

Company Registration No 07671255 (England and Wales)

**PICKHURST JUNIOR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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# **PICKHURST JUNIOR SCHOOL**

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# PICKHURST JUNIOR SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

Duncan Parr (Chair of Governors) \*  
Stella Brackpool (Vice Chair of Governors) \*  
Matt Rampton (Head Teacher and Accounting Officer) \*  
Lynne Dando (Deputy Head Teacher) (Appointed 1 January 2013) \*  
Robert Jasper (Bursar) \*  
Angela Beardall (Resigned 1 January 2013)  
Richard Dodds (Resigned 3 June 2013)  
Andrew Ralph (Resigned 1 April 2013)  
Nichola Davies  
Sarah Fuller \*  
Matthew Gibbs  
Phillip Shemmings  
John Wood

\* Members of the Finance and Audit Committee

### Senior management team

Matt Rampton	- Head Teacher
Lynne Dando	- Deputy Head Teacher
Suzanne Desnos	- Deputy Head Teacher
Robert Jasper	- Bursar

### Company registration number

07671255 (England and Wales)

### Registered office

Pickhurst Lane  
West Wickham  
Kent  
BR4 0HL  
United Kingdom

### Independent auditor

Baxter & Co  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

### Bankers

Lloyds TSB Bank PLC  
6-8 Market Square  
Bromley  
Kent  
BR1 1NA

# PICKHURST JUNIOR SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Solicitors

Judicium Consulting Ltd  
25 Watling Street  
London  
EC4M 9BR

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

# PICKHURST JUNIOR SCHOOL

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2013

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The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2012 to 31 August 2013

#### **Structure, governance and management**

##### Constitution

The trustees of Pickhurst Junior School an Academy Trust are also the directors of the charitable company for the purposes of company law and they are the governors of the Academy

The charitable company is known as Pickhurst Junior School an Academy Trust

Details of the trustees who served during the year are included in the Reference and Administrative Details included at the front of these accounts

##### 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

##### Principal activities

The principal activity of Pickhurst Junior School, an Academy Trust is to provide an outstanding free education to children aged 7 to 11 years. There is a long tradition of providing the highest quality of education that will meet the needs of every child and enable them to achieve their personal best. Funding is obtained from the Department for Education (DfE) through the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes

##### Method of recruitment and appointment or election of Trustees

In accordance with the articles, the trustees of the charitable company are the governors. They are appointed as follows,

- a) Up to three initial governors appointed on incorporation,
- b) Up to six governors appointed by the Governors,
- c) Up to two staff governors elected by the staff,
- d) Up to two parent governors elected by parents,
- e) The Principal is an ex-officio Governor,
- f) Further governors may be appointed by the Secretary of State

In respect of those appointed by the governors, when a vacancy arises, the governors seek to make an appointment that would maximise the relevant skills and experience on the board as a whole

##### Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new governors will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All governors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as governors. The Academy also purchases the Governor Training Scheme run by Bexley Local Authority

# PICKHURST JUNIOR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Organisational structure

The board of governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The board meets at least three times a year and has five committees,

- Finance and Audit Committee
- Premises Committee
- Academic
- Pupil Wellbeing
- Staff Wellbeing

The Finance Committee fulfils the functions of an Audit Committee

Both committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members

Governors delegate specific responsibilities to its committees, the activities of which are reported to and discussed at full Governing Body Meetings

Day to day management of the Academy is undertaken by the Head Teacher supported by the Senior Leadership Team

The Head Teacher is the Accounting Officer and the Bursar is the Principal Finance Officer

### Risk management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to adverse economic conditions including the pension deficit, public spending cuts and the reforms to the funding of state education, Health and Safety, Child Protection and Welfare, Academic attainment and Dependency on key individuals without adequate cover. The governors and senior management have implemented a number of systems to assess risks that the Academy faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control

The risk management process has been codified in a risk register implemented by the Senior Leadership Team and overseen by Governors

### Connected organisations and related party relationships

The Academy has no connected organisations, although we have a very close relationship with Pickhurst Infant School, a separate Academy Trust, who share our site and provide us with many of our Year 3 intake

The Register of Business Interests confirms that there are no relationships with related parties and any other charities/organisations with which the academy co-operates in the pursuit of charitable activities

### Objectives and activities

#### Objects and aims

The main objectives during the year were,

- To constantly inspire all of our children to problem-solve, think creatively, work collaboratively and communicate effectively so that, at the age of 11, they are ready to move with confidence to the next phase in their education
- Achieve outstanding KS2 results
- To ensure our SEN and Pupil Premium children achieve the highest educational outcomes possible by the extra provision of Teaching and Learning resources
- To complete our New Build project of 4 Classrooms in order that we can continue to provide the very best learning environment for our children

# PICKHURST JUNIOR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Public benefit

In setting the objectives and planning the associated activities, governors have given careful consideration to the Charity Commission's general guidance on public benefit

### **Achievements and performance**

#### Achievements in the year

The Academy has enjoyed a hugely successful year culminating in an outstanding set of Key Stage 2 results. Through the sheer dedication and hard work of our staff and children our Year 6 cohort achieved the following

Maths Level 4+ 99 %	Writing Level 4+ 98%	Reading Level 4+ 99%
Maths Level 5+ 67%	Writing Level 5+ 55%	Reading Level 5+ 65%
Maths Level 6 16%	Writing Level 6 7%	Reading Level 6 2%

Science Level 4+ 98%

Science Level 5+ 57%

Sport continues to play a large part in daily life at Pickhurst, both boys and girls continue to achieve outstanding results in both individual and team sports, in fact it was the greatest ever sporting year in our history

Most notable achievements include, Kent Primary School Champions at Girls Cricket and Football, Bromley Primary School's Champions at Mixed and Girls Football, Tag Rugby, Cycling, Tri-Golf, Tennis mini red, Cricket Mixed and Girls

We have further invested in our sporting provision by employing a full time Sports Coach and a number of part time Play Leaders

We continue to be very proud of being a designated Forest School and have allocated significant resources to ensure its success, including the establishment of another site within our grounds. A safe outdoor learning environment helps children build self esteem and independence through exploring and experiencing the natural world

Our two residential trips for our Year 4 and Year 6 cohorts continue to be hugely popular and successful. Year 4 went to Marchants Hill in Surrey and Year 6 ventured across the channel to Paris

The most impressive statement of our continued success was the completion of our building project, creating four new classrooms. The inspirational design was completed on budget and on time and provides a wonderful new learning environment for our children

### Key financial performance indicators

To monitor the financial performance of the Academy the Governor's use key financial indicators

The Current Ratio is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities and we believe is an appropriate measure of the financial health of the Academy

Our Current Assets exceed our Current Liabilities by a ratio 1.5 to 1 which is an indication of the strength of the liquidity position of the Academy. Going forward we would like this ratio to remain in the range 1.5/2.5

The most effective Cost Control Measure we monitor is Total Staff Costs as a percentage of Total Grant Income. Total Grant Income includes GAG, SEN Matrix Funding and Pupil Premium

The current figure is 79% which is just below our targeted level of 80%

# PICKHURST JUNIOR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

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#### Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### Financial review

At 31st August 2013 the net book value of fixed assets was £5,159k (2012 £4,455k) and details are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The academy held fund balances at 31 August 2013 of £5,120k (2012 £4,571k) comprising a fixed asset fund of £5,159k (2012 £4,600k), a deficit on the FRS 17 LGPS fund of £(113k), (2012 £(127k)), restricted general funds of £47k (2012 £76k) and an unrestricted fund of £27k (2012 £22k).

The fixed asset fund comprises two elements, the first being unavailable for spending, representing as it does the net book value of fixed assets already acquired of £5,159k (2012 £4,455k). The second element is available for spending on specific capital projects, representing the unspent balance of capital grants of £nil (2012 £145k).

The pension fund deficit is due to be repaid over the long term, in accordance with advice given by scheme actuaries. Note 16 to the accounts gives further analysis of the funds held at 31 August 2013.

#### Principal risks and uncertainties

The principal financial risk faced by the company is that ongoing pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the governors of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), governors consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

#### Financial and risk management objectives and policies

Most of the company's income is obtained from the DfE (via the Education Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

#### Reserves policy

The principal policy on reserves is that accumulation of unspent GAG balances should not breach any limits thereon set out in the Funding agreement. The level of reserves should never be in deficit.

Each year the Governors review the resource expenditure requirements and the grant and other income that is forecast for the coming year. The annual budget is then formulated and approved.

#### Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.



# PICKHURST JUNIOR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### **Plans for the future**

The principal task facing the company is to maintain and improve on the excellent educational standards achieved by the Academy. Through our strong family ethos, our staff, parents, governors and friends of our Academy are committed to working together in the future to ensure we meet the needs and aspirations of every single child who attends the Academy.

In addition there are number key tasks for the year ahead

We will concentrate on staff training and development, with a particular emphasis on the induction of new staff into the assimilated culture of the Academy. We will also continue to develop our portfolio of training expertise.

We will maintain and improve on educational standards in the core subjects and look to further close the attainment gap between children on the Free School Meals register and their peers.

We will undertake a major investment in the development of our IT provision that will have a direct impact on educational outcomes.

We will increase the profile of the Academy in our local community and beyond.

### **Funds held as custodian trustee**

The Academy does not act as a Custodian Trustee and therefore does not hold any funds on behalf of others.

### **Auditor**

In so far as the Trustees are aware

there is no relevant audit information of which the charitable company's auditor is unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Baxter & Co be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the Board of Trustees on 10 December 2013 and signed on its behalf by



Duncan Parr  
Chair of Governors

# PICKHURST JUNIOR SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Matt Rampton, the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Pickhurst Junior School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

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

Trustees	Meetings attended	Out of possible
Duncan Parr (Chair of Governors)	2	3
Stella Brackpool (Vice Chair of Governors)	3	3
Matt Rampton (Head Teacher and Accounting Officer)	3	3
Lynne Dando (Deputy Head Teacher) (Appointed 1 January 2013)	2	2
Robert Jasper (Bursar)	3	3
Angela Beardall (Resigned 1 January 2013)	0	1
Richard Dodds (Resigned 3 June 2013)	3	3
Andrew Ralph (Resigned 1 April 2013)	1	1
Nichola Davies	3	3
Sarah Fuller	3	3
Matthew Gibbs	2	3
Phillip Shemmings	2	3
John Wood	3	3

During the year Angela Beardall term of office as Staff Governor ended on the 1st January 2013 and after an election was replaced by Lynne Dando.

Andrew Ralph was appointed to the Board on the 1st April 2013 and brings with him a wealth of experience from the financial sector.

Richard Dodds term of office as a Parent Governor came to an end on the 3rd June 2013.

# PICKHURST JUNIOR SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist and support the Governing Body, ensuring sound oversight is exercised over the management of the Academy's finances and resources.

Attendance at meetings in the year was as follows

Trustees	Meetings attended	Out of possible
Duncan Parr (Chair of Governors)	2	3
Stella Brackpool (Vice Chair of Governors)	3	3
Matt Rampton (Head Teacher and Accounting Officer)	2	3
Lynne Dando (Deputy Head Teacher) (Appointed 1 January 2013)	1	1
Robert Jasper (Bursar)	3	3
Sarah Fuller	3	3

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Pickhurst Junior School for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

### **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 Board of Trustees,
- regular reviews by the Finance and 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

# PICKHURST JUNIOR SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr A Greenwood, as Responsible Officer 'RO'. The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In a regular basis, the RO reports to the board of governors on the operation of the systems of control and on the discharge of the board of governor's financial responsibilities.

Mr Greenwood is independent and is not a member of the Board. During the year Mr Greenwood visited and reported 5 times, 3 regular visits and at the request of the board 2 supplementary visits.

His regular reports are thorough and cover all the regular aspects of financial audit including invoice/payment sampling, Bank Reconciliations, HR and Payroll. This year he was specifically asked to report on Severance Payments, made as a result of staffing restructures, and to review New Build Project Expenditure.

In addition to the Board reading, discussing and implementing any recommendations they are then forwarded to our external auditors Baxter & Co.

The Board of Trustees are satisfied that the RO function has been effective. No material control issues have been notified to Trustees as a result of the RO's work.

### **Review of effectiveness**

As accounting officer Matt Rampton, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the Responsible Officer,
- the work of the External Auditor,
- the financial management and governance self-assessment process,
- the work of the Executive Managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 10 December 2013 and signed on its behalf by

  
Duncan Parr  
Chair of Governors

  
Matt Rampton  
Accounting Officer

## **PICKHURST JUNIOR SCHOOL**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2013**

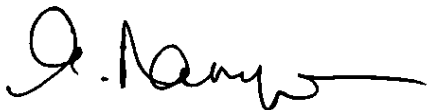
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As accounting officer of Pickhurst Junior School I have considered my responsibility to notify the academy trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency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

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

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

Approved on 10 December 2013 and signed by



Matt Rampton  
**Accounting Officer**

# PICKHURST JUNIOR SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The trustees (who also act as governors for Pickhurst Junior School and are also the directors of Pickhurst Junior School for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts 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 Trustees to prepare accounts for each financial year. Under company law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Trustees are required to


- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Trustees on 10 December 2013 and signed on its behalf by

  
Duncan Parr  
Chair of Governors

# **PICKHURST JUNIOR SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF PICKHURST JUNIOR SCHOOL**

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We have audited the accounts of Pickhurst Junior School for the year ended 31 August 2013 set out on pages 17 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the EFA.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the Trustees, who are also the directors of Pickhurst Junior School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts**

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

#### **Opinion on accounts**

In our opinion the accounts

give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 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, and in accordance with the requirements of the Companies Act 2006, and

have been prepared in accordance with the Academies Accounts Direction 2013 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

# **PICKHURST JUNIOR SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PICKHURST JUNIOR SCHOOL**

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### **Matters on which we are required to report by exception**

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

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

**D J Walsh FCCA (Senior Statutory Auditor)**  
**for and on behalf of Baxter & Co**

**Chartered Certified Accountants**  
**Statutory Auditor**  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated 19 December 2013



# PICKHURST JUNIOR SCHOOL

## INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO PICKHURST JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY

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In accordance with the terms of our engagement letter dated 2 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pickhurst Junior School during the period 1 September 2012 to 31 August 2013 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 Pickhurst Junior School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Pickhurst Junior 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 the Pickhurst Junior School and the EFA, for our work, for this report, or for the conclusion we have formed

### **Respective responsibilities of Pickhurst Junior School's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of Pickhurst Junior School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. 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 2012 to 31 August 2013 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 2013 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes

- Review of payments to staff,
- Review of payments to suppliers and other third parties,
- Review of grant and other income streams,
- Discussions with finance staff,
- Consideration of academy responses to a regularity questionnaire we provided and consideration of matters arising there from

# **PICKHURST JUNIOR SCHOOL**

## **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO PICKHURST JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)**

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### **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 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

**D J Walsh FCCA (Senior Statutory Auditor)**  
**for and on behalf of Baxter & Co**

**Chartered Certified Accountants**  
**Statutory Auditor**  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated 19 December 2013

# PICKHURST JUNIOR SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2013

		Unrestricted funds £'000	Restricted funds £'000	Fixed Asset fund £'000	Total 2013 £'000	Total 2012 £'000
<b><u>Incoming resources</u></b>	<b>Notes</b>					
<i>Resources from generated funds</i>						
- Voluntary income	3	1	21	-	22	35
- Inherited on conversion		-	-	-	-	4,462
- Activities for generating funds	4	13	-	-	13	7
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	1,896	679	2,575	2,045
<b>Total incoming resources</b>		<u>14</u>	<u>1,917</u>	<u>679</u>	<u>2,610</u>	<u>6,549</u>
<b><u>Resources expended</u></b>						
<i>Costs of generating funds</i>						
- Relating to voluntary income	6	-	13	-	13	136
<i>Charitable activities</i>						
- Educational operations	7	-	1,965	64	2,029	1,758
Governance costs	8	-	49	-	49	53
<b>Total resources expended</b>	6	<u>-</u>	<u>2,027</u>	<u>64</u>	<u>2,091</u>	<u>1,947</u>
<b>Net incoming/(outgoing) resources before transfers</b>		14	(110)	615	519	4,602
Gross transfers between funds		(9)	65	(56)	-	-
<b>Net income/(expenditure) for the year</b>		<u>5</u>	<u>(45)</u>	<u>559</u>	<u>519</u>	<u>4,602</u>
<b><u>Other recognised gains and losses</u></b>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	30	-	30	(31)
<b>Net movement in funds</b>		5	(15)	559	549	4,571
Fund balances at 1 September 2012		22	(51)	4,600	4,571	-
<b>Fund balances at 31 August 2013</b>		<u>27</u>	<u>(66)</u>	<u>5,159</u>	<u>5,120</u>	<u>4,571</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

# PICKHURST JUNIOR SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2013

		2013	2012
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	11	5,159	4,455
<b>Current assets</b>			
Stocks	12	7	2
Debtors	13	118	75
Cash at bank and in hand		163	255
		288	332
Creditors amounts falling due within one year	14	(214)	(89)
<b>Net current assets</b>		74	243
<b>Total assets less current liabilities</b>		5,233	4,698
Defined benefit pension liability	18	(113)	(127)
<b>Net assets</b>		5,120	4,571
<b>Funds of the academy trust</b>			
<b>Restricted income funds</b>	16		
- Fixed asset funds		5,159	4,600
- General funds		47	76
- Pension reserve		(113)	(127)
<b>Total restricted funds</b>		5,093	4,549
<b>Unrestricted funds</b>	16	27	22
<b>Total funds</b>		5,120	4,571

The accounts were approved by order of the Board of Trustees and authorised for issue on 10 December 2013

  
Duncan Parr  
Chair of Governors

Company Number 07671255

# PICKHURST JUNIOR SCHOOL

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow/(outflow) from operating activities	19	(3)	112
Cash funds transferred on conversion		-	5
		<u>(3)</u>	<u>117</u>
<b>Capital expenditure and financial investments</b>			
Capital grants received	679		176
Payments to acquire tangible fixed assets	<u>(768)</u>		<u>(38)</u>
<b>Net cash flow from capital activities</b>		<u>(89)</u>	<u>138</u>
<b>Increase/(decrease) in cash</b>	20	<u><u>(92)</u></u>	<u><u>255</u></u>

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### 1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie 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 one year from the date of approval of the accounts.

#### 1.3 Incoming resources

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

##### Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### Donations

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

##### Other income

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

##### Donated services and gifts in kind

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

#### 1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

#### 1 Accounting policies

(Continued)

##### Costs of generating funds

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

##### Charitable activities

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below

##### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT

#### 1.5 Tangible fixed assets and depreciation

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 trust'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 over its expected useful life, as follows

Land is not depreciated

Leasehold buildings	2% Straight Line
Computer equipment	33 33% Straight Line
Motor vehicles	20% Straight Line

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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### 1 Accounting policies

(Continued)

#### **Fixed Asset Transfer from the Predecessor School**

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below

#### **Land**

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is valued at fair value, based on existing use

#### **Buildings**

In accordance with the requirements of FRS 15, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

#### **Other Fixed Assets**

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set). Assets transferred (other than fixed assets) are dealt with as a donation in kind within the Statement of Financial Activities.

### 1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

### 1.7 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

### 1.8 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.

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



# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 1 Accounting policies

(Continued)

#### Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

#### Local Government Pension Scheme

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

### 1 10 Fund accounting

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

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

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

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2013.

### 3 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Other Income	1	21	22	35

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 4 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Hire of facilities	2	-	2	3
Uniform Sales	11	-	11	4
	<u>13</u>	<u>-</u>	<u>13</u>	<u>7</u>

### 5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	1,575	1,575	1,647
Capital grants	-	679	679	176
Other DfE / EFA grants	-	53	53	20
	<u>-</u>	<u>2,307</u>	<u>2,307</u>	<u>1,843</u>
<b>Other government grants</b>				
Other grants	-	83	83	59
	<u>-</u>	<u>83</u>	<u>83</u>	<u>59</u>
<b>Other funds</b>				
Other incoming resources	-	185	185	143
	<u>-</u>	<u>185</u>	<u>185</u>	<u>143</u>
<b>Total funding</b>	<u>-</u>	<u>2,575</u>	<u>2,575</u>	<u>2,045</u>

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 6 Resources expended

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2013 £'000	Total 2012 £'000
<b>Academy's educational operations</b>					
- Direct costs	1,180	51	159	1,390	1,213
- Allocated support costs	201	226	212	639	545
	<u>1,381</u>	<u>277</u>	<u>371</u>	<u>2,029</u>	<u>1,758</u>
<b>Other expenditure</b>					
Costs of generating voluntary income	-	-	13	13	136
Governance costs	-	-	49	49	53
	<u>-</u>	<u>-</u>	<u>62</u>	<u>62</u>	<u>189</u>
<b>Total expenditure</b>	<u>1,381</u>	<u>277</u>	<u>433</u>	<u>2,091</u>	<u>1,947</u>

### Incoming/outgoing resources for the year include:

	2013 £'000	2012 £'000
Operating leases	3	2
Fees payable to auditor		
- Audit	5	5
- Other services	5	5

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

#### 7 Charitable activities - the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
<b>Direct costs</b>				
Teaching and educational support staff costs	-	1,180	1,180	1,071
Depreciation	-	51	51	1
Technology costs	-	28	28	28
Educational supplies and services	-	22	22	32
Staff development	-	10	10	7
Other direct costs	-	99	99	74
	-	1,390	1,390	1,213
<b>Allocated support costs</b>				
Support staff costs	-	201	201	255
Depreciation	-	13	13	-
Maintenance of premises and equipment	-	213	213	79
Cleaning	-	40	40	33
Energy costs	-	26	26	24
Rent and rates	-	12	12	10
Insurance	-	34	34	29
Catering	-	70	70	76
Interest and finance costs	-	4	4	3
Other support costs	-	26	26	36
	-	639	639	545
<b>Total costs</b>	-	2,029	2,029	1,758

#### 8 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Legal and professional fees	-	39	39	43
Auditor's remuneration				
- Audit of financial statements	-	5	5	5
- Other non audit costs	-	5	5	5
	-	49	49	53

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

#### 9 Staff costs

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

	2013 Number	2012 Number
Teachers	17	16
Administration and support	17	17
Management	4	3
	<u>38</u>	<u>36</u>

Costs included within the accounts	2013 £'000	2012 £'000
Wages and salaries	1,054	1,091
Social security costs	77	78
Other pension costs	165	156
	<u>1,296</u>	<u>1,325</u>
Supply teacher costs	27	1
Compensation payments	58	-
	<u>1,381</u>	<u>1,326</u>

The number of employees whose annual remuneration was £60,000 or more was

	2013 Number	2012 Number
£70,001 - £80,000	-	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows

		2013	2012
Teachers' Pension Scheme	Numbers	1	1
	£'000	12	11
Local Government Pension Scheme	Numbers	-	-
	£'000	-	-
		<u>12</u>	<u>11</u>

During the year compensation and redundancy payments of £57,541 were paid to 8 former employees

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

#### 10 Trustees' remuneration and expenses

The Head Teacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Trustees. No other Trustee received any payments or expenses, from the academy trust in respect of their role as Trustees. During the period ended 31 August 2013 expenses incurred in the performance of duties of employment totalling £2,064 (2012 £512) were reimbursed to 3 Trustees (2012 1 Trustee). The vast majority of these expenses related to travel and subsistence payments for outreach work done on behalf of The National College of School Leadership and Challenge Partners.

The value of Trustees' remuneration was as follows (2012 was a thirteen month period)

M Rampton (Head Teacher) £90,000 - £95,000 (2012 £80,000 - £85,000)  
 R Jasper (Staff Trustee) £40,000 - £45,000 (2012 £35,000 - 40,000)  
 A Beardall (Staff Trustee) £30,000 - £35,000 (2012 £35,000 - 40,000)

Other related party transactions involving the Trustees are set out within the related parties note

#### Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was £ 1,470 (2012 £1,471)

#### 11 Tangible fixed assets

	Leasehold land and buildings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>			
At 1 September 2012	4,449	7	4,456
Additions	768	-	768
At 31 August 2013	5,217	7	5,224
<b>Depreciation</b>			
At 1 September 2012	-	1	1
Charge for the year	63	1	64
At 31 August 2013	63	2	65
<b>Net book value</b>			
At 31 August 2013	5,154	5	5,159
At 31 August 2012	4,449	6	4,455

#### 12 Stocks

	2013 £'000	2012 £'000
Uniform Stock	7	2

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

<b>13 Debtors</b>	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Other debtors	45	12
Prepayments and accrued income	73	63
	<u>118</u>	<u>75</u>
	<u><u>118</u></u>	<u><u>75</u></u>
 <b>14 Creditors: amounts falling due within one year</b>	 <b>2013</b>	 <b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	26	6
Taxes and social security costs	24	22
Other creditors	20	18
Accruals	139	12
Deferred income	5	31
	<u>214</u>	<u>89</u>
	<u><u>214</u></u>	<u><u>89</u></u>
 <b>15 Deferred income</b>	 <b>2013</b>	 <b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income is included within		
Creditors due within one year	5	31
	<u>5</u>	<u>31</u>
 Total deferred income at 1 September 2012	 31	 -
Amounts credited to the statement of financial activities	(31)	-
Amounts deferred in the year	5	31
	<u>5</u>	<u>31</u>
 <b>Total deferred income at 31 August 2013</b>	 <b>5</b>	 <b>31</b>
	<u><u>5</u></u>	<u><u>31</u></u>

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 16 Funds

	Balance at 1 September 2012 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2013 £'000
<b>Restricted general funds</b>					
General Annual Grant	49	1,575	(1,689)	65	-
Other DfE / EFA grants	-	53	(53)	-	-
Other government grants	8	83	(83)	-	8
Other restricted funds	19	206	(186)	-	39
	<u>76</u>	<u>1,917</u>	<u>(2,011)</u>	<u>65</u>	<u>47</u>
Funds excluding pensions					
Pension reserve	(127)	-	(16)	30	(113)
	<u>(51)</u>	<u>1,917</u>	<u>(2,027)</u>	<u>95</u>	<u>(66)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	145	679	-	(56)	768
Inherited fixed asset fund	4,455	-	(64)	-	4,391
	<u>4,600</u>	<u>679</u>	<u>(64)</u>	<u>(56)</u>	<u>5,159</u>
<b>Total restricted funds</b>	<u>4,549</u>	<u>2,596</u>	<u>(2,091)</u>	<u>39</u>	<u>5,093</u>
<b>Unrestricted funds</b>					
General funds	22	14	-	(9)	27
	<u>22</u>	<u>14</u>	<u>-</u>	<u>(9)</u>	<u>27</u>
<b>Total funds</b>	<u>4,571</u>	<u>2,610</u>	<u>(2,091)</u>	<u>30</u>	<u>5,120</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.



# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
<b>Fund balances at 31 August 2013 are represented by</b>				
Tangible fixed assets	-	-	5,159	5,159
Current assets	27	178	83	288
Creditors amounts falling due within one year	-	(131)	(83)	(214)
Defined benefit pension liability	-	(113)	-	(113)
	<u>27</u>	<u>(66)</u>	<u>5,159</u>	<u>5,120</u>

### 18 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Bromley Both are defined-benefit schemes The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £19,898 (2012 £17,578) were payable to the schemes at 31 August 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) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

##### The Teachers' Pension Scheme budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament 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 under arrangements governed by the above Act

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

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

#### 18 Pensions and similar obligations

(Continued)

##### Valuation of the Teachers' Pension Scheme

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

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

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

##### Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 Pensions and similar obligations

(Continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.5% for employers and a range between 5.5% and 7.5% for employees.

The employer's contribution rate includes additional contributions calculated by actuaries so as to eliminate the pension fund deficit over a manageable period.

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.

	2013 £'000	2012 £'000
Employer's contributions	50	56
Employees' contributions	13	14
Total contributions	<u>63</u>	<u>70</u>

#### Principal actuarial assumptions

	2013 %	2012 %
Rate of increase in salaries	4.70	4.10
Rate of increase for pensions in payment	2.40	1.90
Discount rate for scheme liabilities	4.50	3.90
RPI Increases	<u>2.40</u>	<u>2.70</u>

#### Sensitivity Analysis

Scheme liabilities have been valued at £388k (2012 £301k). The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate used were to increase by 0.1%, liabilities would be measured at £380k (2012 £293k).

If the inflation rate used were to increase by 0.1%, liabilities would be measured at £396k (2012 £309k).

If the mortality rate were to increase by a year, liabilities would be measured at £394k (2012 £291k).

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

#### 18 Pensions and similar obligations

(Continued)

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

	2013 Years	2012 Years
Retiring today		
- Males	23	22
- Females	27	26
Retiring in 20 years		
- Males	25	24
- Females	29	28

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

	2013 Expected return %	2013 Fair value £'000	2012 Expected return %	2012 Fair value £'000
Equities	7.00	203	5.80	140
Bonds	3.90	44	3.35	24
Other assets	3.75	28	0.50	10
Total market value of assets		275		174
Present value of scheme liabilities - funded		(388)		(301)
Net pension asset / (liability)		(113)		(127)

#### Assumptions on Expected Rates of Return

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period

The assumed investment return on government bonds is the yield on 20 year fixed interest gilts at the relevant date (3.4%) The expected investment return on corporate bonds is based on market yields at the relevant date, less a reduction to reflect a risk of default in the corporate bond yield (4.4% p a)

The yield on equity investments will contain an "equity risk premium" in addition to the yield on government bonds, the overall expected return on equities as at 31 August 2013 was 7% p a

Assumed returns on property are based on the expected long term returns on cash investments, plus a premium

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 Pensions and similar obligations

(Continued)

#### Operating costs and income recognised in the statement of financial activities

	2013 £'000	2012 £'000
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(10)	(9)
Interest on pension liabilities	14	12
	<u>4</u>	<u>3</u>
<b>Other expenditure/(income)</b>		
Current service cost	62	57
Past service cost	-	-
	<u>62</u>	<u>57</u>
<b>Total operating charge/(income)</b>	<u>66</u>	<u>60</u>

#### Actuarial gains and losses recognised in the statement of financial activities

	2013 £'000	2012 £'000
Actuarial (gains)/losses on assets - actual return less expected	(28)	(4)
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	(2)	35
	<u>(30)</u>	<u>31</u>
<b>Total (gains)/losses</b>	<u>(30)</u>	<u>31</u>
Cumulative (gains)/losses to date	<u>1</u>	<u>31</u>

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

	2013 £'000	2012 £'000
Opening defined benefit obligations	(301)	-
Obligations acquired on conversion	-	(183)
Current service cost	(62)	(57)
Interest cost	(14)	(12)
Contributions by employees	(13)	(14)
Actuarial gains/(losses)	2	(35)
	<u>(388)</u>	<u>(301)</u>

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 Pensions and similar obligations

(Continued)

#### Movements in the fair value of the academy trust's share of scheme assets:

	2013 £'000	2012 £'000
Opening fair value of scheme assets	174	-
Assets acquired on conversion	-	91
Expected return on assets	10	9
Actuarial gains/(losses)	28	4
Contributions by employers	50	56
Contributions by employees	13	14
	<u>275</u>	<u>174</u>

#### History of experience gains and losses:

	2013 £'000	2012 £'000
Present value of defined benefit obligations	(388)	(301)
Fair value of share of scheme assets	275	174
	<u>(113)</u>	<u>(127)</u>
Experience adjustment on scheme liabilities	-	-
Experience adjustment on scheme assets	28	4

### 19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2013 £'000	2012 £'000
Net income	519	4,602
Capital grants and similar income	(679)	(176)
Net deficit/(surplus) transferred on conversion	-	(4,462)
Net current assets other than cash transferred on conversion	-	131
FRS17 pension costs less contributions payable	12	1
FRS17 pension finance income	4	3
Depreciation of tangible fixed assets	64	1
(Increase)/decrease in stocks	(5)	(2)
(Increase)/decrease in debtors	(43)	(75)
Increase/(decrease) in creditors	125	89
	<u>(3)</u>	<u>112</u>
Net cash inflow/(outflow) from operating activities		

# PICKHURST JUNIOR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

<b>20</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2013</b>	<b>2012</b>
		<b>£'000</b>	<b>£'000</b>
	Increase/(decrease) in cash	(92)	255
	Net funds at 1 September 2012	255	-
		<u>          </u>	<u>          </u>
	Net funds at 31 August 2013	163	255
		<u>          </u>	<u>          </u>

<b>21</b>	<b>Analysis of net funds</b>	<b>At 1</b>	<b>Cash flows</b>	<b>Non-cash</b>	<b>At 31 August</b>
		<b>September</b>		<b>changes</b>	<b>2013</b>
		<b>2012</b>			
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Cash at bank and in hand	255	(92)	-	163
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## 22 Commitments under operating leases

At 31 August 2013 the academy trust had annual commitments under non-cancellable operating leases as follows

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Expiry date		
- Between two and five years	3	3
	<u>          </u>	<u>          </u>

## 23 Related parties

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

No related party transactions took place in the period of account.

## 24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

