous years	<u>(65)</u>	<u>(49)</u>
Deferred income at close of period	<u>41</u>	<u>65</u>

At the balance sheet date, the Academy Trust was holding funds received in advance for school trips booked for the 2014/15 term and EFA Devolved Capital Formula Grant.

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

15. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2014	2013
	£'000	£'000
Expiring:		
Within one year	3	-
Between one and five years	14	17
In more than five years	<u>9</u>	<u>9</u>
	<u>26</u>	<u>26</u>

16. 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.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	Total 2014 funds £'000	Total 2013 funds £'000
Fixed assets	-	-	18,243	18,243	17,138
Current assets	1,200	997	-	2,197	2,870
Current liabilities	-	(250)	-	(250)	(164)
Pension liability	<u>-</u>	<u>(1,690)</u>	<u>-</u>	<u>(1,690)</u>	<u>(1,088)</u>
	<u>1,200</u>	<u>(943)</u>	<u>18,243</u>	<u>18,500</u>	<u>18,756</u>

18. MOVEMENT IN FUNDS

	Balance at 1 September 2013 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	31 August 2014 £000
Restricted General Funds					
General Annual Grant (GAG)	582	5,996	(6,012)	(566)	-
Other DfE/ EFA grants	-	365	(365)	-	-
EFA Capital	234	234	-	(468)	-
LA and other Grants	18	60	(78)	-	-
Sports England	536	624	(503)	-	657
Teach First	<u>-</u>	<u>50</u>	<u>(50)</u>	<u>-</u>	<u>-</u>
	<u>1,370</u>	<u>7,329</u>	<u>(7,008)</u>	<u>(1,034)</u>	<u>657</u>
Restricted Fixed Asset Funds					
General Fixed Assets	<u>17,138</u>	<u>-</u>	<u>(354)</u>	<u>1,459</u>	<u>18,243</u>
	<u>17,138</u>	<u>-</u>	<u>(354)</u>	<u>1,459</u>	<u>18,243</u>
Pension Reserve	<u>(1,088)</u>	<u>-</u>	<u>(111)</u>	<u>(491)</u>	<u>(1,690)</u>

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

18. MOVEMENT IN FUNDS - continued

Total Restricted Funds	<u>17,420</u>	<u>7,329</u>	<u>(7,473)</u>	<u>(66)</u>	<u>17,120</u>
Unrestricted Funds	<u>1,336</u>	<u>379</u>	<u>-</u>	<u>(425)</u>	<u>1,290</u>
Total Funds	<u>18,756</u>	<u>7,708</u>	<u>(7,473)</u>	<u>(491)</u>	<u>18,500</u>

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy.

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

Other DFE/EFA grants: This included the pupil premium, DCSF, TS, devolved formula capital grant and EFA SEN funding.

EFA Capital: This is the capital maintenance fund for the teaching block refurbishment

LA and other grants: This includes SEN funding from London Borough of Hounslow.

The transfer of funds relate to the purchase of fixed assets during the period.

19. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ending 31 March 2004 and of the LGPS 31 March 2013.

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

**Teachers' pension scheme
Introduction**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014**19. PENSION COMMITMENTS - continued****Teachers' pension scheme - continued****Valuation of the Teachers' Pension Scheme**

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

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

Teachers' Pension Scheme Changes

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The 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.

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

19. PENSION COMMITMENTS - continued

Local government pension scheme

The Local Government Pension Scheme (LGPS) is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year 31 August 2014 was £234k (2013: £210k), of which employer's contributions totalled £179k (2013: £161k) and employees' contributions totalled £55k (2013: £49k).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department of Education, the guarantee came into force on 18 July 2013.

Principle actuarial assumptions:	At 31 August 2014	At 31 August 2013
	%	%
Rate of increase in salaries	4.5	5.1
Rate of increase for pensions in payment/ inflation	2.7	2.9
Discount rate for scheme liabilities	4.0	4.7
Inflation assumption (CPI)	2.7	2.9
Commutation of pensions to lump sums	50.0	50.0

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

	At 31 August 2014	At 31 August 2013
Retiring in 20 years		
- Males	24.1	21.1
- Females	28.8	25.1
Retiring today		
- Males	22.0	19.2
- Females	26.5	23.2

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

	Expected return at 31 August 2014 %	Value at 31 August 2014 £000	Expected return at 31 August 2013 %	Value at 31 August 2013 £000
Equities	6.4	759	6.5	622
Gilts	3.0	44	3.5	35
Other Bonds	3.6	150	4.4	149
Property	5.6	54	5.5	26
Absolute Return Funds	6.4	44	-	-
Cash	2.9	30	0.5	44
Total market value of assets		1,081		876
Present value of scheme liabilities		(2,771)		(1,964)
Deficit in the scheme		(1,690)		(1,088)

The return on the fund (on a bid value to bid value basis) for the year to 31 August 2014 is estimated to be 9%. 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 Scheme assets was £91k (2013: £96k).

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

19. PENSION COMMITMENTS – continued

Local government pension scheme - continued

Amounts recognised in the Statement of Financial Activity

	2014 £000	2013 £000
Current service cost (net of employees contributions)	246	205
Past service cost	-	-
Total operating charge	<u>246</u>	<u>205</u>
Analysis of pension finance income/ (costs)		
Expected return on Scheme Assets	(56)	(33)
Interest on pension liabilities	<u>100</u>	<u>65</u>
Pension finance income/ (costs)	<u>(44)</u>	<u>(32)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £583,000 loss (2013: £92,000).

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

	2014 £000	2013 £000
At 1 September 2013	1,964	1,534
Current service cost	246	205
Interest cost	100	65
Employee contributions	55	49
Actuarial loss/ (Gain) on Scheme Liabilities	<u>406</u>	<u>111</u>
At 31 August 2014	<u>2,771</u>	<u>1,964</u>

Movement in the fair value of Academy's share of Scheme Assets:

	2014 £000	2013 £000
At 1 September 2013	876	569
Expected return on assets	56	33
Actuarial gain/(loss)	(85)	64
Employer contributions	179	161
Employee contributions	<u>55</u>	<u>49</u>
At 31 August 2014	<u>1,081</u>	<u>876</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £185k (2013: £181k).

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

19. PENSION COMMITMENTS - continued

Local government pension scheme - continued

The five-year history of experience adjustments is as follows:

	2014	2013	2012	2011
	£000	£000	£000	£000
Present value of Defined Benefit Obligation	(2,771)	(1,964)	(1,534)	(1,326)
Fair value of Scheme assets	<u>1,081</u>	<u>876</u>	<u>569</u>	<u>442</u>
	<u><u>(1,690)</u></u>	<u><u>(1,088)</u></u>	<u><u>(965)</u></u>	<u><u>(884)</u></u>

Experience adjustments on Scheme assets

Amount £'000

(85)	64	10	-
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Experience adjustments on Scheme liabilities

Amount £'000

(102)	-	-	-
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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. RELATED PARTY DISCLOSURES

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 have been no related party transactions in the year.

22. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£'000	£'000
Net incoming resources	235	818
Depreciation charges	354	314
Interest received	(4)	(2)
(Increase)/decrease in debtors	(203)	25
Increase/(decrease) in creditors	86	(474)
Difference between pension charge and cash contributions	<u>111</u>	<u>(123)</u>
Net cash inflow from operating activities	<u><u>579</u></u>	<u><u>558</u></u>

ISLEWORTH AND SYON SCHOOL FOR BOYS

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

23. ANALYSIS OF CASH FLOWS HEADINGS

	2014 £'000	2013 £'000
Returns on investments and servicing of finance		
Interest received	<u>4</u>	<u>2</u>
Net cash inflow for returns on investments and servicing of finance	<u>4</u>	<u>2</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,459)	(56)
Sale of fixed asset investments	<u>-</u>	<u>123</u>
Net cash (outflow)/inflow for capital expenditure and financial investment	<u>(1,459)</u>	<u>67</u>

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.13 £'000	Cash flow £'000	At 31.8.14 £'000
Net cash:			
Cash at bank and in hand	2,686	(876)	1,810
	<u>2,686</u>	<u>(876)</u>	<u>1,810</u>
Total	<u>2,686</u>	<u>(876)</u>	<u>1,810</u>