

**Bullers Wood School
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

For the Period ended 31 August 2012

AMENDED



**Company Registration Number
07588418 (England and Wales)**

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Reference and administrative details

Governors (Trustees)	<p>Mr L Webb – Chairman (Co-Opted) Mr B Walker * – Vice Chairman (Community) Mr M Anderson (Community) – elected 2 10 12 Mrs H Barnes (Parent) Mr M Bishopp (Staff) Ms K Byrne (Community) Mr N Cross (Headteacher and Accounting Officer) Mrs A Day – resigned 25 1 12 Mrs C Goodwin (Parent) Ms U Huseyin (Parent) Mr A Johnson * (LA Governor) Mrs D Laird (Community) Mr D McNaughton (Parent) Ms C Patnick – resigned 13 10 11 Mr P Selby (Parent) Mrs S Simons (Co-Opted) Mrs H van Teutem (Staff) Mr M Ward (Parent) Mr J Ward * (Community) Mr E Wood (Parent) * Members of Finance & General Purposes Committee</p>
Secretary	Mrs K Harris
Senior Management Team	<p>Mr N Cross (Headteacher) Ms A Gouldthorpe (Deputy Headteacher) Ms S Newman (Deputy Headteacher) Ms S Spence (Deputy Headteacher)</p>
Principal and Registered Office	<p>St Nicolas Lane Logs Hill Chislehurst Kent BR7 5LJ</p>
Company Registration Number	07588418
Auditors	<p>Nichols & Co Unit 7, Mulberry Place Pinnell Road Eltham London SE9 6AR</p>
Bankers	<p>Lloyds TSB 6-8 High Street Bromley BR1 1NA</p>
Solicitors	<p>Veale Wasbrough Vizards Barnards Inn 86 Fetter Lane London EC4A 1AD</p>

Governors' Report

The Governors present their annual report together with the financial statements and auditors' report of the Charitable Company for the period ended 31st August 2012

1. Structure, Governance and Management

1.1. Constitution:

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of Bullers Wood Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Bullers Wood School (company number 07588418).

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on Page 3.

1.2. Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

1.3. Governors' Indemnities:

Since the incorporation of the Charitable Company on 1st April 2011 the Governors (directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in Note 12 to the Financial Statements the limit of this indemnity is £10,000,000.

1.4. Principal Activities:

The principal activity of Bullers Wood School 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.

In determining its intake at Year 7 the School admits on the following criteria:

- Look After Children
- Siblings
- Proximity

At Year 12, the School will make available sufficient places for all Year 11 students meeting the admissions criteria, i.e. the minimum entry qualifications for each course. In addition, there will be a minimum of ten places available for external applicants who meet the same criteria.

1.5. Method of Recruitment and Appointment or Election of Governors

The processes for appointing or electing the various types of Governor at Bullers Wood School are as follows:

Community Governors: Up to five Community Governors can be appointed by the Governing Body. Community Governors can be people who live or work in the community served by the School, or people who live outside of the immediate area and who are committed to the good governance and success of the School.

Vacancies for Community Governors will be posted on the School's web site. Anyone expressing an interest in becoming a Community Governor will be asked to provide appropriate curriculum vitae with their letter of application. Following an informal interview with the Chairman and Headteacher each application will be considered by the Governing Body.

The Governors may not appoint an employee of Bullers Wood School as a Community Governor if the number of

Governors who are employed by the School (including the Headteacher) would thereby exceed one third of the total number of Governors

Co-Opted Governors Up to three Co-opted Governors can be appointed by the Governing Body because they have experience and/or expertise of particular benefit to the school. Following an identification of specific needs suitable candidates are identified by the Governing Body and approached accordingly.

A "Co-opted Governor" means 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 appoint an employee of Bullers Wood School as a Co-opted Governor if the number of Governors who are employed by the School (including the Headteacher) would thereby exceed one third of the total number of Governors.

Parent Governors Seven Parent Governors are elected by other parents at the School as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of Parent Governor elections.

If insufficient parents stand for election, the Governing Body must appoint Parent Governors to bring their number up to that required by the Articles of Association. Such appointed Parent Governors would preferentially be parents or carers of registered pupils at the School. If, however, no such parents are willing to undertake the role then the Governing Body can appoint any person who is the parent or carer of one or more school-age children.

Staff Governors - Up to three Staff Governors are elected by the School staff as individuals, representative of the staff of the School. Both teaching and support staff paid to work at the School are eligible for staff governorship.

At Bullers Wood School the first Staff Governor is reserved for the Headteacher. The second Staff Governor place is reserved for teachers of the School. If, however, no teacher stands for election a member(s) of the support staff can be elected to take this place.

Additionally, the third Staff Governor place is reserved for a member of the School's support staff, but if no member of the support staff stands for election then a teacher can be elected to take that place. Suitable procedures have been put in place for the conduct of Staff Governor elections.

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

Following their appointment/election all new Governors receive an introduction to their role from the Chairman and Headteacher, this introduction includes a tour of the School site and the opportunity to meet other members of the Senior Leadership Team.

The Governing Body at Bullers Wood School is committed to providing adequate opportunities for Governors to undertake and receive suitable training so as to enable them to undertake their role more effectively.

To this end the Governing Body maintains a Service Level Agreement with Bromley Council's Governor Services Department. This Agreement allows for any or all of the members of the Governing Body to attend any of the training courses provided by Bromley Council.

All new Governors are actively encouraged to take advantage of this Agreement so as to gain a better understanding of the role and responsibilities of being a School Governor. Additionally Governors with specific roles within the Governing Body are strongly encouraged to undertake specific training.

There is a nominated Link Governor who acts as liaison between Governor Services and the Governing Body.

1.7. Organisational Structure:

Before conversion to academy status on 1 May 2011, Bullers Wood School was a Foundation school, as defined in the School Standards and Framework Act 1998. The relative autonomy of a Foundation school meant that the former Governing Body was structured to undertake similar roles to those required of the Governors of an Academy. Consequently, whilst the extra responsibilities of the Governing Body of the Academy Trust have been recognised, its structure still reflects its very successful predecessor.

At Bullers Wood School the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of Committees, as defined in the School's Standing Orders. The full Governing Body has retained

responsibility for certain aspects, again as defined in the Standing Orders

Members of the Senior Leadership Team (SLT), in addition to the Headteacher, attend Governors' meetings as appropriate

The Governors are responsible for the strategic management of the School, deciding and setting key aspects of the School, including strategic direction, annual budgets, senior staff appointments, policy changes etc. Operational management is the responsibility of the Headteacher and staff. The latter is carried out at a number of levels, i.e. by the Senior Leadership Team, Assistant Headteachers, Guidance & Support Leaders and Form Tutors

School policies are developed by senior members of the School's staff, to reflect both the strategic direction agreed by the Governors and also statutory requirements. These policies are approved and adopted by the Governing Body, and implemented as procedures and systems by the SLT and other designated members of staff

During the period since incorporation on 1st April 2011 until 31 August 2012 the full Governing Body met nine times, the Finance & General Purposes Committee met five times, the Buildings, Health & Safety Committee met seven times, the Pupils, Parents & Community Committee met on six occasions and the Achievement & Curriculum Committee met six times

1.8 Connected Organisations, including Related Party Relationships

There was nothing to report for this period

1.9 Register of Interests

It is important that all staff and Governors, whether they have significant financial or spending powers on behalf of the Academy, or are in a position to order goods for their department, demonstrate that they do not benefit personally from any decisions they make. All staff and Governors will need to declare any financial interests they have in companies/individuals from which the Academy may purchase goods or services

The disclosures also include business interests of relatives or business partners, where influence could be exerted over a Governor or a member of staff by that person. This does not detract from the duties of Governors and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a Committee. Where an interest has been declared, Governors and staff should not attend that part of any committee or other meeting

1 10 Employees and Disabled Persons

The Academy is an Equal Opportunities Employer and its Equalities Policy was adopted by Governors in January 2011. Bullers Wood School is committed to safeguarding and promoting the welfare of children and young people and expects all staff and volunteers to share this commitment. Applicants for teaching or support posts are encouraged to notify the HR Manager if they require assistance in attending for interview. For Health & Safety reasons, staff are required to declare any disability as they see fit. Additionally, Bullers Wood School does not discriminate against students, staff or governors on grounds of race, sexual orientation, religion, age, disability, gender reassignment or marital/civil partnership status

2 Objectives and Activities

2.1. Objectives and Aims:

The principal object and activity of the charitable company is the operation of Bullers Wood School to provide education for pupils between the ages of 11 and 18. The School provides an education for pupils who are mainly drawn from the local area in which the School is situated. The School admits students from other schools in addition to those continuing into Year 12 from the School itself

The school was judged as 'Outstanding' by Ofsted in May 2011

2 2 Objectives, Strategies and Activities

The School aims to enhance all students' educational experiences, to develop independent learners with transferrable

skills that can be applied across a range of school subjects and also in later life

Governors and staff will

- provide an environment which promotes high quality teaching and learning
- set work which is challenging, yet suitable for the age and ability of the student
- provide a wide variety of learning experiences
- provide a high standard of teaching, student support and individual guidance
- provide a range of resources including textbooks, library books and computer hard-ware and software
- promote and encourage the School values
- respond to students' worries and communicate concerns about attendance or problems that affect your daughter's work or behaviour
- provide regular communication through the Contact Book, newsletters, letters, website, parents' evenings and reports
- actively promote and reward good attendance and punctuality, provide parents with a record of attendance and punctuality and intervene where necessary
- respect students as individuals
- provide behaviour guidelines for students
- provide rewards and sanctions
- set homework and return marked homework to students within a reasonable period of time
- provide access for parents to meet with staff given reasonable notice
- provide a means of assessing, recording and reporting student achievement that is comprehensive, meaningful and accessible to parents
- hold at least one Parents' Evening per year for each year group
- inform parents of any problems, praiseworthy events within reasonable time
- respond positively to parents' concerns and complaints
- maintain a pleasant working environment

2 3 Public Benefit

The key public benefit delivered by Bullers Wood School is the maintenance and development of the high quality education provided by the School to the young people of Chislehurst and the surrounding area

In doing this Bullers Wood School not only offers a broadly-based academic education but aims to educate the whole individual. A wide-range of extra-curricular activities, educational trips, visits and foreign exchange programmes are offered and undertaken

In particular, in respect of its language specialism, the School undertakes a continuing programme of foreign language tuition at a number of its local, feeder primary schools. Additionally, the School runs a series of very successful evening classes in a variety of languages, including French, German, Spanish and Italian

Other Specialisms are Applied Learning and Leading Edge

The Governors confirm that they have complied with their duty to have regard to the guidance on public benefit as published by the Charity Commission

2 4 Achievements and Performance

Bullers Wood School has high aspirations for its students and a drive for continuous improvement. The School's analysis of examination performance is thorough, and much use is made of performance and benchmarking data from a range of sources

Key Stage 3

Standards remain very high in all three core subjects and achievement/progress, taking into account the prior attainment of pupils

Key Stage 4

The percentage of students gaining 5 or more GCSEs at grades A*-C was 100%, and 86% including English and Mathematics

In English 95% of students achieved a grade A*-C and 87% did the same in Mathematics 61% of students achieved three or more grades at A*-A, with 39% achieving five or more grades at A*-A

Key Stage 5 (A2)

In Key Stage 5, attainment and achievement are strong Average Point Score (per Student) is 825.1 and Average Point Score (per Entry) is 219.1 Value-added at both AS and A2 is above average

2.5 Other factors

The academy works in partnership with the local community in which many of its students reside to develop strong local links The academy is also grateful for the continued support and contributions from parents and staff

2.6 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 Accounting Policies note of the financial statements

3 Financial Review

3.1. Operating and Financial Review for the Year

Most of the School's income is obtained from the DfE via the EFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes, i.e. the objectives of the Academy Trust The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities

No specific Capital Grants were awarded to the School by the DfE to provide fixed assets, apart from the Devolved Formula Capital Grant (DFC) In accordance with the Charities SORP 2005, the DFC received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds However, previous Capital allocation under the Building Schools for the Future initiative that was awarded to the School has been transferred into the Academy to assist with the cost of the new building

On conversion on 1st May 2011, all of the fixed assets of the former Foundation School were transferred to the new Academy Trust, and are shown as restricted asset funds The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in Note 1 to the Financial Statements

Expenditure for the period covered by this report was covered by the GAG received from the DfE and other income, such as voluntary income, activities for generating funds and investment income

The combined General Restricted Fund and Unrestricted Fund show an operating surplus, before the actuarial losses on defined benefit pension schemes, of £562k This operating surplus is the result of detailed and tight budgeting and budget control procedures which were inherited from the former foundation school, and which have been firmly embedded in the Academy Trust's daily financial management

The Governors are concerned with the very large deficit that the Local Government Pension Fund is reporting At the time of conversion the LGPS deficit was £628K and when the actuaries carried out another valuation for the Whole Government Account as at 31st August 2012 it had increased to £1,049K

The defined pension scheme for the associate staff had a deficit of £1,049,000 as at the year-end as valued by FRS17 This is being repaid via higher employer contributions over a 7 year period

3 2. Financial and Risk Management Objectives and Policies

As a recently converted Academy, Bullers Wood School has undertaken a comprehensive assessment of possible risks to the future of the Academy (Risk Register) The Governors have assessed the major risks to which the Academy is exposed, with guidance from the Academies Financial Handbook, particularly with regard to

- 1 Financial Risk
- 2 Compliance Risk
- 3 Operational Risk
- 4 Strategic Risk

Systems and procedures are being developed to manage and mitigate these risks

The Academy has received a Health & Safety assessment by Ecclesiastical Risk Services as part of their insurance provision The Academy also subscribes to the Local Authority 'Evolve' system that assesses the risk of trips from category 1 to category 3, and controls have been put in place to ensure all types of school trips are assessed according to the standards set by the Government

3.3 Principal Risks and Uncertainties

Changes to the funding the Academy receives from the Department for Education is considered to be the major uncertainty

3.4. Reserves Policy:

Under its Funding Agreement with the Secretary of State for Education Bullers Wood School is allowed to hold reserves at the year end of 2% of its General Annual Grant (GAG) for expenditure of a recurrent nature and a further 10% for expenditure of a capital nature, including maintenance and refurbishment of the School's buildings and facilities

The Governors' Finance & General Purposes Committee has reviewed these reserve levels and believe that they should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected situations such as urgent maintenance work Under normal circumstances the Governors would aim to maintain reserves of between 5% and 10% of GAG as an appropriate cushion

As of 31 August 2012 the School had restricted reserves based upon its GAG of 2%, which are allowed to be used for recurrent expenditure

3 5. Investment Policy

Apart from the cash held for the operation of the School, Bullers Wood School has no realisable investments With respect to its cash holdings the Governing Body has adopted a low risk strategy In addition to the main current account the School maintains an instant access deposit account Suitable sweeping and switching procedures are in place at the School's bankers to ensure that adequate funds are available in the current account whilst maintaining a balance in the deposit account as high as possible

3 6. Funds Held as Custodian Trustee on Behalf of Others

During the period from 1st May 2011 to 31st August 2012 Bullers Wood School did not hold any funds as a custodian trustee on behalf of any other charitable organisation

4 Plans for Future Periods

Bullers Wood School will continue to work to maintain the performance of its students at all levels Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extra-curricular activities and in essential life skills, so as to increase the number of opportunities open to its students when they move on to higher education and ultimately employment

Bullers Wood School aims to continue its work in taking the teaching and learning of languages into the community local to the School, both in local schools and with members of the general public. Through this on-going initiative the School hopes to maintain and foster further the good relationships that it has developed with its "feeder" primary schools.

The Governors recognise that through good financial management over the past decade of Foundation School status, they have been able to invest in and improve significantly the quality of the built environment of the School. The improvements made have not only been in the quality of the teaching spaces and facilities but also in the social and recreational areas for students and in the facilities for both teaching and support staff. They also recognise, however, that a number of facilities offered by the School are of a standard significantly inferior to that which they would like to be able to provide for a School of its size and standing.

Bullers Wood School is an outstanding school with a reputation for achieving excellent academic results with a non-selective intake. It has a strong Performing Arts culture and competes successfully in a number of sports including netball, rugby and football. It has a beautiful and unique location within a wood, some of which is accessible to pupils. It looks after all its pupils and has a reputation for excellent pastoral care. However the challenges for pupils competing for university and employment places are increasing, and to prepare our pupils as best we can we must continue to improve what we do.

In a series of Vision & Strategy meetings and workshops, involving the Governing Body and Staff representatives, discussions took place regarding which of these characteristics they would like to change, and in what priority order. In setting out this Vision and Strategy, participants recognised that they were embarking on a longer-term 'journey', the steps and even direction of which may change depending on internal and external factors (e.g. change of Government, planning constraints). The Governing Body would be required to monitor these uncertainties and change the direction as appropriate.

5 Auditors

5.1 Disclosure of information to Auditors

We, the Governors of the Academy who held office as company directors at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware that

- 1 There is no relevant audit information of which the Academy's auditors are unaware
- 2 We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of that information

Approved by order of the Members of the Governing Body on 17th December 2012

and signed on its behalf by



Mr Leonard Webb
Chairman

6 Governance Statement

Bullers Wood School Governing Body comprises

- 5 Community Governors
- 3 Co-Opted Governors
- 1 Local Authority Governor
- 7 Parent Governors
- 3 Staff Governors

There are four main committees that each meet at least once per term, namely

- Achievement & Curriculum
- Buildings, Health & Safety
- Finance & General Purposes
- Pupils, Parents & Community

A panel of three non-staff Governors may be formed to deal with issues relating to staff capability, staff ill-health capability, attendance, discipline or student discipline. These panels have delegated responsibility for their decision-making.

Attendance records are maintained for Governors' and Committee meetings.

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met eight times during the period 1st May 2011 to 31st August 2012. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
L Webb (Chairman)	7	8
H Barnes	2	8
M Bishopp (Staff Governor)	8	8
K Byrne	3	8
N Cross (Principal and Accounting Officer)	8	8
C Goodwin	8	8
U Huseyin	7	8
A Johnson JP	7	8
D Laird	5	8
D McNaughton	7	8
C Patrick (resigned 13 10 11)	3	3
P Selby	8	8
S Simons	8	8
H van Teutem (Staff Governor)	7	8
B Walker	6	8
J Ward (Responsible Officer until November 2011)	5	8
M Ward	7	8
E Wood	5	8

The Responsible Officer function was carried out by the Academy until November 2011 when the London Borough of Bromley assumed this role.

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

- To draw up medium and long-term financial plans for the school, reflecting school priorities and projected income including staffing plans and plans relating to the repair, maintenance and development of premises, and to recommend action on these areas to the governing body.
- To monitor the budget and the links to the school development plan and ensure a termly report to the governing body.
- To provide annual reports as required to the LA or the Education Funding Agency (EFA).
- In maintained schools to monitor and evaluate the introduction and operation of the Schools Financial Value Standard.

- To complete the Academy Financial and Governance Evaluation and recommend to the governing body To keep under review the scheme of delegation in financial matters including the level of delegation to the Principal for the day-to-day financial management of the academy and to present to the governing body any recommendations for change

Attendance at meetings during the period 1st May 2011 to 31st August 2012 was as follows

Governor	Meetings attended	Out of a possible
Mr B Walker (Chairman)	4	5
Mr N Cross (Principal and Accounting Officer)	5	5
Mr A Johnson JP	5	5
Mr J Ward	3	5

6 1 Scope of Responsibility

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

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

6 2 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 Bullers Wood School policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Bullers Wood School from its conversion from a Foundation School on 1st May 2011 for the remainder of the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

6 3 Capacity to Handle Risk:

The Governing Body has reviewed the key risks to which Bullers Wood School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place from the School's conversion from a Foundation School on 1st May 2011 for the remainder of the period ended 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.

6 4 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 & General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks

The School's system of internal financial control was introduced following its conversion to academy status. The system adopted is a natural evolution of that in place as a foundation school (which was compliant with FMSIS) and is in line with the requirements of the Academies Handbook 2006.

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 the Audit Department at the London Borough of Bromley to perform the Responsible Officer ('RO') function. The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly 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.

Additionally, Governors have appointed accountants Nichols & Co as external accountants and auditors.

The School's system of internal financial control was introduced following its conversion to academy status. The system adopted is a natural evolution of that in place as a foundation school (which was compliant with FMSIS) and is in line with the requirements of the Academies Handbook 2006.

6.5. Review of Effectiveness:

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

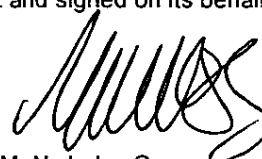
- the Board,
- the Finance & General Purposes Committee,
- the work of the Responsible Officer,
- external audit,
- the financial management and governance self assessment process,
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on the 17th December 2012 and signed on its behalf by



Mr Leonard Webb
Chairman



Mr Nicholas Cross
Accounting Officer

6.6 Statement on Regularity, Propriety and Compliance

As Accounting Officer of Bullers Wood School I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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



Mr Nicholas Cross

Accounting Officer

7. Statement of Governors' Responsibilities

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of 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 then apply them consistently,
- Observe the methods and principles in the Charities SORP,
- Make judgments 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 to 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 17th December 2012,
and signed on its behalf by



Mr Leonard Webb
Chairman

Independent Auditor's Report to the Members of Bullers Wood School for the period ended 31st August 2012

We have audited the financial statements of Bullers Wood School for the period ended 31 August 2012 on pages 19 to 39. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Young People's Learning Agency.

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

As explained more fully in the Statement of Governors' Responsibilities set out on page 15, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2012, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Young People's Learning Agency.

Opinion on Other Matters Prescribed by the Companies Act 2006

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

Independent Auditor's Report to the Members of Bullers Wood School for the period ended 31st August 2012

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

Signed



Date

19/12/12

Steven Nichols (Senior Statutory Auditor)
For and on behalf of

Nichols & Co (Accountancy) Ltd
Chartered Accountants
And Registered Auditors
Unit 7, Mulberry Place
Pinnell Road
Eltham
London
SE9 6AR

Independent Auditor's Report on Regularity to the Governing Body of Bullers Wood School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 1st November 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 May 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to 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 May 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

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 May 2011 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

Signed



Date

19/12/12

Steven Nichols (Senior Statutory Auditor)
For and on behalf of

Nichols & Co (Accountancy) Ltd
Chartered Accountants
And Registered Auditors
Unit 7, Mulberry Place
Pinnell Road
Eltham
London SE9 6AR

Statement of Financial Activities for the period ended 31 August 2012

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2012 £000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	1	-	-	1
- Donated on conversion		266	181	17,682	18,129
Activities for generating funds	4	21	-	-	21
Investment income	5	2	-	-	2
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	6	208	10,857	1,277	12,342
Total incoming resources		498	11,038	18,959	30,495
Resources expended					
<i>Cost of generating funds</i>					
Costs of generating voluntary income		-	-	-	-
<i>Charitable activities</i>					
Academy's educational operations	8	210	10,710	346	11,266
Governance costs	9	-	54	-	54
Total resources expended	7	210	10,764	346	11,320
Net incoming (outgoing) resources before transfers		288	274	18,613	19,175
Transfers					
Gross transfers between funds	16	-	-	-	-
Net incoming (outgoing) resources before other recognised gains and losses		288	274	18,613	19,175
Other recognised gains and losses					
Pension funds deficit inherited on conversion		-	(628)	-	(628)
Actuarial (losses) gains on defined benefit pension schemes	16, 27	-	(387)	-	(387)
Net movement in funds		288	(741)	18,613	18,160
Reconciliation of funds					
Total funds brought forward at 1 May 2011	16	-	-	-	-
Total funds carried forward at 31 August		288	(741)	18,613	18,160

All of the Academy's activities derive from continuing operations during the above financial period

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

Balance sheet as at 31 August 2012

	Notes	2012 £000	2012 £000
Fixed assets			
Tangible assets	13		18,623
Current assets			
Debtors	14	498	
Cash at bank and in hand		892	
Total current assets		1,390	
Liabilities:			
Creditors: Amounts falling due within one year	15	(804)	
Net current assets			586
Total assets less current liabilities			19,209
Net assets excluding pension liability			19,209
Pension scheme liability	26		(1,049)
Net assets including pension liability			18,160
Funds of the academy:			
Restricted funds			
Fixed asset fund(s)	17		18,613
General fund(s)	17		308
Pension reserve	17		(1,049)
Total restricted funds			17,872
Unrestricted funds			
General fund(s)	17		288
Total unrestricted funds			288
Total Funds			18,160

The financial statements on pages 19 to 39 were approved by the Governors, and authorised for issue on 17th November 2012 and are signed on their behalf by


Mr Leonard Webb
Chairman

Cash Flow Statement for the year ended 31 August 2012

	Notes	2012 £000
Net cash inflow from operating activities	20	890
Returns on investments and servicing of finance	21	2
Capital expenditure	22	-
(Decrease)/Increase in cash in the year	23	<u>892</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 1 May 2011		-
Net funds at 31 August 2012		<u>892</u>

Notes to the Financial Statements for the Year Ended 31 August 2012

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Annual Academies Accounts Direction issued by the Education Funding Agency 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 Academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

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

- **Grants receivable**

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

1 Accounting Policies (continued)

• Donated Services and Gifts in Kind

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

- 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.

• Costs of Generating Funds

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

• Charitable Activities

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

• Governance Costs

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

All resources expended are inclusive of irrecoverable VAT.

Conversion to an Academy

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 Bullers Wood School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Bullers Wood School. 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 transaction are set out in note 27.

1 Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

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

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

Freehold buildings	50 years
Fixtures, fittings and equipment	5 years
ICT equipment	5 years
Motor Vehicles	5 years

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 under operating leases are charged on a straight line basis over the lease term.

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Taxation

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

1 Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Young People's Learning Agency/Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Young People's Learning Agency/Department for Education.

2 General Annual Grant (GAG)

a Results and carry forward for the year

	2012 £000
GAG brought forward from previous year	-
GAG allocation for current year	9,875
Total GAG available to spend	9,875
Recurrent expenditure from GAG	(9,705)
Fixed assets purchased from GAG	-
GAG carried forward to next year	170
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(1,185)
GAG to surrender to DfE	(1,015)
(12% rule breached if result is positive)	No Breach

b Use of GAG brought forward from previous year for recurrent purposes

(Of the amount carried forward each year, 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)

Recurrent expenditure from GAG in current year	9,705
GAG allocation for current year	(9,875)
GAG allocation from previous year x 2%	-
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(170)
(2% rule breached if result is positive)	no breach

3 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Donations	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

4 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Hire of facilities	21	-	21
	<u>21</u>	<u>-</u>	<u>21</u>

5 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Short term deposits	2	-	2
	<u>2</u>	<u>-</u>	<u>2</u>

6 Funding for Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
DfE/EFA capital grant			
Devolved Formula Capital allocations	-	57	57
Academy main building grants	-	1,220	1,220
	<u>-</u>	<u>1,277</u>	<u>1,277</u>
DfE /EFA revenue grants			
General Annual Grant (GAG) (note 2)	-	9,875	9,875
School Mainstream Grant	-	-	-
Insurance grant	-	120	120
Other EFA grants	-	96	96
	<u>-</u>	<u>10,091</u>	<u>10,091</u>
Other Government grants			
SEN from LA	-	164	164
	<u>-</u>	<u>164</u>	<u>164</u>
Other Income			
Exam Fees	-	23	23
Catering Income	201	-	201
Academy trips	-	448	448
SCITT	-	113	113
Sundry income	7	18	25
	<u>208</u>	<u>602</u>	<u>810</u>
	<u>208</u>	<u>12,134</u>	<u>12,342</u>

7 Resources Expended

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2012 £000
Costs of generating voluntary income	-	-	-	-
Academy's educational operations				
Direct costs	7,437	332	1,151	8,920
Allocated support costs	1,416	581	349	2,346
	<u>8,853</u>	<u>913</u>	<u>1,500</u>	<u>11,266</u>
Governance costs including allocated support costs	-	-	54	54
	<u>8,853</u>	<u>913</u>	<u>1,554</u>	<u>11,320</u>
				2012 £000

Incoming/outgoing resources for the year include

Operating leases	12
Fees payable to auditor	
Audit	7
Other services	6
Profit/(loss) on disposal of fixed assets	-
	<u>25</u>

8 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Direct costs			
Teaching and educational support staff costs	1	7,436	7,437
Depreciation	-	333	333
Educational supplies	-	127	127
Educational visits	8	511	519
Exam fees	-	259	259
Staff development	-	20	20
Educational consultancy	-	-	-
Other direct costs	22	203	225
	<u>31</u>	<u>8,889</u>	<u>8,920</u>
Allocation supported costs			
Support staff costs	40	1,376	1,416
Pension Finance Costs	-	34	34
Depreciation	-	3	3

Recruitment and support	-	9	9
Maintenance of premises and equipment	-	130	130
Energy costs	-	140	140
Cleaning	1	81	82
Rent & rates	-	62	62
Insurance	-	124	124
Security and transport	-	40	40
Catering	138	20	158
Other support costs	-	148	148
	<u>179</u>	<u>2,167</u>	<u>2,346</u>
	<u>210</u>	<u>11,056</u>	<u>11,266</u>

9 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Legal and professional fees	-	4	4
Auditor's remuneration*			
• Audit of financial statements	-	7	7
• Responsible officer audit	-	1	1
• Accountancy, taxation and other services	-	4	4
• Pension scheme certification	-	1	1
Support staff costs	-	37	37
Governors' reimbursed expenses	-	-	-
	<u>-</u>	<u>54</u>	<u>54</u>

10 Staff Costs

	2012 £000
Staff costs during the period were	
Wages and salaries	7,236
Social security costs	548
Pension costs	<u>984</u>
Supply teacher costs	70
Compensation payments	15
Pension finance costs	<u>34</u>
	<u>8,887</u>

The average number of persons (including senior management team) employed by the Academy during the year, and the full time equivalents, was as follows

	2012 Number	2012 Full-time equivalent
Charitable Activities		
Teachers	113	100
Administration and support	147	72
Management	4	4
	<u>264</u>	<u>176</u>

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

	2012
£60,001 - £70,000	11
£70,001 - £80,000	5
£80,001 - £90,000	3
£90,001 - £100,000	1
£130,001 - £140,000	1
	<u>21</u>

20 of the above employees participated in the Teacher's Pension Scheme During the period ended 31 August 2012 pension contributions for these staff amounted to £204,809 1 of the above participated in the Local Government Pension Scheme Pension contributions amounted to £11,557

11 Governors' Remuneration and Expenses

Headteacher and staff governors (trustee governors) only received remuneration in respect of services they provided 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 value of governors' remuneration was as follows

Headteacher	£ 135,764
Staff Governors	£ 75,836
Staff Governors	£ 63,813

Please note the above figures are for a 16-month period

During the year ended 31 August 2012, no travel and subsistence expenses were reimbursed to Governors Related party transactions involving the governors are set out in note 28

12 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2012 was £2,441

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

13 Tangible Fixed Assets

	Freehold Land and Buildings £000	Computer Equipment £000	Total £000
Cost			
At 1 May 2011	-	-	-
Transfer on conversion	17,682	-	17,682
Additions	1,261	16	1,277
Disposals	-	-	-
At 31 August 2012	18,943	16	18,959
Depreciation			
At 1 May 2011	-	-	-
Charged in year	333	3	336
Disposals	-	-	-
At 31 August 2012	333	3	336
Net book values			
At 31 August 2012	18,610	13	18,623

Included in the above Land and Buildings additions figure is £1,224 relating to assets under construction (£000)

14 Debtors

	2012 £000
Prepayments and accrued income	312
VAT recoverable	186
	<u>498</u>

15 Creditors: amounts falling due within one year

	2012 £000
Other taxation and social security	217
Accruals and deferred income	587
	<u>804</u>

Deferred income

	2012 £000
Deferred Income at 1 May 2011	-
Resources deferred in the year	21
Amounts released from previous years	-
Deferred Income at 31 August 2012	<u>21</u>
	<u>21</u>

Deferred income relates to £18,000 16 - 19 Bursary Fund, £3,000 Adult Education Classes

Notes to the Financial Statements for the Year Ended 31 August 2012 (continued)

16 Funds

	Balance at 1 May 2011 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2012 £000
Restricted general funds					
General Annual Grant (GAG)	-	9,875	(9,705)	-	170
Other DfE/YPLA/EFA grants	-	216	(211)	-	5
Other government grants	-	164	(164)	-	-
Other income	-	783	(650)	-	133
Pension reserve	-	-	-	(1,049)	(1,049)
	-	11,038	(10,730)	(1,049)	(741)
Restricted fixed asset funds					
DfE/YPLA/EFA capital grant	-	1,220	(13)	-	1,207
Devolved Capital Grants	-	57	-	-	57
Donated on conversion	-	17,682	(333)	-	17,349
	-	18,959	(346)	-	18,613
Total restricted funds	-	29,997	(11,076)	(1,049)	17,872
Unrestricted funds	-	498	(210)	-	288
Total funds	-	30,495	(11,286)	(1,049)	18,160

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy

Other DfE/EFA Grants and other Government Grants include monies received outside of GAG funding and these Grants are all related to the furtherance of education within the Academy

Other income includes monies from trips, donations and other bodies

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme

Restricted fixed asset funds include capital grants and monies spent from the General Annual Grant on fixed assets. The donation represents the transfer of certain fixed assets into the Academy on conversion.

Unrestricted funds represent funds generated via activities such as the hire of school facilities and catering income. It also includes the brought forward surplus on conversion to academy status.

17 Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	18,623	18,623
Current assets	302	743	346	1,391
Current liabilities	(14)	(435)	(356)	(805)
Pension scheme liability	-	(1,049)	-	(1,049)
Total net assets	288	(741)	18,613	18,160

18 Capital commitments

**2012
£000**

Contracted for, but not provided in the financial statements 637

The Academy is contracted to building costs for construction of a new Language Block. This will be completed in the next financial year.

19 Financial commitments

Operating leases

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

	2012 £000
Other	
Expiring within one year	24
Expiring within two and five years inclusive	24
Expiring in over five years	-
	<u>48</u>

20 Reconciliation of net income to net cash inflow from operating activities

	2012 £000
Net income	19,175
Depreciation (note 13)	336
Capital grants from DfE/YPLA/EFA and other capital income	(18,959)
Interest receivable (note 5)	(2)
FRS 17 pension cost less contributions payable (note 27)	5
FRS 17 pension finance income (note 27)	29
(Increase)/decrease in stocks	-
(Increase)/decrease in debtors	(498)
(Increase)/decrease in creditors	804
Net cash inflow from operating activities	<u>890</u>

21 Returns on investments and servicing of finance

	2012 £000
Interest received	2
Net cash inflow from returns on investment and servicing of finance	<u>2</u>

22 Capital expenditure and financial investment

	2012 £000
Purchase of tangible fixed assets	(1,277)
Capital grants from DfE/YPLA/EFA	1,277
Net cash outflow from capital expenditure and financial investment	<u>-</u>

23 Analysis of changes in net funds

	At 1 May 2011 £000	Cash flows £000	At 31 August 2012 £000
Cash in hand and at bank	-	892	892
	<u>-</u>	<u>892</u>	<u>892</u>

24 Contingent Liabilities

As at 31st August 2012 the Academy is not aware of any contingent liabilities that may fall due

25 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

26 Pension and Similar Obligations

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 London Borough of Bromley 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 was 31 March 2004 and of the LGPS 31 March 2010

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

Teachers' Pension Scheme

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

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

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

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

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. 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

Local Government Pension Scheme

The academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the period ended 31 August 2012 was £331,936.91, of which employer's contributions totalled £261,393.70 and employees' contributions totalled £70,543.21. The agreed contribution rates for future years are 23.5% for employers and variable rates between 5.5% and 6.8% for employees.

Principal Actuarial Assumptions

	At 31 August 2012	At 1 May 2011
Rate of increase in salaries	4.1%	4.8%
Rate of increase for pensions in payment / inflation	1.9%	2.6%
Discount rate for scheme liabilities	3.9%	5.3%
Inflation assumption (CPI)	1.9%	2.6%
Commutation of pensions to lump sums	2.7%	3.4%

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

	At 31 August 2012
<i>Retiring today</i>	
Males	22.2
Females	26.2
<i>Retiring in 20 years</i>	
Males	24.4
Females	28.3

26 Pension and similar obligations (continued)
Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2012	Fair value at 31 August 2012 £000	Expected return at 2 May 2011	Fair value at 2 May 2011 £000
Equities	5.8%	1,020	7.0%	
Gilts	2.8%	38	1.2%	
Bonds	3.9%	178	5.3%	
Cash	0.5%	38	3.0%	
Total market value of assets		<u>1,274</u>		<u>838</u>
Present value of scheme liabilities				
- Funded		<u>(2,323)</u>		<u>(1,466)</u>
Surplus/(deficit) in the scheme		<u>(1,049)</u>		<u>(628)</u>

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 May 2011 for the year to 31 August 2012). The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The total expected return is expected to be 5.3% as at 31st August 2012 (6.6% as at 2nd May 2011).

The actual return on scheme assets was £116,000.

Amounts recognised in the statement of financial activities

	2012 £000
Current service cost (net of employee contributions)	261
Past service cost	
Total operating charge	<u>261</u>
Analysis of pension finance income / (costs)	
Expected return on pension scheme assets	(88)
Interest on pension liabilities	<u>117</u>
Pension finance income / (costs)	<u>29</u>

The actual 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 £387,000 loss.

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2012 £000
At 1 May	1,466
Current service cost	261
Past service cost	-
Interest cost	117
Employee contributions	69
Actuarial (gain)/loss	413
Curtailments and settlements	-
Benefits paid	(3)
At 31 August	<u>2,323</u>

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

	2012 £000
At 1 May	838
Expected return on assets	88
Actuarial gain/(loss)	26
Employer contributions	256
Employee contributions	69
Assets distributed on settlements	-
Transfer in of new members	-
Benefits paid	(3)
At 31 August	<u>1,274</u>

The estimated value of employer contributions for the year ended 31 August 2013 is £197,000

The five-year history of experience adjustments is as follows

	Period to 31 August 2012 £000	Period to 1 May 2011 £000
Present value of defined benefit obligations	(2,323)	1,466
Fair value of share of scheme assets	1,274	838
Surplus/(Deficit) in the scheme	<u>(1,049)</u>	<u>(628)</u>
Experience adjustments on share of scheme assets		
Amount £'000	26	-
% of asset	2.0%	-

Experience adjustments on scheme

liabilities

Amount £'000

% of asset

- -
- -

27 Conversion to an Academy Trust

On 1st May 2011 Bullers Wood School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bullers Wood School from the London Borough of Bromley Local Authority for nil consideration

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

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	17,682	17,682
Other tangible fixed assets				
LGPS pension surplus / (deficit)	-	(628)	-	(628)
Other identified assets and liabilities	266	181	-	447
Net assets / (liabilities)	<u>266</u>	<u>(447)</u>	<u>17,682</u>	<u>17,501</u>

The above net assets include £447,000 that was transferred as cash

28 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.

No such transactions however took place during the current period

29 Controlling party

The academy is controlled by the members