

BUTTSBURY JUNIOR SCHOOL

A COMPANY LIMITED BY GUARANTEE

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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BUTTSBURY JUNIOR SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Members/Trustees	Mr A Parker, Vice Chair Mr L Sheppard, Chair of Finance Committee ^{1,2} Ms H Stuart, Chair ^{1,2}
Trustees	Mrs A Robinson, Headteacher ¹ Ms H Baker (resigned 31 December 2013) Mrs T Cater Ms S Cis (resigned 30 April 2014) ¹ Mrs F Cripps Dr A Dulic-Sills Mr J Fairclough Miss F Ferguson (appointed 1 September 2013) Mrs P Garnett Mrs J Gray Mr S Harvey ^{1,2} Mr D Hayden ^{1,2} Mr D Howell ^{1,2} Mr N Williamson Mr B Beadon (appointed 1 November 2013) Mr A Breathwick (appointed 1 November 2013) ^{1,2} Mr M McGowan (appointed 1 November 2013) ^{1,2}
	1 Member of the Finance Committee 2 Member of the Audit Committee
Company registered number	07601846
Registered and principal office	Norsey View Drive Billericay Essex CM12 0QR
Chief executive officer (Headteacher)	Mrs A Robinson
Senior leadership team	Mrs A Robinson, Headteacher Miss S Brown, Acting Assistant Headteacher Mrs C Coughtrey, Acting Assistant Headteacher Miss F Ferguson, Year 4 Leader Miss S Carroll, Year 5 Leader Mrs J Blackhouse, Inclusion Manager
Independent auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

BUTTSBURY JUNIOR SCHOOL
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The governors present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1st September 2013 – 31st August 2014.

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 Buttsbury Junior School are also directors of the charitable company for the purposes of company law.

Details of the governors who served throughout the year (except as noted) are included in the Reference and Administrative Details section of the report.

Members' Liability

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

Governors' Indemnities

Academy insurers encompass all relevant insurance including governor third party indemnity provision.

Methods of Recruitment and Appointment of Election of Governors

Governors are appointed for a fixed term. The Headteacher is an ex officio member of the governing body. Parent governors and the staff governors are elected to office or appointed if there are insufficient candidates offering themselves for election.

Policies and Procedures Adopted for the Induction and Training of Governors

New governors are required to attend an induction programme that may involve a tour of the school and meetings with students and staff. They will be provided with copies of the relevant policy and procedure documents that are appropriate to the role they undertake as governors with particular emphasis on the committee work that they will undertake.

Organisational Structure

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 Leadership Team consists of the Headteacher, two acting assistant Headteachers, year group heads and the inclusion manager. This team controls the academy at an executive level, implementing policies and reporting to the Governing Body. The Leadership Team is responsible for the day to day operation of the academy, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff, following vetting and safeguarding recruitment processes.

The academy plans to move from two assistant Headteachers to a deputy Headteacher during the coming academic year.

The Headteacher is the Accounting Officer.

Connected Organisations including Related Party Relationships

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 possible that from time to time transactions will take place with organisations in which a member of the board of governors may have an interest.

The academy has formal or informal arrangements with several Connected Organisations. These include BCT, Billericay SCITT, Teaching Schools Alliance, First Strokes Swimming, Winger Sports, Working for Children and William de Ferrers Sports Partnership.

The governors report that the academy's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

BUTTSBURY JUNIOR SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Objectives and Activities

Objects and aims

These are to establish high quality teaching, learning and assessment; curriculum provision and other activities; care, guidance and support of students; leadership and management.

Objectives, Strategies and Activities

The academy seeks to ensure high levels of student achievement and standards; personal development and well-being of students; effectiveness, efficiency and inclusiveness.

Public Benefit

The governors confirm that they have referred to and follow the guidance contained in the Charity Commission's guidance on public benefit.

Strategic Report

Academic performance

The school continued to implement its robust development plan which has brought about rapid improvements in all aspects of school life.

As a result of the actions taken, results in the 2014 End of Key Stage Standard Assessment Tests have once again improved since last year. Highlights were:

- Attainment at Level 4 in writing and maths was the highest it has been in the past three years. Attainment at Level 5 was equally high. In writing, Level 5+ saw a 14% increase, to 46% with 6% of children attaining Level 6. 58% of children attained Level 5+ in maths with 16% of children attaining Level 6.
- Progress has improved, with 96% of children making at least two levels progress in writing, 90% in reading and 94% in maths. Furthermore, 40% of children made three levels progress in maths, 34% made three levels of progress in writing and 24% made three levels progress in reading.

Sporting performance

The various sports teams had another very successful year:

- The Swimming Team qualified for the County Final and finished in third place.
- Teams also competed at county level in cross country, (two teams won gold medals) and tennis.
- The Football Team won the District League.
- The Athletics Team won the Billericay and District Athletics competition.
- The Year 4 Basketball Team won the Prime Time League.
- We were also very successful in a number of other sports, such as dodge ball, basketball, netball, football, tennis and indoor athletics, qualifying in almost every event for the next stage of the competition.

Performance in Music

The school has had another very successful year in terms of music with a large number of children passing external examinations in a wide range of instruments. Our cellists reached a particularly high standard, with two achieving Grade 4.

Facilities

- The old ICT suite has been de-commissioned and the school library has been re-instated.
- Sixteen laptops have been purchased to upgrade our IT provision.
- Sixteen iPads have been purchased to enhance the quality of both teaching and learning.
- Four classrooms have been re-decorated, as well as all the toilets throughout the school.
- The staffroom has been re-furbished.
- Site security has been improved by the replacement of the back gates.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Key performance indicators

Academic Indicators	Target	Actual	National
Pupils making two levels progress in Maths	90%	94%	88% (2013)
Pupils making two levels progress in Reading	91%	90%	88% (2013)
Pupils making two levels progress in Writing	91%	96%	91% (2013)
Attendance Level	97%	97%	95.2% (2013)

Financial Indicators	Target	Actual	National
Number on roll (from 2013/14 GAG Statement)	490+	488	257 (2013)
Staffing costs as a percentage of GAG Income	84.8%	87.1%	75.5 % (2012)
Staffing costs as a percentage of total expenditure	78.2%	77.9%	71.2%

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 financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Source of Funding

The principal source of funding for the academy is the General Annual Grant (GAG) funding that it receives from the EFA. For the period ended 31st August 2014 the academy received £1,648,697 in GAG funding. A high percentage of this funding is spent on wages, salaries and support costs to deliver the academy's primary objective of the provision of education.

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 academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £381,772.

Of this, £123,775 represents funds transferred from the LA on becoming an academy. This balance is viewed as a long-term reserve against significant emergency needs.

The academy's Reserves Policy states that non-earmarked reserves equating to 3% of total funds expended should be held, to provide sufficient working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies. This works out at £62,000.

Deducting the above long-term reserves and non-earmarked reserves leaves £195,997 of free reserves. Governors have earmarked this for planned and potential future projects as follows:

- £11,375 towards urgently needed upgrades to the IT infrastructure planned for February 2015
- £28,350 allocated to the successful capital bid to replace the demountable at the rear of the school with a permanent extension to the main building in 2014/15
- £30,000 (10% of estimated project cost) towards a planned similar capital bid to replace the Year 6 demountable classrooms when the next bidding opportunity arises.
- £49,900 for replacing old whiteboards with CleverTouch Plus boards in all classrooms in 2015
- £30,000 towards a future capital bid to replace the boilers
- £13,000 for two additional trolleys with laptops
- £15,000 for replacing whiteboards in other rooms with CleverTouch Plus boards
- £4,750 for unbudgeted professional fees
- £2,000 for additional staff development training
- £2,022 not earmarked

The balance of £9,600 comprises the School Fund, money that the academy is free to spend as it wishes

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the academy is recognising a significant pension fund deficit of £724,000. This does not mean that an immediate liability for this amount crystallises. Such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The academy is currently making payments as agreed with scheme administrators towards the deficit and it is envisaged that should this amount be increased it will be met from the academy's budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Academy Trust.

Investment Policy

The academy regularly monitors cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.

The academy's Investment Policy states that funds surplus to the above needs can be placed in an interest-bearing account. To date this has not been done as the academy feels that in the current investment climate the administrative overhead of doing so would outweigh the potential benefit. However, if interest rates increase this decision will be reviewed.

Principal Risks and Uncertainties

The governors assess the principal risks and uncertainties facing the Academy as follows:

- **Staff retention:** In order to deliver the best quality learning experience for our children it is critical we retain the best staff and continue to keep them motivated and enthusiastic. However, it is not felt that there are any immediate threats in this regard.
- **Material decrease in income affecting provision:** Highly unlikely. The budget for 2014/15 is sound, and the longer-term financial plan shows adequate contingency against unwelcome future developments.
- **Falling rolls:** If the number on roll was to fall unexpectedly it could have an adverse impact on the academy's ability to balance the budget. However, the academy has traditionally enjoyed a full roll and expects to continue to do so.
- **Staff recruitment:** conversion to academy status has not affected the attractiveness of the academy to potential new staff, with each vacancy having received a flood of applications.
- **Building repairs:** the main buildings have exceeded their originally anticipated useful life and thus may require expected repair and renovation that has not been budgeted for.
- **Bank balances & investments:** there is no significant risk other than an institution ceasing to trade.
- **Debtors:** there are no material debtors.
- **The Academy's credit rating:** This is not in jeopardy, though it has no need for credit facilities.
- **The Academy's cash flow:** This is healthy and long-term financial planning predicts it will remain so.

The unfavourable Ofsted rating received in May 2013 could potentially have had an impact on some of the above risks (e.g. Staff Retention, Falling Rolls, Staff Recruitment), but to date there is no evidence of any such adverse impact.

Plans for Future Periods

The academy will continue striving to improve the levels of performance of its students at all levels, and is on course for a swift return to an Ofsted rating of Good/Outstanding.

The governors intend to enhance and expand facilities in pursuance of the academy's commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing needs to allow them full access to the curriculum and that adjustments to learning environments may be required to meet these needs.

The academy has been successful in bidding for capital funds to replace the demountable classroom at the rear of the school with a built extension to the main building. This project will be implemented in the 2014/15 academic year. A second bid to similarly replace the other demountable was not successful, but this will be pursued again when the next bidding opportunity arises.

The academy is making a significant investment in the 2014/15 academic year to enhance the reliability, availability and performance of IT equipment around the school, both for curriculum support and administration.

Auditors

Provision of Information to auditors

Each of the persons who were governors at the time when this Governors' Report was approved has confirmed that:

- So far as that governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that governor has taken all the steps that ought to have been taken as a governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Reappointment of Auditors

The auditors, Price Bailey LLP, indicated their willingness to continue in office. The Designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

This report was approved by order of the board of governors on 8 December 2014 and signed on the board's behalf by:

Ms H Stuart
Chair

BUTTSBURY JUNIOR SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of governors 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 Buttsbury Junior School and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The board of governors has formally met 9 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Mr A Parker	8	9
Mr L Sheppard	8	9
Ms H Stuart	8	9
Mrs A Robinson	9	9
Ms H Baker	0	0
Mrs T Cater	5	7
Ms S Cis	0	0
Mrs F Cripps	6	9
Dr A Dulic-Sills	4	9
Mr J Fairclough	2	2
Miss F Ferguson	9	9
Mrs P Garnett	4	9
Mrs J Gray	5	9
Mr S Harvey	5	9
Mr D Hayden	8	9
Mr D Howell	7	9
Mr N Williamson	1	1
Mr B Beadon	7	7
Mr A Breathwick	7	7
Mr M McGowan	5	7

Governance reviews:

Governors arranged for Essex Local Authority (LA) to conduct a governance review in February 2014 and its recommendations were considered at the governors' June meeting. Some recommendations have been implemented and others are under consideration for possible future implementation.

The Finance Committee is a sub-committee of the main board of governors. Its purpose is to address financial matters. In addition to fulfilling its routine responsibility to regularly monitor academy funds it addressed the following issues:

- restructuring of the School Business Manager (SBM) function, replacing a full-time SBM by restructuring responsibilities within the office and arranging a support contract with an external provider, resulting in an enhanced SBM function at an overall lower cost
- successfully bidding to the Academies' Capital Maintenance Fund to replace the Special Needs demountable with a permanent extension to the main building
- moving of school cleaning from in-house to an external provider to provide cost-effective improvements to the quality and reliability of the service
- reviewing of the academy's ICT support contract and moving this to a new supplier to improve quality of service
- renegotiation of the CAT Club lease following an extension to the CAT Club building.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Ms S Cis	0	0
Mr D Hayden	5	6
Mr L Sheppard	5	6
Ms H Stuart	5	6
Mrs A Robinson	6	6
Mr A Breathwick	1	1
Mr S Harvey	6	6
Mr D Howell	4	6
Mr M McGowan	4	4

The Audit Committee is also a sub-committee of the main board of governors. Its purpose is to address audit and related finance matters. During the year it addressed the following issues:

- resolution of issues identified in the termly Internal Control reports received from the Essex County Council Internal Audit service. No significant concerns were raised.
- implementation of recommendations arising from the audit of the 2012/13 accounts. These were minor in nature.
- re-appointment of the academy's auditors.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr A Breathwick	0	0
Mr S Harvey	1	1
Mr D Hayden	1	1
Mr D Howell	1	1
Mr M McGowan	0	1
Mr L Sheppard	1	1
Ms H Stuart	0	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 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 Buttsbury Junior School for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

The academy'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 governors;
- regular reviews by the Finance 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 board of governors has considered the need for a specific internal audit function and has decided to appoint Essex County Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the internal auditor reports to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

Essex County Council delivered their schedule of works as planned and no material control issues were identified.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 Audit 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 8 December 2014 and signed on its behalf, by:

Ms H Stuart
Chair

Mrs A Robinson
Accounting Officer

BUTTSBURY JUNIOR SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Buttsbury Junior School I have considered my responsibility to notify the academy board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. 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 board of governors are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.

Mrs A Robinson
Accounting Officer

Date: 5 December 2014

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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The governors (who act as governors of Buttsbury Junior School 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 Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 of 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;
- 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 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 board of governors on 8 December 2014 and signed on its behalf by:

Ms H Stuart
Chair

BUTTSBURY JUNIOR SCHOOL
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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF BUTTSBURY JUNIOR SCHOOL

We have audited the financial statements of Buttsbury Junior School for the year ended 31 August 2014 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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.

BUTTSBURY JUNIOR SCHOOL
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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF BUTTSBURY JUNIOR 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 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; or
- the governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
12 December 2014

BUTTSBURY JUNIOR SCHOOL
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BUTTSBURY JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Buttsbury Junior School during the year 1 September 2013 to 31 August 2014 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 Buttsbury Junior School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Buttsbury Junior School and 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 Buttsbury Junior School and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BUTTSBURY JUNIOR SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Buttsbury Junior School's funding agreement with the Secretary of State for Education dated 1 May 2011, and the Academies Financial Handbook extant from 1 September 2013, 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 to 2014. 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 year 1 September 2013 to 31 August 2014 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 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other Key management personnel
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BUTTSBURY JUNIOR 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 year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Gary Miller (Reporting Accountant)

Price Bailey LLP

Chartered Accountants

12 December 2014

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	77,187	-	77,187	74,535
Activities for generating funds	3	125,806	1,390	-	127,196	111,310
Investment income	4	532	-	-	532	753
Incoming resources from charitable activities		-	1,818,461	41,925	1,860,386	1,916,248
TOTAL INCOMING RESOURCES		126,338	1,897,038	41,925	2,065,301	2,102,846
RESOURCES EXPENDED						
Charitable activities		21,299	1,895,041	126,973	2,043,313	2,159,486
Governance costs	8	-	18,946	-	18,946	8,957
TOTAL RESOURCES EXPENDED	6	21,299	1,913,987	126,973	2,062,259	2,168,443
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		105,039	(16,949)	(85,048)	3,042	(65,597)
Transfers between Funds	17	-	(27,051)	27,051	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		105,039	(44,000)	(57,997)	3,042	(65,597)
Actuarial gains and losses on defined benefit pension schemes		-	(82,000)	-	(82,000)	(30,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		105,039	(126,000)	(57,997)	(78,958)	(95,597)
Total funds at 1 September 2013		276,733	(598,000)	3,375,854	3,054,587	3,150,184
TOTAL FUNDS AT 31 AUGUST 2014		381,772	(724,000)	3,317,857	2,975,629	3,054,587

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 34 form part of these financial statements.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07601846

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	2013 £
FIXED ASSETS				
Tangible assets	13		3,317,857	3,375,854
CURRENT ASSETS				
Stocks	14	937	-	
Debtors	15	56,411	59,586	
Cash at bank		489,498	340,510	
		<u>546,846</u>	<u>400,096</u>	
CREDITORS: amounts falling due within one year	16	(165,074)	(123,363)	
NET CURRENT ASSETS			<u>381,772</u>	<u>276,733</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,699,629</u>	<u>3,652,587</u>
Defined benefit pension scheme liability	22		(724,000)	(598,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>2,975,629</u></u>	<u><u>3,054,587</u></u>
FUNDS OF THE ACADEMY				
Restricted funds :				
Restricted funds excluding pension liability		3,317,857	3,375,854	
Pension reserve		(724,000)	(598,000)	
Total restricted funds			<u>2,593,857</u>	<u>2,777,854</u>
Unrestricted funds	17		<u>381,772</u>	<u>276,733</u>
TOTAL FUNDS			<u><u>2,975,629</u></u>	<u><u>3,054,587</u></u>

The financial statements were approved by the governors, and authorised for issue, on 8 December 2014 and are signed on their behalf, by:

Ms H Stuart
Chair

The notes on pages 19 to 34 form part of these financial statements.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	19	198,371	(48,292)
Returns on investments and servicing of finance	20	532	753
Capital expenditure	20	(49,915)	(22,049)
INCREASE/(DECREASE) IN CASH IN THE YEAR		148,988	(69,588)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	2014 £	2013 £
Increase/(Decrease) in cash in the year	148,988	(69,588)
MOVEMENT IN NET FUNDS IN THE YEAR	148,988	(69,588)
Net funds at 1 September 2013	340,510	410,098
NET FUNDS AT 31 AUGUST 2014	489,498	340,510

The notes on pages 19 to 34 form part of these financial statements.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,500 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 are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Tangible fixed assets, with the exception of property, are stated at cost less depreciation. The property is valued at the amount stated by the EFA based on the depreciated replacement cost. Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives on the below bases. Freehold land is not depreciated.

Freehold property	-	19.65 years straight line
Fixtures and fittings	-	5 - 20 years straight line
Computer equipment	-	3 - 5 years straight line

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Taxation

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

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the 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 vesting occurs. The expected return on assets and the interest cost are shown as FRS 17 adjustments in Note 7. Actuarial gains and losses are recognised immediately in other gains and losses.

2. OTHER VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	-	74,787	74,787	72,141
Grants	-	2,400	2,400	2,394
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	77,187	77,187	74,535
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Catering income	90,682	-	90,682	79,082
Rental income	25,840	-	25,840	20,291
Other income	9,284	1,390	10,674	11,937
	<hr/>	<hr/>	<hr/>	<hr/>
	125,806	1,390	127,196	111,310
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest	532	-	532	753
	<u>532</u>	<u>-</u>	<u>532</u>	<u>753</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,648,697	1,648,697	1,659,060
Other DfE / EFA grants	-	154,040	154,040	172,971
DfE/EFA capital grants	-	22,866	22,866	-
	<u>-</u>	<u>1,825,603</u>	<u>1,825,603</u>	<u>1,832,031</u>
Other government grants				
Local authority grants	-	34,783	34,783	84,217
	<u>-</u>	<u>34,783</u>	<u>34,783</u>	<u>84,217</u>
	<u>-</u>	<u>1,860,386</u>	<u>1,860,386</u>	<u>1,916,248</u>

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

6. RESOURCES EXPENDED

	Staff costs	Non Pay	Expenditure	Total	Total
	2014	Premises	Other costs	2014	2013
	£	2014	2014	£	£
Provision of education	1,130,663	-	162,169	1,292,832	1,189,742
Support costs	277,778	234,640	238,063	750,481	949,744
Charitable activities	1,408,441	234,640	400,232	2,043,313	2,139,486
Governance	-	-	18,946	18,946	8,957
	1,408,441	234,640	419,178	2,062,259	2,148,443

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Amount £	Individual items above £5,000 Reason
Ex-gratia/compensation payments	27,500	27,500	Compromise agreement

In reaching a decision to make this discretionary payment, the Trustees have duly considered whether the payment represents best value for money for the academy.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

7. CHARITABLE ACTIVITIES

	Total funds 2014 £	Total funds 2013 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	952,598	904,101
National insurance	59,696	62,483
Pension cost	118,369	115,019
Educational supplies	76,433	56,927
Staff development	20,035	9,268
Technology costs	13,137	12,752
Educational consultancy	29,589	14,573
Trip costs	14,686	11,939
Other costs	8,289	2,680
	1,292,832	1,189,742
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	185,186	223,492
National insurance	7,501	10,020
Pension cost	59,539	54,584
Depreciation	107,912	106,796
FRS17 adjustments	26,000	20,000
Technology costs	5,978	9,847
Educational consultancy	7,538	6,593
Travel & subsistence	5,061	5,765
Other costs	95,050	60,492
Recruitment & support	2,941	1,314
Maintenance of premises & machinery	51,436	269,243
Cleaning	28,423	8,049
Rates	4,651	4,551
Energy	22,807	16,591
Insurance	21,740	24,853
Security	1,428	2,319
Catering	48,198	57,483
Occupancy costs	23,077	15,877
Bank interest & charges	94	263
Supply teaching	25,552	35,583
Printing, postage and stationery	20,369	36,029
	750,481	969,744
	2,043,313	2,159,486

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. GOVERNANCE COSTS

	Total funds 2014 £	Total funds 2013 £
Internal audit costs	1,200	1,200
Auditors' remuneration	4,000	4,000
Auditors' non audit costs (including comparison study)	13,641	3,757
Governors expenses reimbursed	105	-
	18,946	8,957

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	107,912	106,795
Auditors' remuneration	4,000	4,000
Auditors' remuneration - non-audit	13,641	3,757
Operating lease rentals:		
- other operating leases	5,178	4,445
	5,178	4,445

10. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	1,110,284	1,127,594
Social security costs	67,197	72,503
Other pension costs (Note 22)	177,908	169,603
	1,355,389	1,369,700
Supply teacher costs	25,552	35,583
Compensation payments	27,500	-
	1,408,441	1,405,283

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

10. STAFF (continued)

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Teachers	17	17
Administration & Support	22	25
Management	2	2
	41	44
	41	44

c. Higher paid staff

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

	2014 No.	2013 No.
In the band £ 60,001 - £ 70,000	1	1
	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this person amounted to £8,877 (2013: £8,869).

11. GOVERNORS' REMUNERATION AND EXPENSES

The Principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of governors' remuneration including pension contributions fell within the following bands:

	2014 £	2013 £
Mrs A Robinson	70,000-75,000	45,000-50,000
Mr V Collier		15,000-20,000
Mrs F Cripps	10,000-15,000	10,000-15,000
Mrs C Jacobs		45,000-50,000
Ms S Cis	35,000-40,000	50,000-55,000
Ms H Baker		30,000-35,000
Miss F Ferguson	40,000-45,000	

During the year ended 31 August 2014, expenses totalling £105 (2013 - £NIL) were reimbursed to 2 governors in respect of their roles as staff members.

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 is included in the total insurance cost.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2013	3,551,911	40,989	28,932	3,621,832
Additions	22,866	8,675	18,374	49,915
At 31 August 2014	<u>3,574,777</u>	<u>49,664</u>	<u>47,306</u>	<u>3,671,747</u>
Depreciation				
At 1 September 2013	221,005	16,338	8,635	245,978
Charge for the year	94,877	6,250	6,785	107,912
At 31 August 2014	<u>315,882</u>	<u>22,588</u>	<u>15,420</u>	<u>353,890</u>
Net book value				
At 31 August 2014	<u>3,258,895</u>	<u>27,076</u>	<u>31,886</u>	<u>3,317,857</u>
At 31 August 2013	<u>3,330,906</u>	<u>24,651</u>	<u>20,297</u>	<u>3,375,854</u>

The land and buildings have been included in the accounts based on the valuation arranged by the EFA using depreciated replacement cost. The governors do not believe that the cost of obtaining a more detailed valuation outweighs the benefit.

14. STOCKS

	2014 £	2013 £
Catering goods for resale	937	-
	<u>937</u>	<u>-</u>

15. DEBTORS

	2014 £	2013 £
Trade debtors	3,280	1,535
Other debtors	22,486	31,430
Prepayments and accrued income	30,645	26,621
	<u>56,411</u>	<u>59,586</u>

**16. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Other taxation and social security	21,179	25,940
Other creditors	19,064	23,126
Accruals and deferred income	124,831	74,297
	<u>165,074</u>	<u>123,363</u>

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

16. CREDITORS:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2013	20,849
Resources deferred during the year	91,689
Amounts released from previous years	(20,849)
	91,689
Deferred income at 31 August 2014	91,689

The income deferred in the year principally related to capital maintenance funding, educational visits and catering.

17. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	276,733	126,338	(21,299)	-	-	381,772
	276,733	126,338	(21,299)	-	-	381,772
Restricted funds						
General Annual Grant (GAG)	-	1,648,697	(1,621,646)	(27,051)	-	-
Other government grants	-	34,783	(34,783)	-	-	-
Restricted trip donations	-	46,981	(46,981)	-	-	-
Restricted other	-	31,596	(31,596)	-	-	-
Other DfE and EFA funding	-	134,981	(134,981)	-	-	-
Pension reserve	(598,000)	-	(44,000)	-	(82,000)	(724,000)
	(598,000)	1,897,038	(1,913,987)	(27,051)	(82,000)	(724,000)
Restricted fixed asset funds						
Restricted fixed asset fund	3,375,854	-	(107,914)	49,917	-	3,317,857
Devolved Formula Capital (DFC)	-	19,059	(19,059)	-	-	-
EFA capital grant	-	22,866	-	(22,866)	-	-
	3,375,854	41,925	(126,973)	27,051	-	3,317,857
Total restricted funds	2,777,854	1,938,963	(2,040,960)	-	(82,000)	2,593,857
Total of funds	3,054,587	2,065,301	(2,062,259)	-	(82,000)	2,975,629

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

17. STATEMENT OF FUNDS (continued)

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

Other government grants

This represents funding received from other government bodies, local and national, which are restricted in nature.

Restricted trip donations

This represents contributions made by parents towards the running costs of trips for the pupils of the academy and the associated costs.

Other DfE and EFA funding

This represents funding received from the DfE / EFA which is restricted in nature.

Pension reserve

This reserve represents the academy's share of the deficit on the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund

Restricted fixed asset fund represents the value of fixed assets held in line with the charitable objectives of the Academy. The transfer between funds represents additions purchased through GAG funding.

Devolved Formula Capital (DFC)

This represents funding received from the EFA specifically for the maintenance and improvement of the academy's buildings and facilities.

EFA capital grant

This represents funding from the EFA for a specific capital project.

General Annual Grant (GAG)

This represents funding from the EFA to cover the costs of recurrent expenditure.

Restricted other

This represents small donations received in the year for specific purposes.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
General funds	276,733	126,338	(21,299)	-	-	381,772
Restricted funds	(598,000)	1,897,038	(1,913,987)	(27,051)	(82,000)	(724,000)
Restricted fixed asset funds	3,375,854	41,925	(126,973)	27,051	-	3,317,857
	<u>3,054,587</u>	<u>2,065,301</u>	<u>(2,062,259)</u>	<u>-</u>	<u>(82,000)</u>	<u>2,975,629</u>

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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	3,317,857	3,317,857	3,375,854
Current assets	385,488	68,431	92,927	546,846	400,096
Creditors due within one year	(3,716)	(68,431)	(92,927)	(165,074)	(123,363)
Provisions for liabilities and charges	-	(724,000)	-	(724,000)	(598,000)
	<u>381,772</u>	<u>(724,000)</u>	<u>3,317,857</u>	<u>2,975,629</u>	<u>3,054,587</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	3,042	(65,597)
Returns on investments and servicing of finance	(532)	(753)
Depreciation of tangible fixed assets	107,912	-
Decrease/(increase) in debtors	2,238	(43,224)
Increase in creditors	41,711	30,282
LGPS deficit transferred on conversion	-	-
FRS17 adjustments	44,000	31,000
Net cash inflow/(outflow) from operations	<u>198,371</u>	<u>(48,292)</u>

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	532	753
	<u>532</u>	<u>753</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(49,915)	(22,049)
	<u>(49,915)</u>	<u>(22,049)</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	340,510	148,988	-	489,498
Net funds	<u>340,510</u>	<u>148,988</u>	<u>-</u>	<u>489,498</u>

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22. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex 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 2012.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual 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

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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

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22. PENSION COMMITMENTS (continued)

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 have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £81,000, of which employer's contributions totalled £63,000 and employees' contributions totalled £18,000. The agreed contribution rates for future years are 12.2% for employers and 6.5% for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(988,000)	(771,000)
Fair value of scheme assets	264,000	173,000
	<u> </u>	<u> </u>
Net liability	(724,000)	(598,000)
	<u> </u>	<u> </u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2014 £	2013 £
Current service cost	(81,000)	(69,000)
Interest on obligation	(38,000)	(26,000)
Expected return on scheme assets	12,000	6,000
	<u> </u>	<u> </u>
Total	(107,000)	(89,000)
	<u> </u>	<u> </u>
Actual return on scheme assets	25,000	19,000
	<u> </u>	<u> </u>

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22. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Opening defined benefit obligation	771,000	632,000
Current service cost	81,000	69,000
Interest cost	38,000	26,000
Contributions by scheme participants	18,000	16,000
Actuarial Losses	88,000	44,000
Benefits paid	(8,000)	(16,000)
Present value of defined benefit obligation on conversion	-	-
	<u>988,000</u>	<u>771,000</u>
Closing defined benefit obligation	<u>988,000</u>	<u>771,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	173,000	95,000
Expected return on assets	12,000	6,000
Actuarial gains and (losses)	6,000	14,000
Contributions by employer	63,000	58,000
Contributions by employees	18,000	16,000
Benefits paid	(8,000)	(16,000)
	<u>264,000</u>	<u>173,000</u>
	<u>264,000</u>	<u>173,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £(222,000) (2013 - £(140,000)).

The academy expects to contribute £64,000 to its Defined Benefit Pension Scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	64.00 %	65.00 %
Gilts	6.00 %	8.00 %
Other bonds	11.00 %	9.00 %
Property	12.00 %	11.00 %
Cash	3.00 %	3.00 %
Alternative assets	4.00 %	4.00 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	3.90 %	4.70 %
Expected return on scheme assets at 31 August	5.30 %	5.80 %
Rate of increase in salaries	4.50 %	4.70 %
Rate of increase for pensions in payment / inflation	2.70 %	2.90 %
Inflation assumption (CPI)	2.70 %	2.90 %
RPI	3.50 %	3.70 %

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22. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	22.7	22.7
Females	25.1	25.3
Retiring in 20 years		
Males	24.9	24.2
Females	27.4	26.9

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(988,000)	(771,000)	(632,000)
Scheme assets	264,000	173,000	95,000
Deficit	(724,000)	(598,000)	(537,000)
Experience adjustments on scheme liabilities	(80,000)	-	-
Experience adjustments on scheme assets	6,000	14,000	1,000

23. OPERATING LEASE COMMITMENTS

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Between 2 and 5 years	-	-	5,599	5,599
	-	-	5,599	5,599

24. 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, transactions may take place with organisations in which a governors has 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.

During the year various education related services totaling £3,697 were purchased from Buttsbury Infant School, of which Mr McGowan and Mr L Sheppard are both Governors. All transactions were deemed to be 'at cost'.

25. MEMBERS' LIABILITY

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