

REGISTERED COMPANY NUMBER: 07588418

Strategic Report, Report of the Governors and
Financial Statements for the Year Ended 31 August 2016
for
Bullers Wood School

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Bullers Wood School

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for the Year Ended 31 August 2016

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Bullers Wood School

Reference and Administrative Details
for the Year Ended 31 August 2016

GOVERNORS & MEMBERS

Mr L J Webb (Governor Appointed) (Chairman until resigned 17.10.16)
Mr B G Walker (Governor Appointed) (Vice Chairman until resigned 17.10.16) *
Mr M B Anderson (Community)
Mr M F Bishopp (Staff)
Mr D A Black (Parent)
Mr D Chandler (Parent) (resigned 19.11.16)
Mr J M Critchley (Staff) (resigned 28.9.15)
Mrs C J Goodwin (Governor Appointed)
Mr B Greene (Headteacher) *
Mrs H Hatch (Staff - covering R Wiffen) (appointed 27.6.16) (resigned 31.8.16)
Mrs T Hoang (Parent) *
Mr D C Hullah (Parent)
Mr A H Johnson (L.A Governor) *
Mr P R Selby (Governor Appointed) (Vice Chairman from 17.10.16)
Mrs S Simons (Governor Appointed) (Chairman from 17.10.16)
Mrs H Van Teutem (Staff - covering R Wiffen) (appointed 21.9.16)
Mr J S Ward (Governor Appointed) *
Ms R Wiffen (Staff) (maternity leave from 26.5.16)
Mr E H Wood (Governor Appointed)

* members of the Finance and Audit Committee

REGISTERED OFFICE

St Nicolas Lane
Logs Hill
Chislehurst
Kent
BR7 5LJ

REGISTERED COMPANY NUMBER 07588418

INDEPENDENT AUDITORS

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

Bullers Wood School

Reference and Administrative Details
for the Year Ended 31 August 2016

SENIOR MANAGEMENT TEAM

Mr B Greene (Headteacher)
Mrs D Carter (Deputy Headteacher) until 31.08.16
Ms A Gouldthorpe (Deputy Headteacher)
Mrs J Lile (Deputy Headteacher) from 01.04.16

BANKERS & SOLICITORS

Lloyds Bank PLC
6-8 High Street
Bromley
BR1 1NA

Veale Wasbrough Vizards
Barnards Inn
86 Fetter Lane
London EC4A 1AD

Bullers Wood School

Strategic Report for the Year Ended 31 August 2016

The Governors present their strategic report for the year ended 31 August 2016.

REVIEW OF BUSINESS

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.

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 in year deficit, before the actuarial losses on defined benefit pension schemes and transfers, of £209,000. This in year deficit is offset against the previous year's surplus operating funds. The Academy Trust will continue to implement tight budgeting and budget control procedures in order to manage the carried forward surplus funds.

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 (inherited from the Local Authority) was £628,000 and £1,312,000 as at 31st August 2015.

The defined pension scheme for the associate staff had a deficit of £2,414,000 as at the year-end as valued by FRS102. The increase in the deficit is due to the decrease in the discount rate during the year, offset slightly by a smaller reduction in the CPI inflation assumptions. These changes have led to a large increase in the Defined Benefit Obligations, ie the value placed on the liabilities, as at 31st August 2016. This impact is shown under 'Remeasurements' in note 20. This deficit is being repaid via higher employer contributions which are determined by the triennial valuation of the funds.

PRINCIPAL RISKS AND UNCERTAINTIES

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

The continuing increase in the size of the Local Government Pension Fund deficit is also considered to be a major uncertainty.

PLANS FOR FUTURE PERIODS

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.

Bullers Wood School will continue to work to improve the performance of 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 employment.

Bullers Wood School aims to continue its work in taking the teaching and learning of languages into the community at local Primary Schools. 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.

Bullers Wood School

Strategic Report
for the Year Ended 31 August 2016

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. Accordingly, the School will continue to seek funds from a variety of sources in order to improve its facilities.

The Governors continue to work with the Education Funding Agency, the London Borough of Bromley and our Contractors towards opening Bullers Wood School for Boys, a comprehensive Free School to provide an academic education for boys within the borough of Bromley.

Approved by order of the Board of Governors on 13TH DECEMBER 2016 and signed on its behalf by:

S. Simons

Mrs S Simons - Chairman

Bullers Wood School (Registered number: 07588418)

Report of the Governors
for the Year Ended 31 August 2016

The Governors who are also directors of the Academy for the purposes of the Companies Act 2006, present their report with the financial statements of the Academy for the year ended 31 August 2016. The Governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education Funding Agency.

OBJECTIVES AND ACTIVITIES

Structure, Governance and Management

Governing Document

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)). It operates an Academy for pupils aged 11-18 in Chislehurst.

Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on Pages 1 and 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.

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 was £10,000,000 to 30th April 2015, and £5,000,000 since joining the EFA's Risk Protection Arrangement (RPA) on 1st May 2015.

Recruitment and appointment of new Governors

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

Governor Appointed Governors: Up to eight Governor Appointed Governors (formerly known as Community/Co-Opted Governors) can be appointed by the Governing Board. Governor Appointed 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 Governor Appointed Governors will be posted on the School's web site. Anyone expressing an interest in becoming a Governor Appointed 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 Board. Organisations such as Academies Ambassadors and the School Governors' One Stop Shop are also consulted for suitable applicants. The Governors may not appoint an employee of Bullers Wood School as a Governor Appointed 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: Up to four Parent Governors are elected by other parents/carers 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 Board 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 Board 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.

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.

OBJECTIVES AND ACTIVITIES

Structure, Governance and Management

Introduction and training of new 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 Board 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 Board has subscribed to Octavo Partnership Governor Support programme for 2016-17. This Agreement allows for any or all of the members of the Governing Board to attend any of the training courses provided by Octavo.

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 Board are strongly encouraged to undertake specific training.

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

Organisational structure

Before conversion to Academy status on 1st 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 Board was structured to undertake similar roles to those required of the Governors of an Academy. Consequently, whilst the extra responsibilities of the Governing Board 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 Board have been delegated to a small number of Committees, as defined in the School's Standing Orders. The full Governing Board 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, Heads of Year 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 Board, and implemented as procedures and systems by the SLT and other designated members of staff.

During the period 1st September 2015 to 31st August 2016 the full Governing Board met seven times; the Finance & Audit Committee met seven times; the Achievement & Curriculum Committee met six times; the Buildings, Health & Safety Committee met five times; the Pupils, Parents & Community Committee met six times and the Pay & Performance Committee met four times.

The Academy complies with the STPCD regarding the ranges applied to schools and Leadership. By complying with STPCD, the salary range for AHT and DHTs are compatible with other local schools. The Pay & Performance Committee review changes to Leadership ranges on the recommendation of the Headteacher. With regard to the salary for the Headteacher, identified Governors together with an external adviser meet to review the previous year's performance and set targets for the following year. Salary recommendations are discussed at the full Governing Board meetings.

Report of the Governors
for the Year Ended 31 August 2016

OBJECTIVES AND ACTIVITIES

Structure, Governance and Management

Employees and Disabled Persons

The Academy is an Equal Opportunities Employer and its Equalities Policy was adopted by Governors in June 2016. 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.

Related parties and Register of interests

There were no related party transactions to report for this period.

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 Board or a Committee. Where an interest has been declared, Governors and staff should not attend that part of any committee or other meeting.

Risk management

The Governors have a duty to identify and review the risks to which the Academy is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Report of the Governors
for the Year Ended 31 August 2016

OBJECTIVES AND ACTIVITIES

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 its most recent inspection in May 2011

Significant activities

The School aims to enhance all students' educational experiences, to develop independent learners with transferable 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's values
- respond to students' worries and communicate concerns about attendance or problems that affect a student'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 or praiseworthy events within a reasonable timescale
- respond positively to parents' concerns and complaints
- maintain a pleasant working environment

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.

The School undertakes a continuing programme of foreign language tuition at a number of its local, feeder primary schools.

The School continues to work with other local Schools, primary and secondary, on a number of short term projects and partnerships.

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.

Report of the Governors
for the Year Ended 31 August 2016

ACHIEVEMENT AND PERFORMANCE

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 in 2016 at grades A*-C was 86%, and 81% including English and Mathematics. RAISEonline was expected to grade the School sig+, and place Bullers Wood in the top 10% of Comprehensive Schools.

Progress measures to note are as follows:

- Attainment 8 = 5.9 (B)
- Progress 8 = 0.3
- % achieving 5 A*-C in EBAC subjects = 63.3% (with 81% of the cohort following this suite of subjects)
- % achieving A*-C in English = 94.4%
- % achieving A*-C in Mathematics = 85.1%
- % achieving A*-C in English & Mathematics = 83.7%

Key Stage 5 (A2)

In Key Stage 5, attainment and achievement are strong, but slightly reduced since 2014-15. 52.2% of grades were secured at A*/B and 9.1% at A*/A. The 3-year ALPS T-score has remained 'red', but the one-year ALPS score for 2015-16 has slipped from 3 (red - excellent) to 5 (black - good).

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.

Key Performance Indicators

An analysis of Key Financial Performance indicators are set out as below:

Key Performance Indicator	2015/16	2014/15
Teachers & Educational Support Costs % of GAG Income	81.39%	76.70%
Total Pay % of GAG Income	92.57%	87.73%
Teachers' Pay % of Total Revenue Income	77.12%	72.39%
Total Pay % of Total Revenue Income	87.72%	82.81%
Teaching & Educational Support Staff Costs/Student	£3,942	£4,059
Total Staff Costs/Student	£4,484	£4,643
Net Incoming Resources (excl Voluntary Fund) as % of GAG Income	-2.63%	4.11%

Going concern

After making appropriate enquiries, the Governing Board 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.

FINANCIAL REVIEW

Reserves Policy

The Governors determine the appropriate level of reserves on an annual basis. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected situations such as urgent maintenance work. The Governors' Finance & Audit Committee has reviewed the reserve levels and believe that they should provide sufficient working capital.

Report of the Governors
for the Year Ended 31 August 2016

FINANCIAL REVIEW

Investment policy and objectives

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.

Funds Held as Custodian for Others

During the year from 1st September 2015 to 31st August 2016 Bullers Wood School did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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
3. Operational Risk
4. Strategic Risk

Systems and procedures have been developed to manage and mitigate these risks.

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.

AUDITORS

In so far as the Governors are aware:

- There is no relevant audit information of which the Academy's auditors are unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Nichols & Co (Accountancy) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Governors on 13TH DECEMBER 2016 and signed on its behalf by:

S. Simons
Mrs S Simons - Chairman

Bullers Wood School

Governance Statement for the Year Ended 31 August 2016

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 of loss.

The Governing Board has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring that 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. The accounting officer is also responsible for reporting to the Governing Board any material weaknesses or breakdowns in internal control.

Governance

Bullers Wood School Governing Board comprises:

- 7 Governor Appointed Governors
- 1 Local Authority Governor
- 4 Parent Governors
- 3 Staff Governors

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

- Achievement & Curriculum
- Buildings, Health & Safety
- Finance & Audit
- Pupils, Parents & Community
- Pay & Performance

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 exclusion. 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 Board has formally met seven times during the period 1st September 2015 to 31st August 2016. Attendance during the year at meetings of the Governing Board was as follows:

Governor	Meetings attended	Out of a possible
Mr L J Webb (Chairman – resigned 17.10.16)	6	7
Mr B G Walker (Vice Chairman – resigned 17.10.16)	5	7
Mr M B Anderson	7	7
Mr M F Bishopp (Staff)	6	7
Mr D A Black	7	7
Mr D Chandler	7	7
Mrs C J Goodwin	7	7
Mr B Greene (Headteacher & Accounting Officer)	7	7
Mrs H Hatch	2	2
Mrs T Hoang	4	7
Mr D C Hullah	7	7
Mr A H Johnson	6	7
Mr P R Selby (Vice Chairman – appointed 17.10.16)	7	7
Mrs S Simons (Chairman – appointed 17.10.16)	6	7
Mr J S Ward	6	7
Mr R Wiffen	5	5
Mr E H Wood	5	7

The Internal Audit function was carried out by Liberata, formerly the London Borough of Bromley.

Bullers Wood School

Governance Statement for the Year Ended 31 August 2016

Governance Review

During the course of the year, the Board of Governors continued to carry out a review of their effectiveness. As a result, Governors were invited to link with a senior member of staff responsible for each of the School Improvement Plan priorities for 2015-16, conduct a monitoring visit and forward a written report on their findings to the appropriate Committee.

The Finance and Audit Committee is a sub-committee of the main Governing Body. Its purpose is:

- To keep under review financial planning 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 Board.
- To monitor the budget and the links to the school development plan and ensure a termly report to the Governing Board.
- To provide annual reports as required to the LA or the Education Funding Agency (EFA).
- To complete the Academy Financial Management and Governance Evaluation and recommend to the Governing Board.
- To keep under review the scheme of delegation in financial matters including the level of delegation to the Headteacher for the day-to-day financial management of the Academy and to present to the Governing Board any recommendations for change.

Attendance at meetings during the period 1st September 2015 to 31st August 2016 was as follows:

Governor	Meetings attended	Out of a possible
Mr B G Walker (Chairman)	5	5
Mr B Greene (Headteacher and Accounting Officer)	5	5
Mrs T Hoang	3	5
Mr A Johnson JP	4	5
Mr J S Ward	5	5

Review of Value for Money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy reviewed and where possible improved value for money during the year by:

1. 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. Full details available on the Bullers Wood School website <http://www.bwsgirls.org>.

Bullers Wood School aims to improve the achievements of its students not only in academic subjects but also in extracurricular 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.

Headline measures for 2015-2016 were:

- % achieving A*-C in English & Mathematics: 83.7% (81% in 2015)
- % achieving EBAC: 63.3% (54% in 2015)
- Progress 8: +0.3 (ie students at Bullers Wood achieved +0.3 grade higher than other schools with students of similar ability on entry) - shadow data for 2015 showed +0.5
- Attainment 8: B (C in 2015)
- Closing the Gaps: English -0.5 (-0.9 in 2015 using new scoring system); Mathematics -0.7 (-1.3 in 2015 using new scoring system)

Bullers Wood School

Governance Statement for the Year Ended 31 August 2016

Review of Value for Money

Bullers Wood Summer School

The summer school follows the DfE guidelines and Ofsted recommendations, with the following aims;

- Make the difficult leap from year 6 to 7 successfully and addressing the social/emotional/all aspects of the transition.
- To allow pupils to see their new school environment.
- To enable teachers and the school SENCO to familiarise themselves with their new pupils, including identifying any additional needs they may have.
- To improve the educational attainment of both main stream and disadvantaged students (PP, SEN, EAL, and LAC), ensuring gains in primary school are not lost on transfer.
- Promote parental engagement

The programmes for this year August 2016, included STEM, English, Mathematics, sports and team building activities daily.

The impact is shown in two ways, firstly settling into school less anxiety and issues directly linked to social and emotional stability and secondly seeing a reduced dip in attainment from KS2 data after the first data collection.

2. Robust governance and oversight of Academy Trust finances

Bullers Wood School uses the services of Liberata, formerly the London Borough of Bromley Audit Department to carry out the Internal Audit and report on a termly basis to the Governing Board.

The Finance and Audit Committee meet on a termly basis and all financial reports are reviewed and discussed.

The School's Financial Procedures cover all aspects of the ordering, payment procedures, budgetary responsibilities and controls, charge card procedures, recording and checking of the Academy Assets and petty cash claim procedures and comply with the EFA's Academies Handbook. The Scheme of Delegation Policy also ensures the segregation of duties and correct authorisation levels for budget holders and approved signatures as per the Bank Mandate.

The full Governing Board approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'.

The Governing Board also receives and approves the Annual Accounts and the External Auditors Management Report.

3. Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources

The Academy ensures that it provides good value for money by seeking quotes for all purchases and contracts that are over £5000 and also comparing prices of resources and services with other local schools and Academies on a regular basis. The Academy is also part of a local Academy/Schools cluster group who receive regular discounts from an educational supplier.

Bullers Wood School also ensures that it collaborates and shares good practise with other schools by being part of the following organisations:

Bromley Schools Collegiate

A highly respected partnership of Secondary and Primary schools that offers outstanding practical teacher training to QTS which enables the School to sustain our staff pool and to develop best practice in teaching and learning.

PiXL

A collaboration of school leaders with access to vibrant, purposeful conferences and networks of people complemented by online resources, training opportunities and development programmes.

RAPT

The vision is for a partnership of academies that will serve children and their families and carers, by providing the best possible opportunities for the academic, physical, emotional, social and cultural development of every child and young person.

4. Maximising income generation

Bullers Wood School explores every opportunity to generate income through hire of Academy facilities.

Bullers Wood School

Governance Statement

for the Year Ended 31 August 2016

Review of Value for Money

5. Reviewing controls and managing risks.

The Governing Board have assessed the major risks to which the Academy is exposed with guidance from the Academies Financial Handbook, particularly with regard to Financial Risk, Compliance, Operational Risk and Strategic Risk. Systems and procedures have been developed to manage and mitigate these risks. The Risk Management Policy is discussed at every Governing Board committee meeting.

The Academy subscribes to the Local Authority 'Evolve' system that assesses the risk of trips and controls have been put in place to ensure all types of school trips are assessed according to the standards set by the Government.

Budget monitoring reports are produced and reviewed on a monthly basis by the Accounting Officer and at the Finance & Audit meetings on a termly basis and any necessary remedial action taken to address any significant variances that may have an impact on the budget outturn.

6. Reviewing operation to maximise use of resources.

The Governing Board and Staff representatives hold Vision & Strategy meetings and workshops in order to recognise and plan for the long-term future of the Academy and any new strategies identified in the Academy Development Plan.

The Academy Trust felt that it needed to improve the level of recruitment of students into Year 12 following the reduced numbers in September 2014. This was implemented and achieved in September 2015 and 2016.

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 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 Bullers Wood School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which the Academy 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's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 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 Board;
- regular reviews by the Finance & Audit 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 2015.

Bullers Wood School

Governance Statement for the Year Ended 31 August 2016

The Risk and Control Framework

The Governing Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Liberata, formerly the Audit Department at the London Borough of Bromley to perform the Internal Audit function. The Internal Auditor'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 Internal Auditor reports to the Governing Board on the operation of the systems of control and on the discharge of the Governing Board's financial responsibilities.

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

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 Audit Committee;
- the internal audit;
- the 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 & Audit 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 Board of Governors on 13TH DECEMBER 2016 and signed on its behalf by:


.....
Mrs S Simons - Chairman


.....
Mr B Greene - Accounting Officer

Bullers Wood School

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2016

As accounting officer of Bullers Wood School I have considered my responsibility to notify the Academy 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 and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Board of Governors are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2015.

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 EFA.



.....
Mr B Greene - Accounting Officer

13.12.16

Date:

Bullers Wood School

Statement of Governors Responsibilities for the Year Ended 31 August 2016

The Governors (who act as trustees of Bullers Wood School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors including the Strategic Report 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 and of the incoming resources and application of resources, including the income and expenditure, of the Academy 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 2005 and the Academies Accounts Direction 2015 to 2016;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 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 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.

In so far as the Governors are aware:

- there is no relevant audit information of which the Academy's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included in the Academy'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 Board of Governors on 15th DECEMBER 2016 and signed on its behalf by:

S. S.

Mrs S Simons - Chairman

Report of the Independent Auditors to the Members of
Bullers Wood School (Registered number: 07588418)

We have audited the financial statements of Bullers Wood School for the year ended 31 August 2016 on pages twenty three to forty nine. 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 2015 to 2016 issued by the Education Funding Agency (EFA).

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and the Academy'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 Responsibilities set out on page eighteen, 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'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 Strategic Report and 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's affairs as at 31 August 2016 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 Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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
Bullers Wood School (Registered number: 07588418)

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.



Steven Nichols (Senior Statutory Auditor)
for and on behalf of Nichols & Nichols & Co (Accountancy) Limited
Chartered Accountants
and Registered Auditors
Unit 7
Mulberry Place
Pinnell Road
Eltham
London
SE9 6AR

Date: 13/12/2016

Independent Reporting Accountant's Assurance Report on Regularity to
Bullers Wood School and the Education Funding Agency (Registered number: 07588418)

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 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bullers Wood School during the period 1 September 2015 to 31 August 2016 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 Bullers Wood School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bullers Wood School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bullers Wood School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bullers Wood School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bullers Wood School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- review of management reporting documents
- review of trustees'/Governors' minutes
- review of bank reconciliations and controls over purchasing
- confirming compliance with the Academy's Scheme of Delegation
- adherence with tendering policies

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Nichols & Co (Accountancy) Ltd.

Nichols & Co (Accountancy) Limited
Chartered Accountants
Unit 7
Mulberry Place
Pinnell Road
Eltham
London
SE9 6AR

Date:

13/12/2016

Bullers Wood School

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2016


					31.8.16	31.8.15
	Notes	Unrestricted fund £'000	Restricted fixed asset funds £'000	Restricted general funds £'000	Total funds £'000	Total funds £'000
INCOME AND						
ENDOWMENTS FROM						
Donations and capital grants	2	70	32	-	102	484
Charitable activities						
Funding for the Academy's educational operations	3	-	-	7,807	7,807	8,248
Other trading activities	4	17	-	-	17	16
Investment income	5	2	-	-	2	2
Other income	6	473	-	416	889	889
Total		562	32	8,223	8,817	9,639
 EXPENDITURE ON						
Charitable activities						
Academy's educational operations		487	299	8,507	9,293	9,188
NET						
INCOME/(EXPENDITURE)		75	(267)	(284)	(476)	451
Transfers between funds	19	(25)	25	-	-	-
 Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	-	(1,053)	(1,053)	(79)
Net movement in funds		50	(242)	(1,337)	(1,529)	372
 RECONCILIATION OF						
FUNDS						
Total funds brought forward		76	19,034	(259)	18,851	18,479
 TOTAL FUNDS CARRIED						
FORWARD						
		126	18,792	(1,596)	17,322	18,851

The notes form part of these financial statements

Statement of Financial Position
At 31 August 2016

	Notes	31.8.16 £'000	31.8.15 £'000
FIXED ASSETS			
Tangible assets	14	18,743	18,687
CURRENT ASSETS			
Debtors	15	121	80
Cash at bank		<u>1,531</u>	<u>2,065</u>
		1,652	2,145
CREDITORS			
Amounts falling due within one year	16	(659)	(669)
NET CURRENT ASSETS		<u>993</u>	<u>1,476</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,736	20,163
PENSION LIABILITY	20	(2,414)	(1,312)
NET ASSETS		<u>17,322</u>	<u>18,851</u>
FUNDS	19		
Unrestricted funds		126	76
Restricted funds:			
General Annual Grant (GAG)		287	569
Other DfE/YPLA/EFA grants		149	94
Other government grants		100	101
Other income		123	162
Pension reserve		(2,414)	(1,312)
DfE/YPLA/EFA capital grant		2,294	2,342
Devolved Capital grants		144	89
Donated on conversion		16,354	16,603
Bullers Wood Boys		<u>159</u>	<u>127</u>
		17,196	18,775
TOTAL FUNDS		<u>17,322</u>	<u>18,851</u>

The financial statements were approved by the Board of Governors on 13TH DECEMBER 2016 and were signed on its behalf by:


Mrs S Simons - Chairman

The notes form part of these financial statements

Bullers Wood School

Statement of Cash Flows
for the Year Ended 31 August 2016

	Notes	31.8.16 £'000	31.8.15 £'000
Cash flows from operating activities:			
Cash generated from operations	1	<u>(216)</u>	<u>491</u>
Net cash provided by (used in) operating activities		<u>(216)</u>	<u>491</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(366)	(174)
Capital grants from DfE/EFA		32	462
Sale of tangible fixed assets		14	12
Interest received		<u>2</u>	<u>2</u>
Net cash provided by (used in) investing activities		<u>(318)</u>	<u>302</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(534)	793
Cash and cash equivalents at the beginning of the reporting period		<u>2,065</u>	<u>1,272</u>
Cash and cash equivalents at the end of the reporting period		<u>1,531</u>	<u>2,065</u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 August 2016

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.16 £'000	31.8.15 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(476)	451
Adjustments for:		
Depreciation	299	292
Capital grants from DfE/EFA	(32)	(461)
Interest received	(2)	(2)
(Increase)/decrease in debtors	(44)	99
(Decrease)/increase in creditors	(10)	72
Difference between pension charge and cash contributions	<u>49</u>	<u>40</u>
Net cash provided by (used in) operating activities	<u>(216)</u>	<u>491</u>

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Bullers Wood School meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Bullers Wood School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2015. The financial statements of Bullers Wood School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

GOING CONCERN

The trustees 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 trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1. ACCOUNTING POLICIES - continued

INCOME

All incoming resources are recognised when the Academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

GRANTS

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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.

SPONSORSHIP INCOME

Sponsorship income provided to the Academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

DONATIONS

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable 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 Academy trust has provided the goods or services.

DONATED GOODS, FACILITIES AND SERVICES

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy trust's accounting policies.

INTEREST RECEIVABLE

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

1. ACCOUNTING POLICIES - continued

EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

RAISING FUNDS

This includes all expenditure incurred by the Academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

CHARITABLE ACTIVITIES

These are costs incurred on the Academy trust's educational operations, including support costs and costs relating to the governance of the Academy trust apportioned to charitable activities.

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.

LIABILITIES

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

PROVISIONS

Provisions are recognised when the Academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

LEASED ASSETS

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

STOCKS

Stock items are valued at the lower of cost or net realisable value where the value is over £500.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

1. ACCOUNTING POLICIES - continued

FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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/Department for Education where the asset acquired or created is held for a specific purpose.

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

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

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.

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 quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted	Restricted	31.8.16	31.8.15
	funds	funds	Total	Total
	£'000	£'000	funds	funds
	£'000	£'000	£'000	£'000
Donations	54	-	54	-
Devolved Capital Grant	-	32	32	30
Academy main building grants	-	-	-	432
Fundraising events	16	-	16	22
	<u>70</u>	<u>32</u>	<u>102</u>	<u>484</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted	Restricted	31.8.16 Total	31.8.15 Total
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
General Annual Grant (GAG)	-	7,384	7,384	7,785
Insurance grant	-	-	-	7
Other EFA grants	-	349	349	407
SEN from LA	-	38	38	27
Local authority grants	-	36	36	22
	<u>-</u>	<u>7,807</u>	<u>7,807</u>	<u>8,248</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted	Restricted	31.8.16 Total	31.8.15 Total
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
Hire of facilities	<u>17</u>	<u>-</u>	<u>17</u>	<u>16</u>

5. INVESTMENT INCOME

	Unrestricted	Restricted	31.8.16 Total	31.8.15 Total
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
Deposit account interest	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>

6. OTHER INCOME

	Unrestricted	Restricted	31.8.16 Total	31.8.15 Total
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
Exam Fees	-	19	19	16
Catering Income	458	-	458	361
Academy trips	-	317	317	379
SCITT	-	11	11	54
Sundry income	<u>15</u>	<u>69</u>	<u>84</u>	<u>79</u>
	<u>473</u>	<u>416</u>	<u>889</u>	<u>889</u>

Bullers Wood School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

7. EXPENDITURE

				31.8.16	31.8.15
	Staff costs	Non-pay expenditure			
	£'000	Premises	Other costs	Total	Total
	£'000	£'000	£'000	£'000	£'000
Charitable activities					
Academies educational operations					
Direct costs	6,021	296	948	7,265	7,193
Allocated support costs	<u>827</u>	<u>565</u>	<u>636</u>	<u>2,028</u>	<u>1,995</u>
	<u>6,848</u>	<u>861</u>	<u>1,584</u>	<u>9,293</u>	<u>9,188</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.16	31.8.15
	£'000	£'000
Auditors' remuneration	10	10
Accountancy	5	5
Other non-audit services	2	2
Depreciation - owned assets	296	293
Operating leases - other	<u>27</u>	<u>27</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

			31.8.16	31.8.15
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
Direct costs	40	7,225	7,265	7,193
Support costs	<u>446</u>	<u>1,582</u>	<u>2,028</u>	<u>1,995</u>
	<u>486</u>	<u>8,807</u>	<u>9,293</u>	<u>9,188</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	31.8.16	31.8.15
	Total	Total
	£'000	£'000
Analysis of support costs		
Support staff costs	827	859
Depreciation	3	3
Premises costs	565	572
Other support costs	616	544
Governance costs	<u>17</u>	<u>17</u>
Total support costs	<u><u>2,028</u></u>	<u><u>1,995</u></u>

9. SUPPORT COSTS

	Management	Governance	Totals
	£'000	costs	£'000
		£'000	£'000
Academy's educational operations	<u>2,011</u>	<u>17</u>	<u>2,028</u>
	<u><u>2,011</u></u>	<u><u>17</u></u>	<u><u>2,028</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

10. GOVERNORS' REMUNERATION AND BENEFITS

The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments or expenses from the Academy in respect of their role as Governors. The values of Governors' remuneration was as follows (apportioned for the dates as Governor);

B Greene (Headteacher)	
Remuneration	£100,001 - £105,000 (2015: £60,001 - £65,000)
Employer's pension contributions	£15,001 - £20,000 (2015: £5,001 - £10,000)
M Bishopp (Staff Governor)	
Remuneration	£45,001 - £50,000 (2015: £45,001 - £50,000)
Employer's pension contributions	£10,001 - £15,000 (2015: £10,001 - £15,000)
J Critchley (Staff Governor - to 29.09.15)	
Remuneration	£1 - £5,000 (2015: £35,001 - £40,000)
Employer's pension contributions	£1 - £5,000 (2015: £5,001 - £10,000)
R Wiffen (Staff Governor from 29.09.15 - 27.05.16)	
Remuneration	£15,001 - £20,000 (2015: £nil)
Employer's pension contributions	£1 - £5,000 (2015: £nil)
H Hatch (Staff Governor appointed 27.05.16 – resigned 31.08.16)	
Remuneration	£10,001 - £15,000 (2015: £nil)
Employer's pension contributions	£1 - £5,000 (2015: £nil)
C Goodwin (Parent Governor)	
Remuneration	£1 - £5,000 (2015: £1 - £5,000)
Employer's pension contributions	£nil (2015: £nil)

Other related party transactions involving the trustees are set out in note 22.

GOVERNORS' EXPENSES

During the period ended 31 August 2016, expenses totalling £1,237 (2015: £5,216) were reimbursed to 2 Governors (2015: 3) for travel costs and premises costs.

KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Governors and Senior Management Team as listed on Page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £514,204 (2015: £518,076)

11. STAFF COSTS

	31.8.16	31.8.15
	£'000	£'000
Wages and salaries	5,446	5,537
Social security costs	406	390
Other pension costs	<u>918</u>	<u>833</u>
	6,770	6,760
Supply teacher costs	29	30
Pension finance costs	<u>49</u>	<u>40</u>
	<u>6,848</u>	<u>6,830</u>

The average number of persons (including senior management team) employed by the Academy during the year was as follows:

	31.8.16	31.8.15
Teachers	106	109
Admin	54	57
Management	<u>4</u>	<u>4</u>
	<u>164</u>	<u>170</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.8.16	31.8.15
£60,001 - £70,000	2	3
£70,001 - £80,000	2	3
£100,001 - £110,000	<u>1</u>	<u>-</u>
	<u>5</u>	<u>6</u>

All 5 (2015: all 6) all of the above employees participated in the Teacher's Pension Scheme.

12. GOVERNORS' AND OFFICERS' INSURANCE

Risk Protection Arrangement (RPA)

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £5,000,000. Under the terms of the arrangement no insurance premium is paid, however a contribution of £25 per pupil is made by way of reduction to the General Annual Grant. It is not possible to quantify the Governors and Officers indemnity element from the overall cost of the RPA scheme.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £'000	Restricted fixed asset funds £'000	Restricted general funds £'000	Total funds £'000
INCOME AND				
ENDOWMENTS FROM				
Donations and capital grants	22	462	-	484
Charitable activities				
Funding for the Academy's educational operations	-	-	8,248	8,248
Other trading activities	16	-	-	16
Investment income	2	-	-	2
Other income	<u>382</u>	<u>-</u>	<u>507</u>	<u>889</u>
Total	422	462	8,755	9,639
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	<u>380</u>	<u>292</u>	<u>8,516</u>	<u>9,188</u>
NET INCOME/(EXPENDITURE)	42	170	239	451
Transfers between funds	<u>(45)</u>	<u>45</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>-</u>	<u>(79)</u>	<u>(79)</u>
Net movement in funds	(3)	215	160	372
RECONCILIATION OF FUNDS				
Total funds brought forward	79	18,819	(419)	18,479
TOTAL FUNDS CARRIED FORWARD	<u>76</u>	<u>19,034</u>	<u>(259)</u>	<u>18,851</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

14. TANGIBLE FIXED ASSETS

	Freehold property £'000	Computer equipment £'000	Totals £'000
COST			
At 1 September 2015	19,867	16	19,883
Additions	366	-	366
Disposals	(14)	-	(14)
At 31 August 2016	<u>20,219</u>	<u>16</u>	<u>20,235</u>
DEPRECIATION			
At 1 September 2015	1,183	13	1,196
Charge for year	<u>293</u>	<u>3</u>	<u>296</u>
At 31 August 2016	<u>1,476</u>	<u>16</u>	<u>1,492</u>
NET BOOK VALUE			
At 31 August 2016	<u>18,743</u>	<u>-</u>	<u>18,743</u>
At 31 August 2015	<u>18,684</u>	<u>3</u>	<u>18,687</u>

The additions to Land and Buildings in the year relate to works on a new canopy, and the completion of works and repairs on the school building roof.

The disposal of Land and Buildings in the year relates to costs accrued in prior years for the completion of the school's new language building that did not materialise.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16 £'000	31.8.15 £'000
VAT	4	9
Prepayments and accrued income	<u>117</u>	<u>71</u>
	<u>121</u>	<u>80</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16	31.8.15
	£'000	£'000
Social security and other taxes	246	234
Accruals and deferred income	<u>413</u>	<u>435</u>
	<u>659</u>	<u>669</u>

Deferred income

	2016
	£'000
Deferred income at 31 August 2015	90
Resources deferred in the year	94
Amounts released from previous years	<u>(90)</u>
Deferred income at 31st August 2016	<u>94</u>

At the balance sheet date the Academy trust was holding funds received in advance for lettings booked for September 2016, an EFA rates grant for 2016/17, EFA Devolved Capital funding for 2016/17 and an EFA Pre-opening grant for 2016/17 in respect of Bullers Wood Boys.

Operating Leases

The following operating lease payments are committed to be paid:

Other	2016	2015
	£'000	£'000
Expiring within one year	8	20
Expiring within two and five years inclusive	-	8
Expiring in over five years	<u>-</u>	<u>-</u>
	<u>8</u>	<u>28</u>

17. 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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				31.8.16	31.8.15
	Unrestricted	Restricted	Restricted	Total funds	Total funds
	fund	fixed asset	general funds		
	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	18,743	-	18,743	18,687
Current assets	228	94	1,330	1,652	2,145
Current liabilities	(102)	(45)	(512)	(659)	(669)
Pension liability	-	-	(2,414)	(2,414)	(1,312)
	<u>126</u>	<u>18,792</u>	<u>(1,596)</u>	<u>17,322</u>	<u>18,851</u>

19. MOVEMENT IN FUNDS

	At 1.9.15	Net movement	Transfers	At 31.8.16
	£'000	in funds	between funds	£'000
		£'000	£'000	
Unrestricted funds				
General fund	76	75	(25)	126
Restricted funds				
General Annual Grant (GAG)	569	(282)	-	287
Other DfE/YPLA/EFA grants	94	55	-	149
Other government grants	101	(1)	-	100
Other income	162	(39)	-	123
Pension reserve	(1,312)	(1,102)	-	(2,414)
DfE/YPLA/EFA capital grant	2,342	(48)	-	2,294
Devolved Capital grants	89	30	25	144
Donated on conversion	16,603	(249)	-	16,354
Bullers Wood Boys	<u>127</u>	<u>32</u>	<u>-</u>	<u>159</u>
	18,775	(1,604)	25	17,196
TOTAL FUNDS	<u>18,851</u>	<u>(1,529)</u>	<u>-</u>	<u>17,322</u>

Bullers Wood School

Notes to the Financial Statements - continued for the Year Ended 31 August 2016

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	562	(487)	-	75
Restricted funds				
General Annual Grant (GAG)	7,398	(7,680)	-	(282)
Other DfE/YPLA/EFA grants	236	(181)	-	55
Other government grants	63	(64)	-	(1)
Other income	414	(453)	-	(39)
DfE/YPLA/EFA capital grant	-	(48)	-	(48)
Devolved Capital grants	32	(2)	-	30
Bullers Wood Boys	112	(80)	-	32
Pension reserve	-	(49)	(1,053)	(1,102)
Donated on conversion	-	(249)	-	(249)
	8,255	(8,806)	(1,053)	(1,604)
TOTAL FUNDS	<u>8,817</u>	<u>(9,293)</u>	<u>(1,053)</u>	<u>(1,529)</u>

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. Under the funding agreements with the Secretary of State, the Academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August.

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 include 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.

TRANSFERS BETWEEN FUNDS

Fund transfers in the period were: £24,650 from unrestricted funds to the fixed asset fund, relating to the new canopy built in the year.

20. PENSION AND SIMILAR OBLIGATIONS

The Academy trust's employees belong to two principle 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 multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £114,824 (2015: £110,111) were payable to the schemes at 31st August 2016 and are included within creditors.

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of £10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,118,479 (2015: £1,043,217).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

20. PENSION AND SIMILAR OBLIGATIONS
- continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £274,049 (2015: £280,877), of which employer's contributions totalled £218,844 (2015: £244,556) and employees' contributions totalled £55,205 (2014: £55,205). The agreed contribution rates for future years are 24.3% for employers and between 5.5% and 6.8% for employees.

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

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£'000	£'000
Present value of funded obligations	(5,216)	(3,322)
Fair value of plan assets	<u>2,802</u>	<u>2,010</u>
	<u>(2,414)</u>	<u>(1,312)</u>
Deficit	<u>(2,414)</u>	<u>(1,312)</u>
Liability	<u>(2,414)</u>	<u>(1,312)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£'000	£'000
Current service cost	214	215
Net interest cost	49	44
Administration expenses	<u>6</u>	<u>7</u>
	<u>269</u>	<u>266</u>
Actual return on plan assets	<u>525</u>	<u>67</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

20. PENSION AND SIMILAR OBLIGATIONS
- continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£'000	£'000
Defined benefit obligation	(3,322)	(2,863)
Current service cost	(214)	(215)
Contributions by scheme participants	(56)	(57)
Interest cost	(135)	(116)
Actuarial losses/(gains)	-	(74)
Benefits paid	3	3
Liability remeasurements	(1,492)	-
	<u>(5,216)</u>	<u>(3,322)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£'000	£'000
Fair value of scheme assets	2,010	1,670
Assets interest	86	72
Assets admin expenses	(6)	(7)
Contributions by employer	220	226
Contributions by scheme participants	56	57
Benefits paid	(3)	(3)
Asset remeasurements	<u>439</u>	<u>(5)</u>
	<u>2,802</u>	<u>2,010</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

20. PENSION AND SIMILAR OBLIGATIONS
- continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£'000	£'000
Equities	2,091	1,467
Other bonds	434	322
Cash/liquidity	25	12
Other	252	209
	<u>2,802</u>	<u>2,010</u>

The actual return on scheme assets was £525,000 (2015: £67,000)

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

	31.8.16	31.8.15
Rate of increase in salaries	3.3%	3.8%
Inflation assumption (CPI)	1.8%	2.3%
Rate of increase for pensions in payment	1.9%	2.3%
Discount rate	2.1%	4.0%

Sensitivity analysis

Disclosure item	Central	Sensitivity 1 Discount rate +0.1%	Sensitivity 2 Inflation +0.1%	Sensitivity 3 Pay growth +0.1%
	£000	£000	£000	£000
Liabilities	5,216	5,097	5,337	5,253
Assets	(2,802)	(2,802)	(2,802)	(2,802)
Deficit/(Surplus)	2,414	2,295	2,535	2,451
Projected Service cost for next year	321	313	330	321
Projected Interest cost for next year	48	48	51	49

	Sensitivity 4 Life expectancy +1 year
	£000
Liabilities	5,306
Assets	(2,802)
Deficit/(Surplus)	2,504
Projected Service cost for next year	328
Projected Interest cost for next year	50

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

20. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	31.8.16	31.8.15
Retiring today		
Males	23.2	23.1
Females	25.6	25.5
Retiring in 20 years		
Males	25.5	25.4
Females	28.5	28.4

Amounts for the current and previous period are as follows:

	31.8.16 £'000	31.8.15 £'000
Defined benefit pension plans		
Defined benefit obligation	(5,216)	(3,322)
Fair value of scheme assets	2,802	2,010
Deficit	(2,414)	(1,312)
Experience adjustments on scheme assets	-	-

The estimated value of employer contributions for the year ended 31 August 2017 is £219,000 (2016: £226,000).

21. CAPITAL COMMITMENTS

	31.8.16 £'000	31.8.15 £'000
Contracted but not provided for in the financial statements	-	337

22. RELATED PARTY DISCLOSURES

No related party transactions took place in the period of account, other than certain Governors' remuneration and expenses already disclosed in note 10.

23. ULTIMATE CONTROLLING PARTY

The Academy is controlled by the members.

24. FIRST YEAR ADOPTION

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Bullers Wood School

Reconciliation of Income and Expenditure for the Year Ended 31 August 2015

	Notes	UK GAAP £'000	Effect of transition to FRS 102 £'000	FRS 102 £'000
INCOME AND				
ENDOWMENTS FROM				
Donations and capital grants		-	484	484
Charitable activities		8,710	(462)	8,248
Other trading activities		38	(22)	16
Investment income		2	-	2
Other income		<u>889</u>	<u>-</u>	<u>889</u>
Total		9,639	-	9,639
EXPENDITURE ON				
Charitable activities (46 + 17)		(9,125)	(63)	(9,188)
Governance costs		(17)	17	-
Net gains/(losses) on pension scheme		<u>(125)</u>	<u>125</u>	<u>-</u>
NET INCOME/(EXPENDITURE)		372	79	451
Net gains/(losses) on pension scheme (125 - 46)		-	(79)	(79)
TOTAL SURPLUS FOR YEAR		<u>372</u>	<u>-</u>	<u>372</u>

Notes to the reconciliation of income and expenditure

Change in recognition of LGPS interest cost

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in the Statement of Financial Activities. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the Statement of Financial Activities. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the charge to pension expenditure in the SOFA by £46,000 and decrease the actuarial loss in other recognised gains and losses in the SOFA by the equivalent amount of £46,000.

Other changes

Income from donations and capital grants totalling £484,000 in the prior year have been reanalysed to show under the 'Donations and capital grants' heading under FRS102. Governance costs totalling £17,000 are no longer shown separately on the face of the SOFA under FRS102. The comparatives have been amended to reflect this.

Outstanding employee benefits

Under FRS 102, a provision is required for any outstanding holiday pay due to employees at the year end. A provision for outstanding holiday pay was included in the financial statements for the year ended 31st August 2015, therefore no prior year adjustment has been necessary.

The above adjustments have had no effect on the overall net movement of funds for the prior year.

Reconciliation of net income/(expenditure) for prior year	31.08.15
	£000
Net incoming resources reported under UK GAAP	497
Change in recognition of LGPS interest cost (explained above)	<u>(46)</u>
Net income/(expenditure) under FRS 102	<u><u>451</u></u>

Bullers Wood School

Reconciliation of Funds

At 1 September 2014

(Date of Transition to FRS 102)

	Notes	UK GAAP £'000	Effect of transition to FRS 102 £'000	FRS 102 £'000
FIXED ASSETS				
Tangible assets		<u>18,818</u>	<u>-</u>	<u>18,818</u>
		18,818	-	18,818
CURRENT ASSETS				
Debtors		179	-	179
Cash at bank		<u>1,272</u>	<u>-</u>	<u>1,272</u>
		1,451	-	1,451
CREDITORS				
Amounts falling due within one year		(597)	-	(597)
		<u>854</u>	<u>-</u>	<u>854</u>
NET CURRENT ASSETS				
		19,672	-	19,672
TOTAL ASSETS LESS CURRENT LIABILITIES				
PENSION LIABILITY		(1,193)	-	(1,193)
		<u>18,479</u>	<u>-</u>	<u>18,479</u>
FUNDS				
Unrestricted funds		79	-	79
Restricted funds		<u>18,400</u>	<u>-</u>	<u>18,400</u>
TOTAL FUNDS		<u>18,479</u>	<u>-</u>	<u>18,479</u>

Bullers Wood School

Reconciliation of Funds

At 31 August 2015

	Notes	UK GAAP £'000	Effect of transition to FRS 102 £'000	FRS 102 £'000
FIXED ASSETS				
Tangible assets		18,687	-	18,687
CURRENT ASSETS				
Debtors		80	-	80
Cash at bank		<u>2,065</u>	<u>-</u>	<u>2,065</u>
		2,145	-	2,145
CREDITORS				
Amounts falling due within one year		(669)	-	(669)
		<u>1,476</u>	<u>-</u>	<u>1,476</u>
NET CURRENT ASSETS				
		20,163	-	20,163
TOTAL ASSETS LESS CURRENT LIABILITIES				
		(1,312)	-	(1,312)
PENSION LIABILITY				
		<u>18,851</u>	<u>-</u>	<u>18,851</u>
NET ASSETS				
FUNDS				
Unrestricted funds		76	-	76
Restricted funds		<u>18,775</u>	<u>-</u>	<u>18,775</u>
TOTAL FUNDS		<u>18,851</u>	<u>-</u>	<u>18,851</u>