

Company Registration No. 07726568 (England and Wales)

SOUTHWARK PRIMARY ACADEMY TRUST
SOUTHWARK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

SOUTHWARK PRIMARY SCHOOL

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SOUTHWARK PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Miss L Bussell *
Mrs A Hurt *
Mr K Eley *
Ms H Robinson
Miss L White
Miss S Maltby (Resigned 10 December 2012)
Rev R Shaw
Mr C Grant *
Mrs M Saunders (Executive Principal) *
Mr P Milner (Chair)
Mr R Lambert
Mrs H Walker (Resigned 4 November 2013)
Dr K Bardell
Mr A Joyce *
Miss K Burghart
Miss L Richards (Appointed 14 March 2013)
Dr I Udueni (Appointed 7 December 2012)
Mr W Porter (Appointed 5 November 2013)

* members of the finance and general purposes committee

All trustees are also directors

Senior management team

- Executive Principal	Mrs M Saunders
- Principal	Mr G Boyd
- Senior Assistant Head	Mrs Heywood
- Deputy Head	Mrs Thompson
- Senior Assistant Head	Miss L Bussell
- Senior Assistant Head	Mrs A Hurt
- Business Manager	Mrs J Day

Company secretary

Mr C Grant

Company registration number

07726568 (England and Wales)

Registered office

Park Lane
Basford
Nottingham
NG6 0DT

Independent auditor

UHY Hacker Young LLP
22 The Ropewalk
Nottingham
NG1 5DT

SOUTHWARK PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Co-operative Bank Ltd
Business Direct
PO Box 250
Skelmersdale
WN8 6WT

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2013

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 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 trustees of Southwark Primary Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Southwark Primary School.

The trustees of Southwark Primary School are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

On 28 November 2013 a resolution was passed to change the name of the company from Southwark Primary School to Southwark Primary Academy Trust.

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.

Trustees' indemnities

The Academy Trust maintains Governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The Academy Trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust.

Details of the insurance cover are provided in note 8 of the financial statements.

Principal activities

The Academy Trust took over the operation of Southwark Primary School on the school's conversion to academy status on 1st September 2011. Since then the Academy Trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 3 and 11.

Method of recruitment and appointment or election of trustees

The governors are split into four categories; parent, staff, co-opted and community. The parent governors are elected by parents or carers of registered pupils and must be such parents or carers at the time of their election. If insufficient parents stand for election the governing body can appoint parent governors. Staff governors are candidates who must be working at the school at the time of the election. Co-opted and community are elected by invitation due to their experience and community involvement. The academy has the bursar as an associate member of the governing body and all the governors were co-opted to the new board when the school converted to an academy. Each governor is provided with policies on their roles and responsibilities, conduct as a governor and guidance on the general principles of behaviour.

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Under the terms of its Articles, the Academy Trust shall have the following Governors:

- The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.
- Subject to Articles 48-49 and 64, the Academy Trust shall have the following Governors:
- up to 1 Governor, appointed under Article 50;
- up to 1 LA Governor if appointed under Article 51;
- 6 Parent Governors appointed under Articles 53-58;
- up to 3 Staff Governors appointed under Article 58A ;
- up to 4 Community Governors appointed under Article 58B;
- the Principal;
- any Additional Governors, if appointed under Article 62, 62A or 68A; and
- any Further Governors, if appointed under Article 63 or Article 68A.
- The Academy Trust may also have any Co-opted Governor(s) appointed under Article 59.
- The first Governors shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

Future Governors shall be appointed or elected, as the case may be, under these Articles.

Where it is not possible for such a Governor to be appointed or elected due to the fact that an Academy has not yet been established or the Principal has not been appointed, then the relevant Article or part thereof shall not apply.

Appointment of Governors

The Members may appoint up to 1 Governor save that no more than one third of the total number of individuals appointed as Governors shall be employees of the Academy Trust (including the Principal).

- The LA may appoint the LA Governor.
- The Principal shall be treated for all purposes as being an ex officio Governor.
- Subject to Article 57, the Parent Governor(s) shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected.
- The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.
- The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.
- Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.
- The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.
- In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

58A. The Governing Body shall make all necessary arrangements for, and determine all matters relating to, the election and removal of Staff Governors.

58B. The Community Governors may be appointed by the Governing Body provided that the person who is appointed as a Community Governor is:

- a person who lives or works in the community served by the Academy; or
- a person who, in the opinion of the Governing Body, is committed to the government and success of the Academy.

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

The Governors may not appoint an employee of the Academy Trust as a Community Governor if the number of Governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Governors.

Co-opted Governors

The Governors may appoint up to 3 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Governors.

Appointment of additional Governors

The Secretary of State may give a warning notice to the Governors where he is satisfied:

- that the standards of performance of pupils at the Academy are unacceptably low, or
- that there has been a serious breakdown in the way the Academy is managed or governed; or
- that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

For the purposes of Article 60 a 'warning notice' is a notice in writing by the Secretary of State to the Academy Trust delivered to the Office setting out:

- the matters referred to in Article 60;
- the action which he requires the Governors to take in order to remedy those matters; and
- the period within which that action is to be taken by the Governors ('the compliance period').

The Secretary of State may appoint such Additional Governors as he thinks fit if the Secretary of State has:

- given the Governors a warning notice in accordance with Article 60; and
- the Governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

62A. The Secretary of State may also appoint such Additional Governors where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by Southwark Primary School (a maintained school) shall be regarded as the grade received by the Academy.

- The Secretary of State may also appoint such Further Governors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.
- Within 5 days of the Secretary of State appointing any Additional or Further Governors in accordance with Articles 62, 62A or 63, any Governors appointed under Article 50 and holding office immediately preceding the appointment of such Governors, shall resign immediately and the Members' power to appoint Governors under Article 50 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Governors.

Term of Office

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

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Policies and procedures adopted for the induction and training of trustees

During the year under review the Full Governing Body met 3 times and there were 6 committee meetings. The training and induction provided for new Governors depends on their previous experience. All new Governors are given a tour of the school and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. New Governors attend an Induction course provided by Nottingham City Council and have access to a full programme of courses which they will choose to attend, based on their role and experience.

Organisational structure

The organisational structure consists of three levels: the Governors, the Core Leadership Team and the Senior Leadership Team (comprising of the Core Leadership Team, Hub Leaders, Senior Teachers and Premises Manager). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Governors and Leadership Teams control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Leadership Team always contain a Governor. Some spending control is devolved to members of the Senior Leadership Team, with limits above which a member of the Core Leadership Team must countersign.

The Leadership Teams are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students. This structure empowers staff at all levels to take responsibility to improve and review their working practice

Risk management

The Governors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to manage risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Connected organisations and related party relationships

The Academy works closely with NCSTL, as well as Nottingham Trent University, Derby City and Lincolnshire and North Lincolnshire Local Authorities in supporting schools. The Business Manager holds regular sessions with the Education Improvement Partnership's Business Managers to share and improve practice and efficiency throughout the EIP.

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Objectives and activities

Objects and aims

The Academy Trust's objectives are specifically restricted to the following:

(a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and

(b) to promote for the benefit of individuals living in Old Basford and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Objectives, strategies and activities

Southwark's children are central to all our endeavours. We will judge everything that takes place in the school according to its impact on the children. We embrace the requirements of the "Every Child Matters" agenda, which is integral to our work as a successful Primary School.

Decisions will be made in accordance with the prime directive that Southwark is a place of learning for the whole school community.

Our way of working is described in the Staff Charter, which should be read in conjunction with this document.

Our aims for the children subdivide into four areas which we believe are equally essential for rounded and continued growth and development throughout childhood and into adult life.

Children need to:

- Grow as citizens
- Become lifelong learners
- Develop a breadth of knowledge, skills and understanding
- Be inspired by their school experience.

Ensuring these four elements are addressed for all our children is the chief purpose of everyone who works in the school on a paid or voluntary basis. Each and every member of the school community can make an invaluable contribution to the prime directive. By working together we can make it so.

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

The Academy produces a Development Plan on an annual basis where it details how it intends to achieve the aims and objectives for the year.

Priorities for the year ending 31st August 2013 were -

1. To improve attainment and progress in every year group addressing issues highlighted in pupil data at the end of the academic year 11/12.

Strategy

1a FS: Continue emphasis on oracy through a range of activities, but ensure that writing and number are as fully developed as possible for each child

1b Y1 Ensure that writing and number work are emphasised and do not fall behind reading for any group of pupils

1c Y2 Ensure that BA boys are successfully supported in maths and writing, as well as reading and address the needs of vulnerable children

1d Y3 Ensure Y2 SATS are built upon for all children across all areas and pay particular regard to the achievement of boys, vulnerable children, 2C, 2a+ and W via precision teaching

1e Y4 Support boys and FSM in writing

1f Y5 Achieve accelerated progress for ALL children in this year group

1g Y6 Ensure all children achieve their potential to secure L4+ or the highest PS possible by SATS in May

FS: Continue emphasis on oracy through a range of activities, but ensure that writing and number are as fully developed as possible for each child

Y1 Ensure that writing and number work are emphasised and do not fall behind reading for any group of pupils

Y2 Ensure that children currently working at 1b and below make accelerated progress to achieve 2b or above in reading, writing and maths.

Y3 Ensure Y2 SATS are built upon for all children across all areas and pay particular regard to AA boys in order to make accelerated progress in reading and writing.

Y4 To ensure that children operating at a level 2 and below make accelerated progress to achieve age related expectation.

Y5 To ensure that boys and FSM are targeted and supported particularly in writing.

Y6 Ensure all children achieve their potential to secure L4+ or the highest PS possible by SATS in May.

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

2.To improve attainment and progress in every year group by the strategic use of assessment

2a Ensure that all teachers and TAs(if so guided) use an ICT based system as a record of formative assessments

2b Ensure that the school has adapted to the new requirements of FS

2c Introduce "Achievement for All" style Parent Consultations on a trial basis and a system of "Assertive Mentoring"

2d Continue to provide opportunities for parents to complete OFSTEd "Parent View" on line at open nights

2e Ensure that parents are fully aware of their child's levels and how to best support their child

2f Ensure that all pupils in KS1 and KS2 know their next step in lessons

2g Address staff CPD needs in assessment and subject knowledge

3.To improve attainment and progress in every year group by successfully addressing poor attendance and punctuality, inappropriate behaviour that impacts on learning, and under developed social skills amongst those pupils who require it

3a Make sure all parents whose children have poor attendance and punctuality are aware of the direct impact on the child's learning

3b Ensure all parents whose child has behaviour traits that impact on his/her learning, or that of others is aware of this and supports the school in addressing the matter

3c Ensure that children who make accelerated progress are well rewarded and recognised via a "Children's University"

3d Ensure that "free" time at breaks and lunch is used profitably, safely and enjoyably by all children

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

The priorities for the year ending 31st August 2014 are –

1. To improve attainment and progress in every year group addressing issues highlighted in pupil data at the end of the academic year 13/14.

FS: Continue emphasis on oracy through a range of activities, but ensure that writing and number are as fully developed as possible for each child

Y1 Ensure that writing and number work are emphasised and do not fall behind reading for any group of pupils

Y2 Ensure that children currently working at 1b and below make accelerated progress to achieve 2b or above in reading, writing and maths.

Y3 Ensure Y2 SATS are built upon for all children across all areas and pay particular regard to AA boys in order to make accelerated progress in reading and writing.

Y4 To ensure that children operating at a level 2 and below make accelerated progress to achieve age related expectation.

Y5 To ensure that boys and FSM are targeted and supported particularly in writing.

Y6 Ensure all children achieve their potential to secure L4+ or the highest PS possible by SATS in May

2. To improve attainment and progress in every year group by the strategic use of assessment

Ensure that all teachers continue to use an ICT based system as a record of formative assessments

Introduce visual progress boards to be used during team assessment meetings.

Introduce Assertive Mentoring across the whole for every child (Y2 upwards) and involve parents in the process.

Continue to provide opportunities for parents to complete OFSTEd "Parent View" on line at open nights.

Establish the most effective method/systems for assessing Science, Speaking and Listening and other foundation subjects.

Ensure that all pupils in KS1 and KS2 know their next step in lessons

Address staff CPD needs in assessment and subject knowledge in relation to the new National Curriculum and EYFS.

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

3.To improve attainment and progress in every year group by successfully addressing poor attendance and punctuality, inappropriate behaviour that impacts on learning, and under developed social skills amongst those pupils who require it

Make sure all parents whose children have poor attendance and punctuality are aware of the direct impact on the child's learning

Health Mentors are used effectively to support targeted pupils across the school in lessons and during 'free time'.

Ensure that "free" time at breaks and lunch is used profitably, safely and enjoyably by all children

4. To improve the quality of teaching and learning opportunities in Southwark and the Trust

Ensure systems and routines are in place to maximise the impact of the increased staffing levels across the school.

Specialist teachers are used effectively across the school to enhance the curriculum

Ensure that standards continue to improve at Southwark across the Trust.

Equal opportunities

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

Disabled employees

The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making support resources available

By involving disabled pupils, employees, parents and carers and the wider community school will get advice that will be invaluable when producing and implementing this scheme. Disabled children and adults will know and understand the barriers they face and what can be done to promote disability equality. Involvement should not be confused with consultation. Involvement is a more active concept than consultation, and school will engage with disabled children and adults from the beginning and use their views throughout the process of developing the scheme, designing a policy or reorganising a practice.

Whilst the regulations specifically require the involvement of disabled people in the development of the Scheme only, the involvement of disabled people in the implementation of various aspects of the Scheme (such as conducting impact assessments and gathering evidence) is also critical to successful implementation. We will continue to involve disabled people in all our processes of evidence gathering, impact assessment, reviewing and revising the Scheme and priorities.

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Public benefit

The governors confirm that they have complied with the Charities Act 2006 to have due regard to the Charities Commission's general guidance on public benefit and in particular to its supplementary public benefit on advancing education. We have reviewed our aims and objectives and in planning our future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set.

Southwark Primary School is an Academy converter catering for children aged 3 to 11 and strives to promote and support the advancement of education within the Old Basford area. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. For example the school: adopts a specialist teacher model in PE, Art, PE and Music; works in conjunction with external organisations (e.g. Wider Opportunities, sporting clubs) to enhance the curriculum experiences for the children; provides excellent links with local secondary schools to help transition of pupils and provide curricular/staff CPD support and also works within the local community to ensure that it is central to community cohesion.

Wherever possible the school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example: Rosegay TRA, Bulwell AFC, Bulwell Forest AFC, Vernon Colts, Kashmir FC, Local Elections, Local Authority Governor Training, Parents Group to support children with autism. In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Achievements and performance

Achievements in the year

The advancement of education is maintained by offering a varied curriculum resulting in high attainment.

KS2 SATS results for 2013:

L4

Reading - 65%

Writing - 70%

Maths - 60%

Level 5

Reading - 27%

Writing - 19%

Maths - 21%

L6

Reading - 2%

Writing - 0%

Maths - 2%

KS1 SATS results for 2013:

L2+

Reading - 88%

Writing - 61%

Maths - 91%

L2b+

Reading - 84%

Writing - 61%

Maths - 12%

L3

Reading - 18%

Writing - 12%

Maths - 16%

Year 1 phonics - 79%

Key performance indicators

The Governors consider that the following are key performance indicators for the Academy Trust:

- Pupils numbers (leading directly to the Education Funding Agency ("EFA") funding level);
- General financial stability - aim for income to match expenditure each year;
- Percentage of income received from EFA spent on total staff costs;
- Income per pupil
- Staff costs as a percentage of grant income;
- Staff costs as a percentage of total costs;
- Removal of L2 Teaching Assistant Posts
- Introduction of specialist teachers
- Ofsted inspection results;
- Capital expenditure per pupil;
- Nursery pupil intake - admissions procedure followed due to being oversubscribed;

The Governors have been pleased that expectations for all key performance indicators listed have been successfully met during the period.

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Most of the Academy's recurrent income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2013, total expenditure of £3,397,612(excluding restricted fixed assets costs) was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £84,621.

At 31 August 2013, the net book value of fixed assets was £5,926,094 and movements in tangible fixed assets are shown in note 10 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Principal risks and uncertainties

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

Operational and reputational - this covers risks to the running of the Academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management.

The risks to which the Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

Financial and risk management objectives and policies

The Academy Trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Academy Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - The Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the Trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the Trust's assets.

Credit risk arises from the possibility that amounts owed to the Trust will not be repaid. The Trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

SOUTHWARK PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Reserves policy

The Trustees review the reserve levels of the Academy Trust throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. Devolved Capital is reserved for the use of building maintenance where appropriate. Governor's agreed to allocate £100,000 over 2 years to maintain a sum in reserve to cover unexpected expenditure.

Investment policy and powers

The Academy Trust seeks to maximise returns from investments, minimise risk and maintain flexibility and access to funds.

Plans for the future

The governors have agreed to maintain a contingency reserve account in order to pay for any unexpected building issues

Business Manager to review services to ensure efficiency, effectiveness and economy

The trustees have decided to convert to a Multi Academy Trust in early 2014

Funds held as custodian trustee

The Academy does not currently 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 UHY Hacker Young LLP be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the board of trustees on 5 December 2013 and signed on its behalf by:

Mr P Milner
Chair

SOUTHWARK PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Southwark Primary 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 the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Southwark Primary 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 period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Miss L Bussell	2	3
Mrs A Hurt	3	3
Mr K Eley	3	3
Ms H Robinson	2	3
Miss L White	2	3
Miss S Maltby (Resigned 10 December 2012)	1	1
Rev R Shaw	3	3
Mr C Grant	3	3
Mrs M Saunders (Executive Principal)	3	3
Mr P Milner (Chair)	2	3
Mr R Lambert	3	3
Mrs H Walker (Resigned 4 November 2013)	3	3
Dr K Bardell	2	3
Mr A Joyce	2	3
Miss K Burghart	1	3
Miss L Richards (Appointed 14 March 2013)	2	2
Dr I Udueni (Appointed 7 December 2012)	1	1
Mr W Porter (Appointed 5 November 2013)	0	0

SOUTHWARK PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the school effectively, and to ensure the school provides a safe educational environment. One of the Committee's responsibilities is routine budget setting and monitoring. It has reviewed the schools staffing structure, resulting in the removal the Level 2 Teaching Assistant Post creating a redundancy situation.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Miss L Bussell	2	2
Mrs A Hurt	2	2
Mr K Eley	2	2
Mr C Grant	2	2
Mrs M Saunders (Executive Principal)	2	2
Mr A Joyce	2	2

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Southwark Primary School for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

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

SOUTHWARK PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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 trustees have appointed Henrietta Robinson a trustee, as responsible officer (RO) to perform additional checks.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

As accounting officer, Mrs M Saunders 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;
- review of internal control by School and Academies Finance
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the board of trustees on 5 December 2013 and signed on its behalf by:

Mrs M Saunders
Executive Principal (accounting officer)

Mr P Milner
Chair

SOUTHWARK PRIMARY SCHOOL

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

As accounting officer of Southwark Primary 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 EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust board of 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 5 December 2013 and signed by:

Mrs M Saunders
Accounting Officer

SOUTHWARK PRIMARY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 5 December 2013 and signed on its behalf by:

Mr P Milner
Chair

SOUTHWARK PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUTHWARK PRIMARY SCHOOL

We have audited the accounts of Southwark Primary School for the year ended 31 August 2013 set out on pages 25 to 44. 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 20, the trustees, who are also the directors of Southwark Primary 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.

SOUTHWARK PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SOUTHWARK PRIMARY SCHOOL

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.

Elizabeth Searby BSc FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP

Chartered Accountants
Statutory Auditor
22 The Ropewalk
Nottingham
NG1 5DT

Dated: 5 December 2013

SOUTHWARK PRIMARY SCHOOL

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO SOUTHWARK PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 14 July 2011 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 Southwark Primary 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 Southwark Primary 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 Southwark Primary 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 Southwark Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Southwark Primary School's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Southwark Primary School's funding agreement with the Secretary of State for Education dated 1 September 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.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of Southwark Primary School for the year ended 31 August 2013 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

SOUTHWARK PRIMARY SCHOOL

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO SOUTHWARK PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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.

**Elizabeth Searby BSc FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP**

Dated: 5 December 2013

SOUTHWARK PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2013 £	Total 2012 £
<u>Incoming resources</u>						
<i>Resources from generated funds</i>						
- Inherited on conversion		-	-	-	-	5,750,285
- Activities for generating funds	2	83,283	83,300	-	166,583	127,529
- Investment income	3	1,833	-	-	1,833	992
<i>Resources from charitable activities</i>						
- Funding for educational operations	4	-	3,313,817	16,305	3,330,122	3,038,923
Total incoming resources		85,116	3,397,117	16,305	3,498,538	8,917,729
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	6	80,749	3,300,183	159,391	3,540,323	3,089,432
Governance costs	7	-	16,680	-	16,680	25,885
Total resources expended	5	80,749	3,316,863	159,391	3,557,003	3,115,317
Net incoming/(outgoing) resources before transfers		4,367	80,254	(143,086)	(58,465)	5,802,412
Gross transfers between funds		-	-	-	-	-
Net income/(expenditure) for the year		4,367	80,254	(143,086)	(58,465)	5,802,412
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(45,000)	-	(45,000)	(276,000)
Revaluation of fixed assets	10	-	-	-	-	(31,240)
Net movement in funds		4,367	35,254	(143,086)	(103,465)	5,495,172
Fund balances at 1 September 2012		38,046	(530,161)	5,987,287	5,495,172	-
Fund balances at 31 August 2013		42,413	(494,907)	5,844,201	5,391,707	5,495,172

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.

SOUTHWARK PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2013

		2013		2012	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		5,926,094		5,987,287
Current assets					
Stocks	11	7,838		7,398	
Debtors	12	65,807		80,372	
Cash at bank and in hand		584,438		460,160	
		<u>658,083</u>		<u>547,930</u>	
Creditors: amounts falling due within one year	13	(173,470)		(146,045)	
Net current assets			<u>484,613</u>		<u>401,885</u>
Total assets less current liabilities			<u>6,410,707</u>		<u>6,389,172</u>
Defined benefit pension liability	17	(1,019,000)		(894,000)	
Net assets			<u>5,391,707</u>		<u>5,495,172</u>
Funds of the academy trust:					
Restricted income funds	15				
- Fixed asset funds			5,844,201		5,987,287
- General funds			524,093		363,839
- Pension reserve			(1,019,000)		(894,000)
Total restricted funds			<u>5,349,294</u>		<u>5,457,126</u>
Unrestricted funds	15		<u>42,413</u>		<u>38,046</u>
Total funds			<u>5,391,707</u>		<u>5,495,172</u>

The accounts were approved by order of the board of trustees and authorised for issue on 5 December 2013.

Mrs M Saunders
Executive Principal

Mr P Milner
Chair

Company Number 07726568

SOUTHWARK PRIMARY SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £	2012 £
Net cash inflow/(outflow) from operating activities	18	204,338	493,806
Returns on investments and servicing of finance			
Investment income		<u>1,833</u>	<u>992</u>
Net cash inflow/(outflow) from returns on investments and servicing of finance		<u>1,833</u>	<u>992</u>
		206,171	494,798
Capital expenditure and financial investments			
Capital grants received		16,305	10,806
Payments to acquire tangible fixed assets		<u>(98,198)</u>	<u>(45,444)</u>
Net cash flow from capital activities		<u>(81,893)</u>	<u>(34,638)</u>
Increase/(decrease) in cash	19	<u><u>124,278</u></u>	<u><u>460,160</u></u>

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

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.

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 is certainty of receipt and the value of the donation is measurable.

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.

SOUTHWARK PRIMARY 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

These are costs incurred on the academy trust's educational operations.

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 £1,000 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.

The property is held under a 125 year lease. It is included in the financial statements at valuation which is calculated using the depreciated replacement cost method.

Depreciation is provided on all tangible fixed assets other than land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Land is not depreciated	
Long leasehold buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	8 years

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.

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.

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

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.

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 17, 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.

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 fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education or other funders 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 and Department for Education.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Private school fund	-	34,231	34,231	28,007
Catering income	2,534	49,069	51,603	4,821
After school club	45,477	-	45,477	44,159
Other income	35,272	-	35,272	50,542
	<u>83,283</u>	<u>83,300</u>	<u>166,583</u>	<u>127,529</u>

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Short term deposits	1,833	-	1,833	992
	<u>1,833</u>	<u>-</u>	<u>1,833</u>	<u>992</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
DfE / EFA revenue grants				
General annual grant (GAG)	-	2,720,887	2,720,887	2,493,844
Capital grants	-	6,305	6,305	10,806
Other DfE / EFA grants	-	221,700	221,700	114,979
	<u>-</u>	<u>2,948,892</u>	<u>2,948,892</u>	<u>2,619,629</u>
Other government grants				
Local authority grants	-	381,230	381,230	419,294
	<u>-</u>	<u>381,230</u>	<u>381,230</u>	<u>419,294</u>
Total funding	<u>-</u>	<u>3,330,122</u>	<u>3,330,122</u>	<u>3,038,923</u>

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

5 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2013 £	Total 2012 £
Academy's educational operations					
- Direct costs	2,268,375	-	173,966	2,442,341	2,233,678
- Allocated support costs	499,335	207,413	391,234	1,097,982	855,754
	<u>2,767,710</u>	<u>207,413</u>	<u>565,200</u>	<u>3,540,323</u>	<u>3,089,432</u>
Other expenditure					
Governance costs	-	-	16,680	16,680	25,885
	<u>-</u>	<u>-</u>	<u>16,680</u>	<u>16,680</u>	<u>25,885</u>
Total expenditure	<u>2,767,710</u>	<u>207,413</u>	<u>581,880</u>	<u>3,557,003</u>	<u>3,115,317</u>

Incoming/outgoing resources for the year include:

	2013 £	2012 £
Operating leases	6,076	2,876
Fees payable to auditor		
- Audit	<u>6,250</u>	<u>6,250</u>

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

6 Charitable activities - the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Direct costs				
Teaching and educational support staff costs	53,827	2,214,548	2,268,375	2,067,084
Educational supplies and services	-	101,179	101,179	70,664
Staff development	-	41,015	41,015	68,857
Other direct costs	-	31,772	31,772	27,073
	53,827	2,388,514	2,442,341	2,233,678
Allocated support costs				
Support staff costs	26,922	472,413	499,335	368,032
Depreciation	-	159,391	159,391	142,596
Maintenance of premises and equipment	-	48,022	48,022	13,725
Energy costs	-	48,428	48,428	40,013
Rent and rates	-	18,531	18,531	19,493
Insurance	-	91,493	91,493	80,843
Security and transport	-	259	259	154
Catering	-	135,186	135,186	91,889
Interest and finance costs	-	30,000	30,000	28,000
Other support costs	-	67,337	67,337	71,009
	26,922	1,071,060	1,097,982	855,754
Total costs	80,749	3,459,574	3,540,323	3,089,432

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Legal and professional fees	-	10,430	10,430	19,635
Auditor's remuneration	-	6,250	6,250	6,250
- Audit of financial statements	-	6,250	6,250	6,250
	-	16,680	16,680	25,885
	-	16,680	16,680	25,885

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

8 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year no travel and subsistence payments were reimbursed to the trustees.

The value of trustees' remuneration including employers pension contributions was as follows:

M Saunders (Headteacher and trustee) £105,000 - £110,000 (2012: £100,000-£105,000)

A Hurt (Assistant head and trustee) £45,000 - £50,000 (2012: £40,000-£45,000)

L Bussell (Assistant head and trustee) £45,000 - £50,000 (2012: £40,000 - £45,000)

R Lambert (Staff trustee) £40,000 - £45,000 (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 £2,000,000 on any one claim but the cost for the year ended 31 August 2013 cannot be determined.

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	45	43
Administration and support	36	36
	81	79

Costs included within the accounts:

	2013 £	2012 £
Wages and salaries	2,161,624	1,927,947
Social security costs	148,734	133,107
Other pension costs	329,406	300,723
	2,639,764	2,361,777
Supply teacher costs	127,946	73,339
	2,767,710	2,435,116

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

9 Staff costs

(Continued)

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

	2013 Number	2012 Number
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-
	<u> </u>	<u> </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
	£	13,425	12,479
		<u> </u>	<u> </u>
Local Government Pension Scheme	Numbers	-	-
	£	-	-
		<u> </u>	<u> </u>

10 Tangible fixed assets

	Land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost or valuation				
At 1 September 2012	5,891,476	139,664	-	6,031,140
Additions	47,450	42,125	8,623	98,198
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2013	5,938,926	181,789	8,623	6,129,338
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1 September 2012	-	43,853	-	43,853
Charge for the year	97,717	60,596	1,078	159,391
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2013	97,717	104,449	1,078	203,244
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 31 August 2013	5,841,209	77,340	7,545	5,926,094
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2012	5,891,476	95,811	-	5,987,287
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

10 Tangible fixed assets (Continued)

The land and buildings were valued as at 31 August 2012 by a qualified firm of chartered surveyors at the direct request of the Education Funding Agency. The valuation was undertaken using the depreciated replacement cost method and resulted in a valuation of £5,891,476 of which £1,053,083 related to land. In the opinion of the trustees there has been no material movement in the valuation during the year to 31 August 2013.

The land of £1,053,083 is not depreciated.

11 Stocks	2013 £	2012 £
Other stock	7,838	7,398
	<u>7,838</u>	<u>7,398</u>
12 Debtors	2013 £	2012 £
Trade debtors	6,534	-
VAT recoverable	32,095	71,924
Prepayments and accrued income	27,178	8,448
	<u>65,807</u>	<u>80,372</u>
13 Creditors: amounts falling due within one year	2013 £	2012 £
Trade creditors	40,473	10,810
Taxes and social security costs	46,445	43,135
Accruals	59,841	85,796
Deferred income	26,711	6,304
	<u>173,470</u>	<u>146,045</u>
14 Deferred income	2013 £	2012 £
Deferred income is included within:		
Creditors due within one year	26,711	6,304
	<u>26,711</u>	<u>6,304</u>
Total deferred income at 1 September 2012	6,304	-
Amounts credited to the statement of financial activities	(6,304)	-
Amounts deferred in the year	26,711	6,304
Total deferred income at 31 August 2013	<u>26,711</u>	<u>6,304</u>

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

15 Funds

	Balance at 1 September 2012	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2013
	£	£	£	£	£
Restricted general funds					
General Annual Grant	353,769	2,720,887	(2,563,092)	-	511,564
Other DfE / EFA grants	-	221,700	(221,700)	-	-
Other government grants	-	371,230	(371,230)	-	-
Other restricted funds	10,070	83,300	(80,841)	-	12,529
	<u>363,839</u>	<u>3,397,117</u>	<u>(3,236,863)</u>	<u>-</u>	<u>524,093</u>
Funds excluding pensions					
Pension reserve	(894,000)	-	(80,000)	(45,000)	(1,019,000)
	<u>(530,161)</u>	<u>3,397,117</u>	<u>(3,316,863)</u>	<u>(45,000)</u>	<u>(494,907)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	5,987,287	16,305	(159,391)	-	5,844,201
	<u>5,987,287</u>	<u>16,305</u>	<u>(159,391)</u>	<u>-</u>	<u>5,844,201</u>
Total restricted funds	<u>5,457,126</u>	<u>3,413,422</u>	<u>(3,476,254)</u>	<u>(45,000)</u>	<u>5,349,294</u>
Unrestricted funds					
General funds	38,046	85,116	(80,749)	-	42,413
	<u>38,046</u>	<u>85,116</u>	<u>(80,749)</u>	<u>-</u>	<u>42,413</u>
Total funds	<u>5,495,172</u>	<u>3,498,538</u>	<u>(3,557,003)</u>	<u>(45,000)</u>	<u>5,391,707</u>

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

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 trustees.

Restricted fixed asset funds are resources which are applied to specific capital purposes imposed by the Education Funding Agency, department for Education or other funders 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 Fund Agency and the Department for Education.

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
Fund balances at 31 August 2013 are represented by:				
Tangible fixed assets	-	-	5,926,094	5,926,094
Current assets	658,617	81,359	(81,893)	658,083
Creditors: amounts falling due within one year	(616,204)	442,734	-	(173,470)
Defined benefit pension liability	-	(1,019,000)	-	(1,019,000)
	<u>42,413</u>	<u>(494,907)</u>	<u>5,844,201</u>	<u>5,391,707</u>

17 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 Nottinghamshire County Council. 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 August 2013.

There were no outstanding contributions payable to the schemes at 31 August 2013 and 2012.

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.

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

17 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.

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

17 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 18 per cent for employers and between 5 and 8 per cent for employees. The estimated value of employer contributions for the forthcoming year is £191,000.

	2013 £	2012 £
Employer's contributions	89,000	98,000
Employees' contributions	30,000	34,000
	<hr/>	<hr/>
Total contributions	119,000	132,000
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions

	2013 %	2012 %
Rate of increase in salaries	5.10	4.10
Rate of increase for pensions in payment	2.90	1.90
Discount rate for scheme liabilities	4.70	3.90
Inflation assumption (CPI)	2.90	1.90
	<hr/> <hr/>	<hr/> <hr/>

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	19	19
- Females	23	23
Retiring in 20 years		
- Males	21	21
- Females	25	25
	<hr/> <hr/>	<hr/> <hr/>

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

17 Pensions and similar obligations

(Continued)

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 £	2012 Expected return %	2012 Fair value £
Equities	6.20	537,000	5.50	362,000
Bonds	4.40	30,000	3.90	22,000
Gilts	3.50	68,000	2.80	54,000
Cash	0.50	15,000	0.50	22,000
Property	5.20	91,000	4.50	70,000
Other assets	6.20	15,000	5.50	11,000
		<u>756,000</u>		<u>541,000</u>
Total market value of assets		756,000		541,000
Present value of scheme liabilities - funded		(1,775,000)		(1,435,000)
Net pension asset / (liability)		<u>(1,019,000)</u>		<u>(894,000)</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period (i.e. as at 1 September 2013 for the year to 31 August 2014).

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

Operating costs and income recognised in the statement of financial activities

	2013 £	2012 £
Financial expenditure/(income)		
Expected return on pension scheme assets	(29,000)	(26,000)
Interest on pension liabilities	59,000	54,000
	<u>30,000</u>	<u>28,000</u>
Other expenditure/(income)		
Current service cost	120,000	103,000
Past service cost	-	-
	<u>120,000</u>	<u>103,000</u>
Total operating charge/(income)	<u>150,000</u>	<u>131,000</u>

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

17 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2013 £	2012 £
Actuarial (gains)/losses on assets: actual return less expected	(54,000)	(7,000)
Experience (gains)/losses on liabilities	99,000	283,000
(Gains)/losses arising from changes in assumptions	-	-
	<u>45,000</u>	<u>276,000</u>
 Cumulative (gains)/losses to date	 <u>321,000</u>	 <u>276,000</u>

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

	2013 £	2012 £
Opening defined benefit obligations	(1,435,000)	(961,000)
Current service cost	(120,000)	(103,000)
Interest cost	(59,000)	(54,000)
Contributions by employees	(30,000)	(34,000)
Actuarial gains/(losses)	(99,000)	(283,000)
Benefits paid	(13,000)	-
Curtailments and settlements	(19,000)	-
	<u>(1,775,000)</u>	<u>(1,435,000)</u>

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

	2013 £	2012 £
Opening fair value of scheme assets	541,000	376,000
Expected return on assets	29,000	26,000
Actuarial gains/(losses)	54,000	7,000
Contributions by employers	89,000	98,000
Contributions by employees	30,000	34,000
Benefits paid	13,000	-
	<u>756,000</u>	<u>541,000</u>

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

17	Pensions and similar obligations	(Continued)	
	History of experience gains and losses:		
		2013	2012
		£	£
	Present value of defined benefit obligations	(1,775,000)	(1,435,000)
	Fair value of share of scheme assets	756,000	541,000
	Surplus / (deficit)	<u>(1,019,000)</u>	<u>(894,000)</u>
	Experience adjustment on scheme liabilities	(99,000)	(283,000)
	Experience adjustment on scheme assets	<u>54,000</u>	<u>7,000</u>
18	Reconciliation of net income to net cash inflow/(outflow) from operating activities		
		2013	2012
		£	£
	Net income	(58,465)	5,802,412
	Capital grants and similar income	(16,305)	(10,806)
	Net deficit/(surplus) transferred on conversion	-	(5,750,285)
	Net current assets other than cash transferred on conversion	-	219,606
	Investment income	(1,833)	(992)
	FRS17 pension costs less contributions payable	50,000	5,000
	FRS17 pension financial expenditure	30,000	28,000
	Depreciation of tangible fixed assets	159,391	142,596
	(Increase)/decrease in stocks	(440)	(7,398)
	(Increase)/decrease in debtors	14,565	(80,372)
	Increase/(decrease) in creditors	27,425	146,045
	Net cash inflow/(outflow) from operating activities	<u>204,338</u>	<u>493,806</u>
19	Reconciliation of net cash flow to movement in net funds		
		2013	2012
		£	£
	Increase/(decrease) in cash	124,278	460,160
	Net funds at 1 September 2012	460,160	-
	Net funds at 31 August 2013	<u>584,438</u>	<u>460,160</u>

SOUTHWARK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

20 Analysis of net funds

	At 1 September 2012 £	Cash flows £	Non-cash changes £	At 31 August 2013 £
Cash at bank and in hand	460,160	124,278	-	584,438

21 Commitments under operating leases

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

	2013 £	2012 £
Expiry date: - Between two and five years	5,752	5,752

22 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.

The following related party transactions took place in the period of account:

Browne Jacobson - a company in which L. Richards, a trustee, has an interest. Transactions amounting to £3,355 (2012: £nil) are included in governance costs.

23 Controlling party

The academy trust is run by the management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.

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.