

**Lampton School Academy Trust
(A Company Limited by Guarantee)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

**Company Limited by Guarantee
Registration Number:
07345776 (England and Wales)**

LAMPTON SCHOOL ACADEMY TRUST

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LAMPTON SCHOOL ACADEMY TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS
AND ADVISERS**

Governors (Directors)

Dame Susan John
Michael Sterne
Moira Stuart
Rajneesh Dhir
Jagjiwan Singh
Nicola Sharma
Edward Locke
Frank Wingate
Rachel Lane
Dee Scott
Urmilla Cowling
Nasir Kazmi
Ruth Williams (Appointed January 2013)
Rachel Lawrence (Resigned 8 November 2012)
Sham Jassar
Rajesh Shori

Secretary

Diane Cresswell

Senior managers

Head Teacher
Associate Head Teachers

Dame Susan John
Stephen Davis
Jacquie Smith

Registered Office

Lampton School
Lampton Avenue
Hounslow
TW3 4EP

Company Registration Number

07345776

Statutory Auditor

Wilkins Kennedy LLP
Greytown House
221/227 High Street
Orpington
Kent
BR6 0NZ

Bankers

HSBC
127 High Street
Hounslow
TW3 1QP

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

LAMPTON SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS 31 AUGUST 2013

The Governors present their report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 07345776) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Governors act as the Trustees for the charitable activities of Lampton School Academy Trust and are also Directors of the charitable company for the purposes of company law. The charitable company is known as Lampton School. Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Principal Activities

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

The members of the Academy Trust shall comprise no less than 3 persons, 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose, the Chairman of the Governors and any person appointed under Article 19.

The number of Governors shall be not less than 3, but shall not be subject to a maximum. The first Governors shall be those named in the initial Memorandum. The Academy Trust shall have the 3 Governors; the Governing Body comprises of: 3 signatories to the memorandum; five appointed by the members of the trust including staff; one LA; three co – opted and the Headteacher. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed three.

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

Policies and Procedures Adopted for the Induction and Training of Governors

During the period under review the Governors held 3 meetings. The training and induction provided for new Governors will depend on their existing experience. All new Governors will be given a tour of the school and the chance to meet with staff and students. All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a period, induction tends to be done informally and is tailored specifically to the individual.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure

The structure consists of three levels: the Governors, Senior Leadership Team and Heads of curriculum departments and Heads of Year. 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 participate in senior staff appointments.

The Senior Leadership Team are the Headteacher, Associate Headteachers, Deputy Headteacher and Assistant Headteachers. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for middle and senior leader posts will contain a Governor (s) where possible. Some spending control is devolved to Heads of Departments/Years, with limits above which a Senior Leader must countersign up to a certain limit, after which governor approval is required.

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Governors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 11.

OBJECTIVES AND ACTIVITIES

Objects and aims (as set out in the governing document)

Lampton is a mixed 11-18 comprehensive school which sees its rich cultural heritage as perhaps the most important of its many strengths. It is truly an international school. We foster a genuine sense of respect for the individual alongside an appreciation of the culture and beliefs of others.

The principal object of the school is specifically restricted to the following, to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum being Lampton School Academy Trust.

The main objectives of the Academy during the year ended 31 August 2013 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the school by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory requirements;
- to maintain close links with industry and commerce; and
- to conduct the school's business in accordance with the highest standards of integrity, probity and openness.

OBJECTIVES AND ACTIVITIES (continued)

Strategies and activities

The Lampton School community values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit Lampton School.

Students will be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at school. They will be independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers will enthuse and inspire others to explore new ideas.

Parents will fulfill their roles as true partners, recognizing their role in the student- school – parent partnership to ensure that their child realizes his/her potential.

Governors will contribute to the life of the school on a wider scale, acting as critical friends to support the school as a nationally recognised centre of excellence.

Equal opportunities policy

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

Disabled persons

The school complies fully with the Equality Act 2010 regulations and is equipped to welcome and/or teach any child or adult with a disability where possible. Governors have adopted an updated Equality policy in light of recommendations related to the 2010 Act.

PUBLIC BENEFIT

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Admissions criteria

- Admissions to the school are the responsibility of the Governors of the school.
- The following criteria will be applied in accordance with current legislation and the expressed policies of the school.
- The Governing Body will operate an equal preference system in accordance with the Pan-London Admissions System. In accordance with the school's expressed values and practice and current legislation the following pupils will have priority where parents have expressed a preference for Lampton School.

PUBLIC BENEFIT (continued)

- **Oversubscription and in-term admissions priorities:**

- Where applications exceed the number of available places the following criteria will be applied in the order set out to decide which children to admit.
- Children looked after and some who have been looked after by a Local Authority, and children who have been adopted (or made subject to a residence order or special guardianship orders) immediately following having been looked after.

- **Medical or Social Reasons**

Applicants who can demonstrate an urgent social or medical reason why their child requires attendance at Lampton school rather than any other school. This includes disability as defined by the Disability and Discrimination Act 1995 and a priority need as defined by the Children Act 1989. Parents must complete the appropriate section of the application and the reasons must be supported by relevant medical certificates or supporting evidence. Applications on these grounds will be determined by the Governors' admissions committee.

- **Siblings**

Applicants who will have an older son or daughter – including all blood, half-, step-, adoptive and foster brothers and sisters of the child (not cousins) who live at the same home as the child – who will be attending Lampton at the time of admission in September 2014

- **Distance**

Distance will be measured by computer software based on Ordnance Survey and postal address data. The software measures using public roads and footpaths adopted and recorded by Hounslow Council's Highways Team. When using roads for measurement purposes the software measures along the middle of the road. It starts from a point in the footprint of the property provided as the child's address and continues by the shortest available route to the nearest of the school gates which is used by pupils to enter the school grounds. Blocks of flats are treated as one address. In blocks of flats, priority will normally be given to the lowest flat number. Addresses in private roads will measure from the footprint of the property, along the middle of the private road leading to the public road/footpath as adopted and recorded by Hounslow Highways Team. Not used are routes using common land¹, open spaces, public parks, subways or footpaths not adopted by the Highways team².

1. *Except the Chiswick Common footpath between the junction at Chiswick Common Road and Turnham Green Terrace.*
2. *Except the pedestrian footpath at the eastern end of The Ride.*

Tie Break

If there is one place available and two or more children next in order of priority or next on the waiting list meet the appropriate criterion equally, the place will be allocated using the distance criterion. If the distances are equal, the place will be allocated by drawing lots. The drawing of lots will be in the presence of an independent witness.

Appeals

Appeals will be heard in accordance with appropriate legislation. An Independent Appeals Panel appointed by the local education authority will adjudicate on all appeals for places in Lampton School. Any parent wishing to appeal should follow the procedure set out in the admissions brochure. There will be no other appeal to the Governors for a place at Lampton School.

PUBLIC BENEFIT (continued)

Children with Statements of Special Educational Needs

The Governors must admit children with statements naming Lampton School but authorities have a duty to consult the school before naming it in the statement. Such admissions are separate from those provided for in this policy

For the September 2013 intake the school received 1142 applications for the 240 places available in Year 7. The maximum distance offered under the distance criteria was 1.58 miles

ACHIEVEMENTS AND PERFORMANCE

The Academy is in its third period of operation and continues to achieve the forecast numbers of students. Total students in the year ended 31st August 2013 numbered 1,472 and the Academy has a full complement in all period groups.

In summer 2013 the Academy gained an outstanding set of results in public examinations at both A level and GCSE.

Students enter the school with broadly average attainment. By the end of Year 11, attainment is above average with 73% attaining 5+ A*-C including English and mathematics and 90% of students attaining 5+ A*-C in 2013. These are the highest GCSE results achieved by the school. 45% per cent of students gained the English Baccalaureate (Ebac) suite of subjects in 2013, a significantly higher proportion of the cohort than that found nationally. Students known to be eligible for free school meals perform significantly above the national averages when compared to similar students nationally. The gap in attainment between these students and those students who do not receive additional funding through pupil premium is closing dramatically. The achievement of students identified for additional support through a statement of need, school action or school action plus is also significantly above that found nationally.

To ensure that standards are continually raised the school: operates a programme of internal and external reviews of curriculum areas and has an external quality assurance review as part of its membership of Challenge Partners. The school is a National Teaching School, one of only 100 in the country designated in September 2011.

The school received an external quality assurance review from Challenge Partners in November 2012.

The overall judgements were:

- Achievement:** Outstanding
- Quality of Teaching:** Outstanding
- School Improvement Strategies:** Outstanding
- Area of Excellent Practice:**
- Religious Studies:** Confirmed
- Aspirations, careers and alternative provision:** Confirmed
- Student voice:** Confirmed
- Impact on Challenge Partnership:** Outstanding

Overall Review Evaluation

The Quality Assurance Review found indicators that Lampton School appears to be firmly within the Outstanding grade as judged by Ofsted in the school's previous Ofsted report 21st May 2008.

The Academy was inspected by Ofsted in May 2013. In this 'no notice' inspection the school achieved an 'outstanding' judgement in all areas. Key strengths of the school were identified as being:

- Students' achievement is outstanding, particularly in English and mathematics. By the end of Key Stage 4 students have made more progress than most students nationally.
- Teaching is outstanding and enables students to make exceptional progress whatever their starting points. Checking of learning and understanding, through questioning, ensures students make fast progress.
- Lessons include a mix of different activities which students enjoy and which ensure they learn rapidly. Teachers quickly adapt learning activities if at first some students do not understand what they are meant to do.
- Students demonstrate maturity, strong social skills and good humour in their behaviour in lessons. Students' outstanding behaviour continues outside of lessons. They have the maturity to self-regulate and behave responsibly.
- Staff are fully committed to doing their utmost for students, and one said, 'This is an outstanding school and I am proud to be part of it. The students are fantastic and I feel very well supported by senior leaders.'
- The school is extremely well led. The senior team clearly communicates the message that the school's key function is to enable outstanding outcomes for all students, including disabled students and those who have special educational needs.
- Monitoring of teaching and learning by leaders and managers is accurate. There are well established support and training programmes for teachers to further improve how their work helps to raise students' achievement.
- The sixth form is good. Results are particularly strong at the end of Year 13. Students are well supported and the school is determined to ensure they do even better.
- The school shares its best practice and is active in supporting other schools. The training it provides both new and experienced teachers, particularly in its role as a National Teaching School benefits many schools, way beyond Lampton.

Governors know and understand the school well and provide highly effective challenge and support for the school. They are fully committed to its continued improvement.

The area for improvement identified in the Ofsted report of May 2013 was:

Ensure that all marking is consistently effective by making sure that:

- all teachers' written feedback clearly explains how well students are doing and how to further improve their work
- students are given opportunities to use the written feedback to improve their work, and this is
- followed up by the teacher
- all leaders check regularly that written feedback is consistent and is helping to improve students' achievement.

KEY PERFORMANCE INDICATORS

The school improvement plan (SIP) identifies the following key performance indicators to be achieved by the school:

Developing a 21st century curriculum and associated pedagogy:

The school improvement plan identifies the need to develop a curriculum based on concepts in anticipation of the revised National Curriculum. The school will focus on: critical and creative thinking; academic literacy and oracy; harnessing digital technologies; preparing pupils for an amended examination regime.

KEY PERFORMANCE INDICATORS (continued)

Removing barriers to achievement:

The school will continue to target priority groups to address issues of underachievement and challenge the achievement gap. Access to enrichment activities will be broadened.

- Specifically, A/A* grades at A2 will be increased, and the AS minimum pass rate target will be 88%;
- Achievement amongst borderline groups at 5 A*-C including English and maths will be maximised;
- Address issues of underachieving groups in Y8-10;
- Focus on maximising achievement for pupils in receipt of the Pupil Premium;
- Improve 5 A*-C achievement further for School Action Plus pupils;
- Implement fully the inclusion plan;
- Amend and review behaviour and exclusions policies.

Building leadership capacity:

The school will continue to develop leadership capacity at all levels of the institution. Specifically,

- Use the Challenge Partners hub and the Teaching School alliance programmes to develop leadership capacity amongst participants;
- Further develop 'outstanding' teaching and learning – increasing the percentage of lessons graded at this level;
- Move 'good' departments to 'outstanding' – in particular, the 'core' departments in advance of external reviews scheduled for 2014;
- Develop further student leadership.

Further key performance indicators (KPIs) would be:

- To maintain 'outstanding' pupil behaviour in the school – in particular, reduce the incidences of Centralised Detentions (CDS) default and to reduce still further the low levels of fixed term and permanent exclusions;
- To maintain the high level of pupil attendance in the school so that it remains well above the national average. To reduce any further cases of term time leave and persistent non – attendance;

FINANCIAL REVIEW

Financial report for the year

Most of the school's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2013, total expenditure of £10,406k (2012: £10,320k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £240k (2012: £175k).

At 31 August 2013 the net book value of fixed assets was £21,876 (2012: £22,200k). Movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the school's.

LAMPTON SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS 31 AUGUST 2013 (continued)

FINANCIAL REVIEW (continued)

The London Borough of Hounslow Pension Fund, in which the Academy participates, showed a deficit of £1,989k (2012: £1,850k) at 31 August 2013. £1,329k was inherited by Lampton School Academy Trust from the London Borough of Hounslow on 1 September 2010, the date the local authority's staff transferred to employment with the Academy.

Financial and Risk Management Objectives and Policies

The financial risks to which Lampton School Academy Trust is exposed to relates primarily to:

- Change in government and legislation
- Potential of reduced funding and cash flow
- Reduction in student numbers
- The potential loss of Teaching School designation and associated income generation.

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £1,989k (2012: £1,850k).

Principal Risks and Uncertainties

The principal risks and uncertainties that Lampton School Academy Trust faces are mitigated by the risk management process that the Academy Trust has in place.

Reserve policy and financial review

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £800k (2012: £820k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves of £427k (2012: £361k) (total funds less the amount held in fixed assets and restricted funds) is much less than is needed. The Academy intends to make every effort to build up free reserves to the level needed.

Investment policy

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Financial position

The Academy held fund balances at 31 August 2013 of £20,877k (2012: £20,672) comprising £20,450k (2012: £20,311) of restricted funds and £427k (2012: £361k) of unrestricted general funds. Of the restricted funds, £22,439k (2012: £22,000k) is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £1,989 (2012: £1,850k) in deficit.

GOING CONCERN

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

PLANS FOR FUTURE PERIODS

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher education once they leave.

The school has an outstanding understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The school also makes good use of external validation to secure its judgement on the quality of provision and subsequent outcomes. The School Improvement Plan has all the correct areas identified for improvement and is based on regular analysis of data which is meticulously analysed by the Headteacher and the senior leadership team. The SIP is regularly monitored and amended annually by the SLT and Governors. It is underpinned by appropriate budget links

School improvement strategies are highly effective because subjects identified as previously underperforming have been successfully addressed through a combination of rigorous monitoring, outstanding CPD, including coaching and thorough analysis of examination results. The school makes good provision for personalised learning, support and intervention programmes for individual students and the quality of provision for inclusion is outstanding due to bespoke programmes aimed at raising achievement.

The strive for excellence is evident in many aspects of school life, but particularly in the strong culture of collaboration, openness and commitment to professional learning. Staff CPD is outstanding in the way that all staff work relentlessly at sharing best practice with schools and fulfil the school's moral imperative at improving the quality of learning both at a local, national and international level.

Information provided to auditors

The Governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Wilkins Kennedy LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The report of the Governors was approved by the Governors on 11th December 2013 and signed on their behalf by:

Moira Stuart
Chair

LAMPTON SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT AS AT 31 AUGUST 2013

Scope of Responsibility

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

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

Governance

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

Governor	Meetings Attended	Out of a Possible
Urmila Cowling	2	3
Rajneesh Dhir	3	3
Sham Jassar	3	3
Dame Susan John	2	3
Rachel Lane	2	3
Rachel Lawrence	1 (Resigned in Nov 2011)	1
Nasir Kazmi	3	3
Edward Locke	3	3
Dee Scott	2	3
Rajesh Shori	3	3
Jagjiwan Singh	3	3
Nicola Sharma	1	3
Michael Sterne	3	3
Moira Stuart	3	3
Frank Wingate	2	3
Ruth Williams	2 (Appointed in Jan 2013)	2

The Finance Committee is a subcommittee of the main Governing Body. Its terms of reference are as follows:

- In consultation with the Headteacher, to draft the first formal budget plan of the financial year
- To establish and maintain an up to date 3 year financial plan
- To consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body
- To ensure that the school operates within the Academy's Financial Handbook
- To monitor expenditure of all voluntary funds kept on behalf of the Governing Body
- To review annually charges and remissions policies and expenses policies
- To make decisions in respect of service agreements
- To make decisions on expenditure following recommendations from other committees
- To ensure, as far as is practical, that Health and Safety issues are appropriately prioritised
- To determine whether sufficient funds are available for pay increments as recommended by the Headteacher
- In the light of the Headteacher Performance Management Group's recommendations, to determine whether sufficient funds are available for increments

LAMPTON SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT AS AT 31 AUGUST 2013 (continued)

Finance Committee (continued)

- To agree under powers delegated by the Governing Body the annual budget for the school

Attendances at meetings of the Finance Committee by committee members in the year were as follows:

Governor	Meetings Attended	Out of a Possible
Urmila Cowling	2	4
Rajneesh Dhir	4	4
Edward Locke	3	4
Dee Scott	1	4
Rajesh Shori	4	4
Jagjiwan Singh	1	4
Michael Sterne	3	4
Moira Stuart	4	4
Frank Wingate	0	4

None members attending included Dame Susan John attended 4 meetings of the committee, Sham Jassar 3 and Nicola Sharma 1.

The Audit Committee is a subcommittee of the main Governing Body. Its terms of reference are as follows:

- To approve the annual audit
- To secure the implementation of recommendations from the auditors
- To approve the annual audited accounts
- To report back to the Full Governing Body
- To undertake any other duties falling within the general heading of Audit

Attendances at meetings of the Audit Committee in the year were as follows:

Governor	Meetings Attended	Out of a Possible
Rajneesh Dhir	1	1
Michael Sterne	1	1
Moira Stuart	1	1

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Lampton School Academy Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:-

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed, Wilkins Kennedy LLP, to complete the work programme for the responsible Officer (RO). The RO's role includes performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. All planned work was completed during the year and no material control issues were found. All small areas were reviewed and action taken as suggested by the RO.

Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 11th December 2013 and signed on its behalf by:

Moira Stuart
Chair

Dame Susan John
Accounting Officer

LAMPTON SCHOOL ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE 31 AUGUST 2013

As accounting officer of Lampton School Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body 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 Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

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

Dame Susan John
Accounting Officer

Date: 11th December 2013

LAMPTON SCHOOL ACADEMY TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES 31 AUGUST 2013

The Governors (who act as Trustees for charitable activities of Lampton School Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts directions issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Governing Body on 11th December 2013 and signed on its behalf by:-

Moira Stuart
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAMPTON SCHOOL ACADEMY TRUST

We have audited the financial statements of Lampton School Academy Trust for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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).

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

Respective Responsibilities of Governors and Auditor

As explained more fully in the Governors' Responsibilities Statement (set out on page 15), the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion, the financial statements:-

- give a true and fair view of the state of the Academy's affairs as at 31 August 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;
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the EFA.
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matter Prescribed by the Companies Act 2006

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LAMPTON SCHOOL ACADEMY TRUST (continued)**

Matters on which we are Required to Report by Exception

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

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

Michelle Wilkes (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP, Statutory Auditor

Greytown House

221-227 High Street

Orpington

Kent BR6 0NZ

Date: 16th December 2013

INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF LAMPTON SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 August 2012 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Academy Trust during the year 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 the Governing Body and the EFA. Our review work has been undertaken so that we might state to the Governing Body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the Academy's Accounting Officer and Auditors

The Accounting Officer is responsible, under the requirements of the Academy's funding agreement with the Secretary of State for Education dated August 2010 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, in our opinion, 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 year 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.

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.

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

- Identification and assessment of the design and operational effectiveness of controls in place.
- Assessment and review of the policies and procedures in place and implementation thereof.
- Assessment that the policies and procedures have been implemented.
- Considered the activity represented by the expenditure and considered whether any may represent a breach of terms included within the funding agreement and the academy's charitable objects.

INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF LAMPTON SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

Approach (continued)

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

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 year 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.

Michelle Wilkes (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP, Statutory Auditor

Greytown House

221-227 High Street

Orpington

Kent BR6 0NZ

Date: 16th December 2013

LAMPTON SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2013 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2013 £000	Total 2012 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
- Voluntary income	2	162	-	-	162	184
- Activities for generating funds	3	538	31	-	569	409
- Investment income	4	1	-	-	1	-
<i>Incoming resources from charitable activities:</i>						
- Funding for the Academy's educational operations	5	-	9,431	587	10,018	9,483
Total incoming resources		701	9,462	587	10,750	10,076
Resources expended						
<i>Charitable activities:</i>						
Academy's educational operations	7	453	9,450	483	10,386	10,290
Governance costs	8	-	20	-	20	30
Total resources expended	6	453	9,470	483	10,406	10,320
Net incoming (outgoing) resources before other recognised gains and losses and transfers		248	(8)	104	344	(244)
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(139)	-	(139)	(502)
Transfer of funds	15	(182)	47	135	-	-
Net movement in funds		66	(100)	239	205	(746)
Reconciliation of funds						
Total funds brought forward at 1 September 2012		361	(1,889)	22,200	20,672	21,418
Total funds carried forward at 31 August 2013		427	(1,989)	22,439	20,877	20,672

- All income is derived from continuing operations during the period.
- All recognised gains and losses are included in the Statement of Financial Activities.

LAMPTON SCHOOL ACADEMY TRUST

BALANCE SHEET AS AT 31 AUGUST 2013
COMPANY NUMBER: 05210075

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Tangible assets	12		21,876		22,200
Total fixed assets			21,876		22,200
Current assets					
Debtors	13	246		217	
Cash at bank and in hand		984		484	
		1,230		701	
Liabilities:					
Creditors: Amounts falling due within one year	14	(240)		(379)	
Net current assets			990		322
Total assets less current liabilities			22,866		22,522
Pension scheme liability	19		(1,989)		(1,850)
Net assets including pension liability			20,877		20,672
Funds of the Academy:					
Restricted funds					
Fixed asset fund	15		22,439		22,200
Pension fund			(1,989)		(1,850)
General fund	15		-		(39)
			20,450		20,311
Unrestricted funds					
General fund	15		427		361
Total unrestricted funds			427		361
TOTAL FUNDS			20,877		20,672

The financial statements on pages 19 to 40 were approved by the Governors and authorised for issue on 12th December 2013 and signed on their behalf by:

Moira Stuart
Chair

Dame Susan John
Accounting Officer

LAMPTON SCHOOL ACADEMY TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £000s	2012 £000s
Net cash inflow from operating activities	22	71	(58)
Returns on investments and servicing of finance	23	1	-
Capital expenditure	24	428	(230)
Increase in cash in the year		<u>500</u>	<u>(288)</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012		484	
Movement in cash		<u>500</u>	
Net funds at 31 August 2013	25	<u>984</u>	

- All of the cash flows are derived from continuing operations during the period.

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, The Charity Commission Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), the Academies Accounts Direction issued by the EFA and the Companies Act 2006 (other than in respect of the disclosure of remuneration received by staff governors under employment contracts – see note 10 for details). A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of one YEAR from the date of approval of the financial statements.

Incoming resources

Grants receivable

Grants, where conditions have been met to establish entitlement, are included in the statement of financial activities on a receivable basis. Where grants are received but conditions establishing entitlement have not been met, these are deferred. The balance of income receivable for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

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

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lie substantially with the Academy, a reasonable estimate of the gross value is included within fixed assets and, with an appropriate credit to voluntary income (gift in kind), within the restricted fixed asset fund. The valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

Interest receivable

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

1 ACCOUNTING POLICIES (continued)

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.

All resources expended are inclusive of irrecoverable VAT.

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs and depreciation are directly attributable to the one principle activity of the Academy.

Governance Costs

Governance costs include the costs attributable to the Academy's compliance and constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the EFA and DfE where the asset acquired or created is held for a specific purpose.

Restricted funds comprise all other restricted funds received and include grants from the EFA and DfE.

Tangible fixed assets

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £5,000 are written off in the period of acquisition. All other assets are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet). The depreciation on such assets is charged to the restricted fund in the Statement of Financial Activities.

The property has been included at its donated value from the local authority.

1 ACCOUNTING POLICIES (continued)

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Buildings	2%
Plant and vehicles	10%
Furniture	10%
ICT equipment	25%
Science equipment	10%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Taxation

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

1 ACCOUNTING POLICIES (continued)

Pensions

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 19. The TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

LAMPTON SCHOOL ACADEMY TRUST

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

2 VOLUNTARY INCOME	Unrestricted Funds £000	Restricted Funds £000	2013 Total £000	2012 Total £000
Trips	138	-	138	148
Other donations	24	-	24	36
	<u>162</u>	<u>-</u>	<u>162</u>	<u>184</u>
3 ACTIVITIES FOR GENERATING FUNDS	Unrestricted Funds £000	Restricted Funds £000	2013 Total £000	2012 Total £000
Hire of facilities	328	-	328	205
Catering Income	210	-	210	204
Other income	-	31	31	-
	<u>538</u>	<u>31</u>	<u>569</u>	<u>409</u>
4 INVESTMENT INCOME	Unrestricted Funds £000	Restricted Funds £000	2013 Total £000	2012 Total £000
Short term deposits	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS	Unrestricted Funds £000	Restricted Funds £000	2013 Total £000	2012 Total £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	8,540	8,540	8,608
Other DfE / EFA Grants	-	962	962	267
	<u>-</u>	<u>9,502</u>	<u>9,502</u>	<u>8,875</u>
Other Government grants				
Other grants	-	375	375	290
NCSL	-	79	79	162
Other income	-	62	62	156
	<u>-</u>	<u>516</u>	<u>516</u>	<u>608</u>
TOTAL	<u>-</u>	<u>10,018</u>	<u>10,018</u>	<u>9,483</u>

LAMPTON SCHOOL ACADEMY TRUST

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

6 RESOURCES EXPENDED	Staff Costs £000	Non Pay Premises Costs £000	Expenditure Other Costs £000	Total 2013 £000	Total 2012 £000
Academy's educational operations					
Direct costs	6,274	460	1,572	8,306	8,159
Allocated support costs	910	575	595	2,080	2,131
	<u>7,184</u>	<u>1,035</u>	<u>2,167</u>	<u>10,386</u>	<u>10,290</u>
Governance costs including support costs	-	-	20	20	30
	<u>7,184</u>	<u>1,035</u>	<u>2,187</u>	<u>10,406</u>	<u>10,320</u>
Incoming/ Outgoing resources for the year include:					
Operating Leases				443	395
Auditors' Remuneration - audit				9	7
- other				3	-
				<u>455</u>	<u>402</u>

LAMPTON SCHOOL ACADEMY TRUST

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

7 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS	Unrestricted Funds £000	Restricted Funds £000	2013 Total £000	2012 Total £000
Direct costs				
Teaching and educational support staff costs	-	6,274	6,274	6,272
Depreciation	-	460	460	479
Educational supplies	133	634	767	769
Examination fees	-	176	176	163
Staff development	-	37	37	67
Other direct costs	-	592	592	409
	<u>133</u>	<u>8,173</u>	<u>8,306</u>	<u>8,159</u>
Allocated support costs				
Support staff costs	98	812	910	892
Depreciation	-	23	23	-
Recruitment and support	-	-	-	58
Maintenance of premises and Equipment	-	274	274	579
Cleaning	-	92	92	88
Rent and rates	-	51	51	32
Light and heat	4	131	135	-
Insurance	-	63	63	63
Catering	218	-	218	199
Other support costs	-	314	314	220
	<u>320</u>	<u>1,760</u>	<u>2,080</u>	<u>2,131</u>
Total Costs	<u><u>453</u></u>	<u><u>9,933</u></u>	<u><u>10,386</u></u>	<u><u>10,290</u></u>
8 GOVERNANCE COSTS				
Legal fees	-	8	8	23
Audit of financial statements	-	9	9	7
Professional fees	-	3	3	-
	<u>-</u>	<u>20</u>	<u>20</u>	<u>30</u>
9 STAFF COSTS				
Staff costs during the period were:-			2013 £000	2012 £000
- Wages and salaries			5,904	5,811
- Social security costs			473	458
- Other pension costs			798	797
			<u>7,175</u>	<u>7,066</u>
Indirect staff costs				
Other costs			9	-
Supply teacher costs			142	98
			<u>7,326</u>	<u>7,164</u>

9 STAFF COSTS (continued)

The average number of persons (Including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:-

	2013 No.	2012 No.
Charitable Activities		
Teachers	108	99
Administration and support	54	54
	<u>162</u>	<u>153</u>

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

	2013 No.	2012 No.
£60,000 - £70,000	2	5
£70,001 - £80,000	3	1
£130,001 - £140,000	1	1
	<u>6</u>	<u>7</u>

Five the employees above participated in the Teachers Pension Scheme. During the year to 31 August 2013, pension contributions for these members of staff amounted to £60,800 (2012: £78,000)

10 GOVERNORS' REMUNERATION AND EXPENSES

The Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The four staff Governors who received remuneration are:

Name	2013 Amount	2012 Amount
S John	£135,000- £140,000	£135,000- £140,000
U Cowling, R Lane and R Lawrence	£101,256	£94,385

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board.

During the year ended 31 August 2013 no expenditure was reimbursed to governors (2012: nil).

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

11 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim the cost for the insurance is included within the total policy and cannot be separated out.

12 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £000	Asset under Const- ruction £000	Plant and Motor vehicles £000	Furniture fittings & computer £000	Total 2013 £000
Cost					
At 1 September 2012	22,866	92	97	92	23,147
Additions	15	81	62	17	175
Transfer of assets	149	(149)	-	-	-
Disposals	-	-	(20)	-	(20)
	<u>23,030</u>	<u>24</u>	<u>139</u>	<u>109</u>	<u>23,302</u>
Depreciation					
At 1 September 2012	908	-	20	19	947
Charged in year	460	-	8	15	483
On disposal	-	-	(4)	-	(4)
	<u>1,368</u>	<u>-</u>	<u>24</u>	<u>34</u>	<u>1,426</u>
Net book values					
At 31 August 2013	<u>21,662</u>	<u>24</u>	<u>115</u>	<u>75</u>	<u>21,876</u>
At 31 August 2012	<u>21,958</u>	<u>92</u>	<u>77</u>	<u>73</u>	<u>22,200</u>

13 DEBTORS

	2013 £000	2012 £000
Prepayments	96	85
Sundry debtors	41	-
Grant and other income	59	52
VAT recoverable	50	80
	<u>246</u>	<u>217</u>

14 CREDITORS: amounts falling due within one year

	2013 £000	2012 £000
Taxation and social security	148	151
Other creditors	-	36
Accruals and deferred income	92	192
	<u>240</u>	<u>379</u>

LAMPTON SCHOOL ACADEMY TRUST

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

14 CREDITORS: amounts falling due within one year (continued)

Deferred income

Deferred Income at 1 September 2012	80
Resources deferred in the year	68
Amounts released from previous years	(80)
	<hr/>
Deferred Income at 31 August 2013	<u>68</u>

At the balance sheet date the academy trust was holding funds received in advance for school trips, TS Core Grant and TS ITT Grant.

15 FUNDS

	Balance at 1 September 2012 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Balance at 31 August 2013 £000
Restricted general funds					
General annual grant GAG	-	8,501	(8,548)	47	-
Other DfE/EFA grants	-	375	(375)	-	-
LEA and other grants	-	516	(516)	-	-
Predecessor school deficit transferred	(39)	39	-	-	-
Other	-	31	(31)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(39)	9,462	(9,470)	47	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted other funds					
Restricted fixed asset funds					
DfE/EFA capital grants	-	587	-	(24)	563
General Fixed assets	22,200	-	(483)	159	21,876
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	22,200	587	(483)	135	22,439
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Pension reserve	(1,850)	-	(139)	-	(1,989)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	20,311	10,049	(10,092)	182	20,450
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds					
Unrestricted funds	361	701	(453)	(182)	427
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	361	701	(453)	(182)	427
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	<u>20,672</u>	<u>10,750</u>	<u>(10,545)</u>	<u>-</u>	<u>20,877</u>

15 FUNDS (continued)

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

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

Other DFE/EFA grants: This includes the pupil premium, the DWP Golden Hello, DCSF, TS and the devolved formula capital grant.

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

Other: Relates to a staff sickness insurance claim

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

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted General Fund	Restricted General Fund	Restricted fixed asset fund	Total 2013 £000
	£000	£000	£000	
Tangible fixed assets	-	-	21,876	21,876
Current assets	427	240	563	1,230
Current liabilities	-	(240)	-	(240)
Pension scheme liability	-	(1,989)	-	(1,989)
	<u>427</u>	<u>(1,989)</u>	<u>22,439</u>	<u>20,877</u>

17 FINANCIAL COMMITMENTS	2013 £000s	2012 £000s
<i>Operating leases</i>		
At 31 August 2013, the Academy had annual commitments under non-cancellable operating leases as follows:-		
Other		
Expiring within one year	45	-
Expiring within two and five periods inclusive	398	395
	<u>398</u>	<u>395</u>

18 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

19 PENSION COSTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ending 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme (TPS)

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 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.

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.

19 PENSION COSTS (continued)

Teachers' Pension Scheme (TPS) (continued)

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% basis.

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

19 PENSION COSTS (continued)**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate Trustee administered funds. The total contribution made for the year 31 August 2013 was £286k (2012: £269k), of which employer's contributions totalled £222k (2012: £209k) and employees' contributions totalled £64k (2012: £60k).

Principle Actuarial assumptions:

	At 31 August 2013	At 31 August 2012
RPI increases	3.7%	2.7%
CPI increases	2.9%	1.9%
Rate of increase in salaries	5.1%	4.1%
Rate of increase for pensions in payment	2.9%	1.9%
Discount rate	4.7%	3.9%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2013	At 31 August 2012
<i>Retiring in 20 periods</i>		
Males	21.1	21.0
Females	25.1	25.0
<i>Retiring today</i>		
Males	19.2	19.0
Females	23.2	23.1

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

	Expected return at 31 August 2013 %	Value at 31 August 2013	Expected return at 31 August 2012 %	Value at 31 August 2012 %
Equities	6.5	1,038	5.8	690
Gilts	3.5	58	2.8	142
Other Bonds	4.4	248	3.9	91
Property	5.5	44	4.8	30
Cash	0.5	73	0.5	61
Total market value of assets		<u>1,461</u>		<u>1,014</u>
Present value of scheme liabilities		<u>(3,450)</u>		<u>(2,864)</u>
Deficit in the scheme		<u><u>(1,989)</u></u>		<u><u>(1,850)</u></u>

19 PENSION COSTS (continued)**Local Government Pension Scheme (continued)**

The return on the fund (on a bid value to bid value basis) for the year to 31 August 2013 is estimated to be 14%. This is based on the estimated fund value used at the previous accounting date and the estimated fund value used at this accounting date. The actual return on Scheme assets was £165k (2012: £76k).

Amounts recognised in the statement of financial activity	2013 £000	2012 £000
Current service cost	222	161
Total operating charge	<u>222</u>	<u>161</u>
Analysis of pension finance income/ (costs)		
Expected return on Scheme assets	56	48
Interest cost	(117)	(115)
Pension finance income/(costs)	<u>(61)</u>	<u>(67)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £78,000 loss (2012: £74,000).

Movements in the present value of defined obligations were as follows:	2013 £000	2012 £000
Value of Scheme liabilities at 1 September 2012	2,864	2,021
Current service cost	222	161
Interest cost	117	115
Contributions by Scheme participants	64	60
Actuarial loss / (gain) on Scheme liabilities	187	511
Estimated benefits paid (net of transfers in)	(4)	(4)
Value of Scheme liabilities at 31 August 2013	<u>3,450</u>	<u>2,864</u>
Movement in the fair value of Academy's share of Scheme Assets	2013 £000	2012 £000
Fair value Scheme assets at 1 September 2012	1,014	673
Expected return on Scheme assets	56	48
Actuarial gain/(loss) on Scheme assets	109	28
Contributions by the employer	222	209
Contributions by Scheme participants	64	60
Estimated benefits paid (net of transfers in)	(4)	(4)
Fair value of Scheme assets at 31 August 2013	<u>1,461</u>	<u>1,014</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £200k.

19 PENSION COSTS continued**Local Government Pension Scheme (continued)**

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

	2013 £000	2012 £000	2011 £000
Present Value of Defined Benefit Obligation	(3,450)	(2,864)	(2,021)
Fair Value of Scheme assets	1,461	1,014	673
Deficit in the scheme	<u>(1,989)</u>	<u>(1,850)</u>	<u>(1,348)</u>
Experience adjustments on Scheme assets			
Amount £000	109	28	(2)
Experience adjustments on Scheme liabilities			
Amount £000	-	-	-

20 MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one period after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

21 RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

There were no related party transactions in the year to 31 August 2013.

22 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £000	2012 £000
Net income	344	(244)
Depreciation	483	479
Capital grant	(587)	-
Interest receivable	(1)	-
(Increase)/ decrease in debtors	(29)	144
Increase/ (decrease) in creditors	(139)	(437)
Net cash inflow from operating activities	<u>71</u>	<u>(58)</u>

23 RETURNS ON INVESTMENTS AND SERVICES OF FINANCE

	2013 £000	2012 £000
Interest received	<u>1</u>	<u>-</u>

24 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2013 £000	2012 £000
Purchase of tangible assets	(175)	(230)
Capital grant	587	-
Profit on disposal of fixed asset	16	-
	<u>428</u>	<u>(230)</u>

25 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2012	Cash Flows	At 31 August 2013
	£000	£000	£000
Cash in hand and at bank	<u>484</u>	<u>500</u>	<u>984</u>