

# REGISTRAR OF COMPANIES

## St Luke's Church of England School

### Annual Report and Financial Statements

31 August 2012

Company Limited by Guarantee Registration Number  
07451568 (England and Wales)

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## Reference and administrative information

<b>Governors</b>	Mrs Penny C Roberts (Chair) Mr Phillip Taylor (Vice-Chair) Mr Adrian R Barrett Mrs Gail Cawthorne Ms Monica Duncan Mr Timothy J Fairbairn Mrs Sarah K Hannan Mr Oliver Hughes Mrs Gillian Hunt Mr Assaf Lennon Mrs Jana Mercereau Rev Alistair C Tresidder
<b>Company Secretary</b>	Mrs Samantha Beschizza
<b>Members of the company</b>	Mr Adrian R Barrett Mrs Jana Mercereau Mrs Penny C Roberts Mrs Maya Woghren Rev Alistair C Tresidder Mr Inigo R Woolf
<b>Senior Leadership Team</b>	
<b>Headteacher</b>	Mrs Gillian Hunt
<b>Bursar</b>	Mrs Samantha Beschizza
<b>Registered office</b>	12 Kidderpore Avenue London NW3 7SU
<b>Company registration number</b>	07451568 (England & Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

## Reference and administrative information

**Bankers** CAF Bank Limited  
25 Kings Hill Avenue  
West Malling  
Kent  
ME19 4JQ

**Solicitors** Winckworth Sherwood LLP  
Minerva House  
5 Montague Close  
London  
SE1 9BB

## **Governors' report** Year to 31 August 2012

The governors of St Luke's Church of England School ("the School") present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2012

The financial statements have been prepared in accordance with the accounting policies set out on pages 25 to 27 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities SORP) issued in March 2005

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The School is a company limited by guarantee with no share capital (Company Registration No 07451568) and was incorporated on 25 November 2010. It became an exempt charity from 1 August 2011. The charitable company's articles of association is the primary governing document of the School.

#### **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 cease to be a member.

#### **Principal activities**

The principal activities in the year ended 31 August 2012 were to ensure a good education for the children already on-roll and to progress arrangements to ensure the successful opening of the second class in September 2012. Significant actions and milestones were

- ◆ The School opened on time in September 2011 for its first Reception class,
- ◆ The phase 2 building work was finished in December 2011,
- ◆ A substantive headteacher, Mrs Gill Hunt, was appointed and she took up her post in April 2012,
- ◆ Careful baseline assessments and monitoring of progress showed pupils making excellent progress in their first year,
- ◆ The School was six-times oversubscribed for September 2012 entry,
- ◆ New staff were appointed and new responsibilities allocated to enable the new classroom to open to the new Year 1 class in September 2012;
- ◆ Successful inspections carried out over the course of the year by the Camden Professional Partner (safeguarding), Environmental Health (kitchen), DfE (monitoring), LDBS (preparation for OfSTED),
- ◆ The School was visited by the Bishop of London in September 2012 who led a Church service and formally opened the School.

## Governors' report Year to 31 August 2012

### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

#### Governors

The governors are directors of the charitable company for the purposes of the Companies Act Mr Imgo Woolf is also a director of the charitable company 11 governors were in office at 31 August 2012, 9 of whom served throughout the year The other governors have been appointed with effect from the dates shown below

<b>Governor</b>	<b>Appointed/Resigned</b>
Mrs Penny C Roberts (Chair)	
Mr Phillip Taylor (Vice-Chair)	
Mr Adrian R Barrett	
Mrs Gail Cawthorne	Appointed 24 September 2012
Ms Monica Duncan	
Mr Timothy J Fairbairn	
Mrs Sarah K Hannan	
Mr Oliver Hughes	
Mrs Gillian Hunt (ex officio)	Appointed April 2012
Ms Elise Kosumçü	Resigned 5 March 2012
Mr Assaf Lennon	Appointed February 2012
Mrs Jana Mercereau	
Mrs Kathryn A Parker	Resigned 16 July 2012
Rev Alistair C Tresidder	

#### Governors' indemnities

In accordance with normal commercial practice, the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business The insurance provided cover up to £5m for fraud and dishonesty and £5m for employment practices on any one claim and the cost for the period ended 31 August 2012 was £265 (2011 - £265)

#### Method of recruiting and appointing governors

The articles of association provide for the appointment or election of governors as follows

- ◆ 7 'community governors', nominated by The Parochial Church Council of the Parish of St Luke West Hampstead, including the Vicar,
- ◆ 1 LDBS representative,
- ◆ 2 elected parent governors,
- ◆ the Headteacher,
- ◆ 1 elected staff representative, and
- ◆ up to 3 co-opted governors

The Parochial Church Council of the Parish of St Luke West Hampstead nominated 7 Community Governors, including the Vicar The London Diocesan Board for Schools (LDBS) nominated a representative The School had no parents at this time so the governing body co-opted two parents from the organising group until such time as the School was open and parent elections could be held Similarly, the School had no working staff except the Headteacher so the governing body co-opted a teacher from the organising group until such time as the School was open and staff could elect a representative

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Policies and procedures adopted for the induction and training of governors**

Together the governors are a committed group that bring a wide range of skills including legal, financial, buildings and previous school governance and senior leadership experience

Many governors were involved in developing the original vision for the School and helped in a range of practical ways before the governing body was constituted, and so have a very good understanding of the vision and aims for the School. The whole governing body received induction training about the role of a school governor from Ruth Richards, an experienced Governor Trainer. Governors have all taken on particular individual focus areas (e.g. safeguarding, inclusion, finance) and further ongoing training is planned, dependent on the needs of the role and the skills and background of each individual.

The School is accessing governor training via the Camden Local Authority Training and Development Centre which includes courses and on-line modules. Governors have also attended training courses run by the LDBS e.g. the role of the Chair and Safer Recruitment training.

### **Organisational structure**

The governing body met 5 times in the year to 31 August 2012. The Resources Committee meets termly and leads on issues related to the buildings, finances and health and safety. The School Improvement Committee meets termly and leads on issues related to teaching and learning, staff performance management and School ethos. A Standing Committee has also been formed to make urgent decisions if needed between full governing body meetings. All governors are on one of two committees which were established in the year.

### **Risk management**

A detailed risk register was drawn up for the implementation project which was updated at least monthly through 2010/11 for regular scrutiny by the DfE and others. Risks in relation to implementation and risks to the capital works were recorded separately.

In October 2011, the risk register was handed from the project manager to the governing body who continue to update, monitor and manage the ongoing risks going forward.

### **Connected organisations, including related party relationships**

In order to pursue its objects, the School has entered into a formal agreement with the Secretary of State for Education regarding the funding of the School and the management of affairs of the School.

The School and St Luke's Church have signed a Licence under Faculty which sets out the parameters for the use of the School and that which is still a Church-owned building.

The School will purchase some Service Level Agreement (SLA) support from LDBS where that represents best value.

The School retains a close relationship with both the LDBS and St Luke's Church.

## **OBJECTIVES AND ACTIVITIES**

### **Objects, aims and objectives**

The School's object is to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character. This includes offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England, having regard to the advice of the LDBS.

In September 2010, the DfE gave permission for St Luke's Church of England School to be set up. In November 2010, the charitable company was incorporated and in April 2011, a 25 year funding agreement with the DfE was signed, following which a governing body was set up.

The Chair of Governors wrote to the parents of the School in July 2012 to summarise the active role that the governors had played over the year and to capture some of the key elements of the 'journey so far'. The letter is repeated here because it gives a good flavour of the range and nature of activities undertaken by governors at St Luke's School.

*Dear Parents*

*It is still only 13 months since the diggers moved into the space that we now call the Reception classroom yet St Luke's School has been open for almost a year. With the summer fast approaching the governing body would like to thank you for your support over this year which has helped SLS to develop more quickly than we might have dared hope and benefitted your children who have made such good progress.*

*The 2011 study which prompted a reading campaign by the Evening Standard found that only a third of London parents share a book with their children each day. How wonderful then to know that so many St Luke's parents and children arrive early at school each day to share a book in the classroom before the school day begins.*

*70% of parents have helped in school at some point during the school year, including some who have helped on a regular basis. You have helped us to provide your children with an enriched curriculum. Thank you!*

*We know you will join us in thanking the staff for their huge contributions and very hard work this year. Staff kept smiling even through the first term when there was no phone line, no internet connection and nowhere to make coffee. By planning a construction topic in the first term they even managed to create a great learning opportunity out of our building site. Where else could your children have started to learn to write by making snagging lists for the builders!?*

*The end of the year provides us with an opportunity to reflect on our journey so far and it is our privilege to share with you some of the ways that governors have been involved in school life this year.*



**OBJECTIVES AND ACTIVITIES** (continued)

**Objects, aims and objectives** (continued)

Progress

*We often note that in any given governors' meetings we examine more policies than there are children in the school. With that in mind governors have thought carefully about how not to lose sight of pupils' progress, which is of course the reason for all the policies anyway.*

*From its inception SLS has aspired to be a place with the highest academic standards. Governors have set up a School Improvement Committee which monitors standards. Governors and teachers regularly meet together to scrutinise children's progress and, where necessary, discuss adjustments to the curriculum, teaching or environment.*

*There is a lead governor with responsibility for monitoring progress and a lead governor for additional needs i.e. for monitoring the progress of children who do not speak English as their first language, children who have a special educational need and children who are especially gifted or talented in a particular area.*

*We are delighted that our first Reception class have made such excellent progress this year. You can see from the insert sheet that the class will be leaving Reception very well prepared for the demands of the Year 1 curriculum with attainments well above the Camden and National averages. Well done Reception!*

Teaching

*The children have made progress because their teachers have taught them well.*

*Governors are responsible for making sure the staff have what they need to keep developing, so ongoing training for staff has been a priority. Governors made sure that staff have accessed support and guidance from Camden and LDBS advisors, attended a range of training courses and visited other schools.*

*Governors have set up performance management procedures for staff. There is a lead governor with responsibility for the Head's performance management and another lead governor with responsibility for other staffing issues.*

*SLS was intended as a place where every child is known as an individual. We are delighted at the creative way staff have provided individual opportunities so that the 'next step' for each child is known and planned. Through careful tracking of progress this will remain a priority.*

**OBJECTIVES AND ACTIVITIES** (continued)

**Objects, aims and objectives** (continued)

Behaviour and safety

*Those who attended open evenings in the 'church halls' before the building work started realise the total transformation that has taken place. We were very relieved that the first phase of the building (the Reception classroom and office) was completed in time for the school to open in September, but as governors we were also mindful of many challenges facing the school during the first term while the building works continued.*

*Governors made sure all necessary precautions were taken so that the children's education was not disrupted by the works.*

*Now that work is complete, governors are still responsible for making sure the environment is safe, secure and in good order. There are lead governor for Health & Safety, buildings and safeguarding. We were pleased that an external advisor agreed with us that our safeguarding procedures are good and pleased that the kitchen was 5\* rated by an Environmental Health inspector.*

*Governors also monitor pupils' behaviour and there is a lead governor for behaviour. It has been lovely to see the children learning (and learning to follow!) the Golden Rules, taking responsibility when playing with the children from the Peter Piper Nursery and showing maturity when visiting the Evergreens. We were pleased when an external advisor reported that, "Children behave very well. They work and play happily and safely inside and outside and as they move around the school."*

School Leadership

*Many parents will remember how, before the School opened, governors were concerned to appoint the right headteacher for the school. We were all aware that however wonderful the vision and however great the support from parents, church and wider community, without the right headteacher we would not be able to turn the SLS vision into reality.*

*You will remember that we did not find the right headteacher last year. Rather than rush to make an appointment that may not have been right for the school we decided to wait. We are grateful to the LDBS for supporting us and enabling Jayne Pavlou to join us as Interim Headteacher.*

*Mrs Pavlou made sure all the curriculum planning was in place before the school opened and then supported, trained and developed the staff and made sure that high standards and good practices were embedded in school life from the start. We have really benefited from her experience and wisdom. We will miss her tremendously but we are very pleased that as LDBS advisor to the school she will be a regular visitor and on hand to offer advice and support as the School grows.*

**OBJECTIVES AND ACTIVITIES** (continued)

**Objects, aims and objectives** (continued)

School Leadership (continued)

*As soon as we appointed Gill Hunt as our permanent headteacher we knew we had done the right thing to wait! Mrs Hunt joined us after Easter and although in post for less than a term she has already made a huge impact on the school. As governors we are delighted that in Gill we have found a headteacher who shares our vision and who has the experience, skills and determination to create an excellent Christian school for the whole community.*

*Governors know they have an important contribution to make to the leadership of the School. Governors meetings have been well attended and governors have been regular visitors to school. Governors are committed to developing their own knowledge. Meetings usually include an element of training and governors have attended courses on a wide range of topics.*

Values

*The vision for the School as a Christian school for the whole community was clearly set out before the School opened and over the course of the year Governors and staff have worked together to consider how the ethos will develop in practice.*

*Governors have adopted a set of foundational Christian values, 'faith, hope and love', as core values which we hope to see these reflected in all that happens in School, adding 'excellence' as an expression of what we hope the School will be and achieve. Governors have also developed a set of School aims, which you can read in the inset sheet, which flow from our values.*

*Over the next academic year the School will begin to work these values through all that happens and we are looking forward to sharing this journey with parents and children.*

Priorities

*It is obvious that not every aspect of the School is fully developed after just a year. Rightly, the priority has been the teaching, learning and an enriched curriculum that have enabled the children to make good progress. In the next year governors will be considering further potential developments, including ways for governors to communicate regularly with parents. Constructive feedback is always welcome via Clerk to the Governors through the school office.*

*Thank you for your support and we look forward to welcoming your child into Year 1 in September!*

**OBJECTIVES AND ACTIVITIES** (continued)

**Public Benefit**

The governors have considered the advice published by the Charity Commission in relation to Public Benefit and are satisfied that the School meets the requirements through the provision of state-funded education for local children

**ACHIEVEMENTS AND PERFORMANCE**

The School has performed very well in its first year

Pupils made very good progress over the year. It is considered to be 'good progress' if children in the Early Years Foundation Stage progress by 4 levels over the year. Children at St Luke's last year made 5 levels of progress over the year.

This excellent progress meant that pupils attained very well at the end of the year, leaving the Reception class at a significantly higher level than National and Camden expectations.

	Camden %	National %	SLS %
'Good development' L6+ in all areas and 78+ points	58	59	88

Parents are very supportive of the school, with 100% of parents who returned an end-of-year questionnaire saying that they either agreed or strongly agreed with the following statements

- ◆ My child feels safe at this school
- ◆ This school ensures my child is well looked after
- ◆ My child is making good progress at this school
- ◆ My child is taught well at this school
- ◆ This school helps my child to develop skills in communication, reading, writing and mathematics
- ◆ There is a good standard of behaviour at this school

Pupils also feel positively about their school. 100% of pupils who responded to an end-of-year survey answered 'yes' to the following questions

- ◆ Do you enjoy school?
- ◆ Do you find out new things in lessons?
- ◆ Is school fun and exciting?
- ◆ Do the teachers show you how you can make your work better?
- ◆ Do you feel safe at this school?
- ◆ Do you know who to go to if you feel worried or sad?
- ◆ Do you enjoy playtimes?

**ACHIEVEMENTS AND PERFORMANCE** (continued)

Of course data can never quite capture the essence of a school, and pleased as governors are with positive data, it is equally pleasing when visitors comment on the warm welcome they receive at school, or when the local social club for elderly people comment that the highlight of their term was hearing the children from St Luke's sing for them

The hard work of the whole governing body was recognised during a visit by the Bishop of London in September 2012. The Chair of Governors was presented with The St Mellitus Medal in recognition of an outstanding voluntary contribution to the education and wellbeing of the children of Camden

**FINANCIAL REVIEW**

**Financial report for the period**

A summary of the results for the period are included on page 22

The School's income in the year ended 31 August 2012 was obtained from the EFA and the DfE in the form of revenue, capital and other grants. The grants received during the year and the associated expenditure are shown as restricted funds in the statement of financial activities

Total income for the year was £969,364 (2011 - £713,697), which included £638,972 (2011 - £622,045) in capital grant funding, £322,953 (2011 - £nil) in revenue grants and £nil (period ended 2011 - £91,652) in implementation grant funding from the DfE

Total expenditure for the year was £376,971 (2011 - £99,452), of which £362,971 (2011 - £nil) of educational operation expenditure, £8,000 (2011 - £7,800) to governance costs and £nil (2011 - £91,652) related to lead-in costs

The net movement in funds, was £598,393 (2011 - £614,245)

**Principal risks and uncertainties**

The principal risks and uncertainties that governors will monitor in 2012/13 include

- ◆ staffing,
- ◆ budget,
- ◆ pupil applications, and
- ◆ pupil progress

**Reserves policy**

A sensible approach to contingencies led to a modest budget being set for the 2011/12 academic year. Governors were very mindful that a new building and a new school would bring with it a good deal of uncertainty. At the end of the year governors were able to carry forward a reasonable reserve. The 7-year revenue budget that was drawn up in 2010/11 has been developed into a 3-year budget that governors will monitor annually. This budget includes a modest annual reserve.

The Reserves Policy is set out in the School's Financial Handbook which is monitored by the Resources Committee and in particular the lead governor for finance and her deputy.

## **Governors' report** Year to 31 August 2012

### **FINANCIAL REVIEW** (continued)

#### **Investment policy**

The governors' investment powers are governed by the articles of association, which permits the School's funds, not immediately required, to be invested in furtherance of its objects after obtaining expert financial advice. The School did not engage in any investment of surplus funds during the year under review.

#### **Going concern**

The 7-year revenue budget is set on the basis of income that is anticipated under the funding agreement and using the 'income calculator' provided by the DfE for this purpose. The assumption that the School is a going concern is therefore a reasonable one.

### **FUTURE ACTIVITIES AND PLANS**

The School's future activities and plans from 1 September 2012 include the following:

- ◆ Formal opening by the Bishop of London in September 2012,
- ◆ Admitting the second Reception class and opening the Key Stage 1 classroom,
- ◆ Developing the outdoor area,
- ◆ Developing the PE curriculum and provision,
- ◆ Developing provision for children with Additional Educational Needs,
- ◆ Developing after-school provision,
- ◆ Setting up a Parents and Friends Association.

### **AUDITOR**

In so far as the governors are aware:

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

Approved by order of the members of the governing body and signed on its behalf by



Penny Roberts  
Chair

Date 6 December 2012

## Governance statement 31 August 2012

### Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that the St Luke's Church of England 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 governing body have 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 the Academy and the Secretary of State for Education. The Principal 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 the statement of governors' responsibilities. The governing body has formally met 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Number of meetings attended	Out of a possible
Mrs Penny C Roberts (Chair)	5	5
Mr Phillip Taylor (Vice-Chair)	3	5
Mr Adrian R Barrett	5	5
Ms Monica Duncan	2	5
Mr Timothy J Fairbairn	5	5
Mrs Sarah K Hannan	2	5
Mr Oliver Hughes	5	5
Mrs Gill Hunt (ex officio)	2	2
Ms Elise Kosumçu	2	3
Mr Assaf Lennon	3	3
Mrs Jana Mercereau	5	5
Mrs Kathryn A Parker	5	5
Rev Alistair C Tresidder	3	5

The governing body has benefited from stability over the year. Overall attendance has been close to 80% with a similar pattern at committee meetings. Governors have been very active in between meetings, visiting school and actively supporting strategic planning and policy review.

## **Governance statement** 31 August 2012

### **Governance (continued)**

- 1 The Resources Committee is a Committee of the main governing body. Its purpose is to exercise responsibility for and oversight over the following
  - (a) The overall finances of St Luke's Church of England School, including
    - ◆ The annual budget (for recommendation to the governing body) and monitoring of that budget
    - ◆ Governors Fund (if any)
    - ◆ Charging policy, income generation policy, lettings policy
    - ◆ Financial procedures (including compliance with the DfE Guidance), delegation of spending authority and virement policies
    - ◆ Policy and decisions regarding contracts and service level agreements
    - ◆ Insurance arrangements
    - ◆ Governors expenses policy
  - (b) The Premises of the St Luke's Church of England School, including
    - ◆ Annual Maintenance and Improvement programme
    - ◆ Any further capital projects
    - ◆ Health & Safety in relation to premises, including site security
    - ◆ Access
    - ◆ Premises Insurance
    - ◆ Issues relating to the co-location with St Luke's Church
    - ◆ Issues relating to the licence between St Luke's School and St Luke's Church
  - (c) The Personnel of St Luke's Church of England School, including
    - ◆ Staff recruitment procedures
    - ◆ Staff Appointments procedures
    - ◆ Equal Opportunities
    - ◆ Employment contractual matters
    - ◆ Pay policy
    - ◆ Staff well-being
  - (d) Key Targets agreed by the governing body for St Luke's Church of England School in respect of any of the above areas
  - (e) Any other matters referred to it by the governing body



## Governance statement 31 August 2012

### Governance (continued)

The Committee was first established in September 2011 and during the year, membership and attendance was as follows

Governor	Number of meetings attended	Out of a possible
Phillip Taylor (Chair)	3	3
Jana Mercereau	3	3
Assaf Lennon	0	1
Oliver Hughes	3	3
Kathy Parker	3	3
Tim Fairbairn	3	3

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's 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 at the Academy for the year ended 31 August 2012 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 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 an ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2012 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'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 general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,

**Governance statement** 31 August 2012

**The risk and control framework** (continued)

- ◆ 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 Sophie Barker as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the RO will report to the governors on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. No material weaknesses were noted.

**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 responsible officer,
- ◆ the work of the external auditor,
- ◆ the financial management and governance self assessment process,
- ◆ the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has advised the finance committee of the implications of his/her review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the governing body and signed on their behalf by

  
(PENNY ROBERTS)  
(Chair of Governing Body)

  
(GILLIAN HUNT)  
(Principal and Accounting Officer)

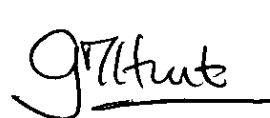
Approved on 6 December 2012

**Statement on regularity, propriety and compliance** 31 August 2012

As accounting officer of St Luke's Church of England School, I have considered my responsibility to notify the academy trust governing body and the EFA 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.

 (GILLIAN HUNT)

Accounting Officer

Date 6 December 2012

## Statement of governors' responsibilities 31 August 2012

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

Company law requires the governors to prepare financial statements for each financial year. Under company law, the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy and of 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' Statement of Recommended Practice (the Charities' SORP),
- ◆ make judgments and estimates that are reasonable and prudent,
- ◆ state whether applicable United Kingdom 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 Academy will continue in operation

The governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the governing body on 6 December 2012 and signed on its behalf by

 (PENNY ROBERTS)

Chair of the Governing Body

## **Independent auditor's report** Year to 31 August 2012

### **Independent auditor's report to the members of St Luke's Church of England School**

We have audited the financial statements of St Luke's Church of England School for the year ended 31 August 2012 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies 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 Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

### **Respective responsibilities of governors and auditor**

The governors act as trustees for the charitable activities of St Luke's Church of England School and are also the directors of the charity for the purpose of company law.

As explained more fully in the statement of governors' responsibilities set out in the governors' report, the governors 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 School'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 inconsistencies we consider the implications for our report.

## **Independent auditor's report** Year to 31 August 2012

### **Opinion**

In our opinion

- ◆ the financial statements give a true and fair view of the state of the School's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006, and
- ◆ the financial statements have been prepared in accordance with the Annual Accounts Direction 2011/12 issued by the EFA

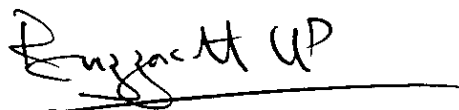
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **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
- ◆ the financial statements are not in agreement with the accounting records, 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



Avnish Savjani, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

18 December 2012

## **Independent auditor's report** Year to 31 August 2012

### **Independent auditor's report on regularity to the governing body of St Luke's Church of England School and the EFA**

In accordance with the terms of our engagement letter dated 6 October 2011 and further to the requirements of the EFA, we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period from 1 September 2011 to 31 August 2012 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 governing body and auditor**

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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

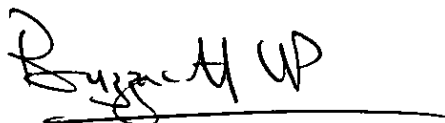
Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed or income received during the period from 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

### **Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA

### **Opinion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

18 December 2012

**Statement of financial activities** Year to 31 August 2012  
(including the income and expenditure account)

	Notes	Restricted funds			Year ended 31 August 2012 Total funds £	Period ended 31 August 2011 Total funds £
		Unrestricted general funds £	Restricted general funds £	Fixed assets fund £		
<b>Incoming resources</b>						
Incoming resources from generated funds						
Activities for generating funds		6,852	—	—	<b>6,852</b>	—
Investment income		47	—	—	<b>47</b>	—
Incoming resources from charitable activities						
Funding for the School's educational operations	2	—	322,953	—	<b>322,953</b>	—
Funding for the School's development	3	—	—	638,972	<b>638,972</b>	713,697
Other income		—	540	—	<b>540</b>	—
<b>Total incoming resources</b>		<b>6,899</b>	<b>323,493</b>	<b>638,972</b>	<b>969,364</b>	<b>713,697</b>
<b>Resources expended</b>						
Charitable activities						
School's educational operations	5	—	280,115	82,856	<b>362,971</b>	—
School's development costs	6	—	—	—	—	91,652
Governance costs	7	—	8,000	—	<b>8,000</b>	7,800
<b>Total resources expended</b>	4	<b>—</b>	<b>288,115</b>	<b>82,856</b>	<b>370,971</b>	<b>99,452</b>
<b>Net incoming resources before transfers</b>		<b>6,899</b>	<b>35,378</b>	<b>556,116</b>	<b>598,393</b>	<b>614,245</b>
Transfers between funds	15	—	(4,099)	4,099	—	—
<b>Net movement in funds</b>		<b>6,899</b>	<b>31,279</b>	<b>560,215</b>	<b>598,393</b>	<b>614,245</b>
<b>Fund balances brought forward at 1 September 2011</b>		<b>—</b>	<b>(7,800)</b>	<b>622,045</b>	<b>614,245</b>	<b>—</b>
<b>Fund balances carried forward at 31 August 2012</b>		<b>6,899</b>	<b>23,479</b>	<b>1,182,260</b>	<b>1,212,638</b>	<b>614,245</b>

All of the School's activities derived from continuing operations

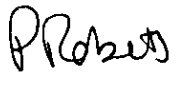
There is no difference between the net movement in funds stated above and its historical cost equivalent



**Balance sheet** 31 August 2012

	Notes	2012 £	2012 £	2011 £	2011 £
<b>Fixed assets</b>					
Tangible assets	12		1,182,260		622,045
<b>Current assets</b>					
Cash at bank		56,831		—	
Debtors	13	286,533		332,227	
		<u>343,364</u>		<u>332,227</u>	
<b>Creditors</b> amounts falling due within one year	14	<u>(312,986)</u>		<u>(340,027)</u>	
<b>Net current assets/(liabilities)</b>			<u>30,378</u>		<u>(7,800)</u>
<b>Total net assets</b>			<u>1,212,638</u>		<u>614,245</u>
<b>Represented by</b>					
<b>Funds and reserves</b>					
Unrestricted funds					
General funds	15		6,899		—
Restricted funds					
Restricted general funds	15		23,479		(7,800)
Fixed assets fund	15		1,182,260		622,045
<b>Total funds</b>	16		<u>1,212,638</u>		<u>614,245</u>

Approved by the governors of St Luke's Church of England School (Company Registration No 07451568) (England and Wales) and signed on their behalf by

Governor  (PENNY ROBERTS)

Approved on 6/12/12

## Cash flow statement Year to 31 August 2012

	Notes	2012 £	2011 £
<b>Net cash inflow (outflow) from operating activities</b>	18	<b>100,370</b>	(150,898)
Capital expenditure	19	<b>(17,050)</b>	124,409
Increase (decrease) in cash in the period	20	<b>83,320</b>	(26,489)
<b>Reconciliation of net cash flow to movement in net debt</b>			
Net funds at 1 September 2012	20	<b>(26,489)</b>	—
<b>Net funds at 31 August 2012</b>	20	<b>56,831</b>	(26,489)

## **Principal accounting policies** Year to 31 August 2012

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities SORP), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. 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 School 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**

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

#### **Grants receivable**

Grants are included in the statement of financial activities (SOFA) 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.

#### **Donations**

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

#### **Other income**

Other income is recognised in the period it is receivable.

#### **Gifts in kind**

The value of gifts in kind provided to the School are recognised at a valuation attributed by the governors in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured.

## **Principal accounting policies** Year to 31 August 2012

### **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.

### Costs of generating funds

These are costs incurred in attracting voluntary income.

### Charitable activities

These are costs incurred on the School's educational operations.

### Governance Costs

These include the costs attributable to the School's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

### **Tangible fixed assets**

All assets costing more than £1,000, and with an expected useful economic life exceeding one year, are capitalised as fixed assets and are carried at cost net of depreciation. All professional fees and other associated costs incurred as part of the capital development works have been capitalised during the period.

Where tangible fixed assets have been acquired with the aid of specific grants, the related grants are credited to the restricted fixed assets fund in SOFA and are carried forward in the balance sheet. Depreciation on these assets are charged to the restricted fixed assets fund in the SOFA so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the School's depreciation policy.

Depreciation is charged in the year in which the asset is brought into use at the following annual rates:

- ◆ School buildings 25 years on a straight line basis over the length of the lease
- ◆ Computer equipment 3 years on a straight line basis

Assets under construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

## **Principal accounting policies** Year to 31 August 2012

### **Taxation**

The School 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 School 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.

### **Fund accounting**

Unrestricted funds represent monies which may be used towards meeting any of the charitable objects of the School at the discretion of the governors.

The restricted fixed assets fund is for resources which are to be applied to specific capital purposes with conditions imposed by the providers.

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

### **Pensions benefits**

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the School.

#### **Teachers' Pension Scheme**

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School 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 23, the TPS is a multi-employer scheme and the School 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.

#### **Local Government Pension Scheme**

During the year ended 31 August 2012, non-teaching members of staff were able to join the London Borough of Camden Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme. As the Academy was unable to identify its share of the underlying assets and liabilities of the Scheme at 31 August 2012, it has taken advantage of the exemption in FRS17 and has accounted for its contributions to the Scheme as if it were a defined contribution scheme.

Contributions in respect of pension schemes are recognised in the statement of financial activities in the year in which they are payable to the relevant scheme.

## Notes to the financial statements Year to 31 August 2012

### 1 Funding for the School's development

	Year ended 31 August 2012 £	Period ended 31 August 2011 £
<b>Results and Carry Forward for the year</b>		
GAG allocation for current year (note 2,15)	191,523	—
Recurrent expenditure from GAG	(191,523)	—
<b>GAG carried forward to next year</b>	<b>—</b>	<b>—</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	22,983	—
<b>GAG to surrender to DfE (12% rule breach if result is positive)</b>	<b>—</b>	<b>—</b>
	<b>No breach</b>	<b>N/A</b>

### 2 Funding for School's educational operations

	Unrestricted funds £	Restricted funds £	Year ended 31 August 2012 £	Period ended 31 August 2011 £
<b>EFA revenue grant</b>				
General Annual Grant (GAG) (note 1,15)	—	191,523	191,523	—
Start Up Grants	—	131,430	131,430	—
	—	322,953	322,953	—

### 3 Funding for the School's development

	Restricted general funds £	Fixed assets fund £	Year ended 31 August 2012 £	Period ended 31 August 2011 £
<b>DfE Implementation grants</b>				
Project management grant	—	—	—	53,600
Lead-in costs grant	—	—	—	38,052
<b>DfE Capital grant</b>	<b>—</b>	<b>638,972</b>	<b>638,972</b>	<b>622,045</b>
	—	638,972	638,972	713,697

## Notes to the financial statements Year to 31 August 2012

### 4 Resources expended

	Staff costs (note 8) £	Non pay expenditure		Year ended 31 August 2012 £	Period ended 31 August 2011 £
		Premises £	Other costs £		
<b>Charitable activities</b>					
School's educational operations					
Direct costs	73,590	67,253	31,428	<b>172,271</b>	—
Allocated support costs	109,037	65,932	15,731	<b>190,700</b>	—
	<u>182,627</u>	<u>133,185</u>	<u>47,159</u>	<b>362,971</b>	—
School's development costs	—	—	—	—	91,652
Governance costs	—	—	8,000	<b>8,000</b>	7,800
	<u>182,627</u>	<u>133,185</u>	<u>55,159</u>	<b>370,971</b>	<u>99,452</u>
<b>Resources expended for the year include.</b>					
Operating leases				<b>23,909</b>	8,813
Fees payable to auditor					
Statutory audit				<b>7,500</b>	6,000
Non statutory audit				<b>500</b>	1,800

### 5 School's educational operations

	2012 Total funds £	2011 Total funds £
<b>Direct costs</b>		
Teaching and educational support staff	<b>73,590</b>	—
Depreciation	<b>67,253</b>	—
Educational supplies	<b>18,766</b>	—
Staff development	<b>2,825</b>	—
Educational consultancy	<b>3,217</b>	—
Other direct costs	<b>6,620</b>	—
	<u><b>172,271</b></u>	—
<b>Allocated support staff costs</b>		
Support staff costs	<b>109,037</b>	—
Catering	<b>647</b>	—
Recruitment and support	<b>4,695</b>	—
Maintenance of premises and equipment	<b>19,045</b>	—
Cleaning	<b>1,378</b>	—
Rent and rates	<b>37,670</b>	—
Insurance	<b>3,513</b>	—
Telephone and broadband	<b>1,317</b>	—
Bank interest and charges	<b>112</b>	—
Other support costs	<b>13,286</b>	—
	<u><b>190,700</b></u>	—
	<u><b>362,971</b></u>	—

**Notes to the financial statements** Year to 31 August 2012

**6 School's development costs**

	Unrestricted funds £	Restricted general funds £	Year ended 31 August 2012 £	Period ended 31 August 2011 £
Project management costs	—	—	—	53,600
Staff consultancy costs	—	—	—	15,442
Administration support	—	—	—	8,726
Recruitment	—	—	—	2,159
Office costs	—	—	—	4,521
Rent	—	—	—	7,204
	—	—	—	91,652

**7 Governance costs**

	Unrestricted funds £	Restricted general funds £	Year ended 31 August 2012 £	Period ended 31 August 2011 £
Audit fees				
Statutory audit	—	7,500	7,500	6,000
Other services	—	500	500	1,800
	—	8,000	8,000	7,800

**8 Staff costs**

Staff costs during the year were

	Unrestricted funds £	Restricted funds £	Year ended 31 August 2012 £	Period ended 31 August 2011 £
Wages and salaries	—	126,832	126,832	—
Social security costs	—	7,791	7,791	—
Pension costs	—	15,693	15,693	—
	—	150,316	150,316	—
Invoiced staff costs	—	32,311	32,311	—
	—	182,627	182,627	—

The average numbers of persons (including senior management team) employed by the School during the year expressed as a full time equivalents was as follows

Charitable activities	Year ended 31 August 2012 £	Period ended 31 August 2011 £
Teachers	1	—
Administration and support	3	—
Management	1	—
	5	—

There were no employees whose emoluments were above £60,000 during the year or the prior period



## Notes to the financial statements Year to 31 August 2012

### 9 Governors' remuneration and expenses

Headteacher and 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, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration whilst in office was as follows:

	Year ended 31 August 2012 £	Period ended 31 August 2011 £
G Hunt, Headteacher and governor	15,000-20,000	—
J Pavlou, Headteacher and governor	30,000-35,000	—
K Parker, Staff and governor	5,000-10,000	—

During the year ended 31 August 2012, no travel and subsistence expenses were reimbursed to the governors (2011 – none)

Other related party transactions involving the governors are set out in note 17

### 10 Governors' indemnities

In accordance with normal commercial practice, the School purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provided cover up to £5m for fraud and dishonesty and £5m for employment practices on any one claim and the cost for the year was £265 (period ended 31 August 2011 – £265)

### 11 Taxation

The School is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

### 12 Tangible fixed assets

	Assets under construction £	Leasehold improve- ments £	Furniture, fixtures and fittings £	ICT equipment £	Total £
<b>Cost</b>					
At 1 September 2011	620,303	—	—	1,742	<b>622,045</b>
Additions	563,555	—	14,899	49,014	<b>627,468</b>
Transfers	(1,183,858)	1,183,858	—	—	—
At 31 August 2012	—	1,183,858	14,899	50,756	<b>1,249,513</b>
<b>Depreciation</b>					
At 1 September 2011	—	—	—	—	—
Charge for the year	—	47,354	2,980	16,919	<b>67,253</b>
At 31 August 2012	—	47,354	2,980	16,919	<b>67,253</b>
<b>Net book value</b>					
At 31 August 2012	—	1,136,504	11,919	33,837	<b>1,182,260</b>
At 31 August 2011	620,303	—	—	1,742	<b>622,045</b>

## Notes to the financial statements Year to 31 August 2012

### 13 Debtors

	Total 2012 £	Total 2011 £
Other debtors and prepayments	2,469	26,489
Deferred capital grants	—	181,254
Due from LDBS	280,720	—
VAT recoverable	3,344	124,484
	<b>286,533</b>	<b>332,227</b>

### 14 Creditors: amounts falling due within one year

	Total 2012 £	Total 2011 £
Trade creditors	13,405	—
Taxes and social security	7,810	—
Capital works creditor*	152,700	181,254
Due to EFA	128,020	124,484
Bank overdraft**	—	26,489
Accruals	11,051	7,800
	<b>312,986</b>	<b>340,027</b>

\* The capital works creditor relates to the claim for capital works payable to LDBS who will settle with the contractors

\*\* The bank balance was in deficit at 31 August 2011 as a result of reconciling items at the end of the period

### 15 Funds

The income funds of the School include restricted funds comprising the following balances of grants held for specific purposes

	At 1 September 2011 £	Incoming resources £	Resources expended £	Transfers £	At 31 August 2012 £
Restricted general funds					
General Annual Grant	—	191,523	(191,523)	—	—
Start Up Grants	—	131,430	(96,052)	(11,899)	23,479
DfE implementation grants	(7,800)	—	—	7,800	—
Other	—	540	(540)	—	—
	(7,800)	323,493	(288,115)	(4,099)	23,479
Restricted fixed assets fund					
DfE capital grant	622,045	638,972	(82,856)	4,099	1,182,260
<b>Total restricted funds</b>	<b>614,245</b>	<b>962,465</b>	<b>(370,971)</b>	<b>—</b>	<b>1,205,739</b>
Unrestricted funds					
General funds	—	6,899	—	—	6,899
<b>Total unrestricted funds</b>	<b>—</b>	<b>6,899</b>	<b>—</b>	<b>—</b>	<b>6,899</b>
<b>Total funds</b>	<b>614,245</b>	<b>969,364</b>	<b>(370,971)</b>	<b>—</b>	<b>1,212,638</b>

## Notes to the financial statements Year to 31 August 2012

### 15 Funds (continued)

#### General Annual Grant and Start up Grants

These funds represent grants received for the Academy's operation activities and development

#### DfE implementation grants

These funds include the DfE grant towards lead-in and project management costs incurred by the School during the year

#### DfE capital grant

This fund includes the DfE grant used for the building works and the purchase of ICT equipment

### 16 Analysis of net assets between funds

	General funds £	Restricted funds		Total 2012 £
		Restricted general funds £	Fixed assets fund £	
<b>Fund balances at 31 August 2012 are represented by:</b>				
Tangible fixed assets	—	—	1,182,260	<b>1,182,260</b>
Current assets	6,899	183,765	152,700	<b>343,364</b>
Creditors amounts falling due within one year within one year	—	(160,286)	(152,700)	<b>(312,986)</b>
<b>Total net assets</b>	<b>6,899</b>	<b>23,479</b>	<b>1,182,260</b>	<b>1,212,638</b>

### 17 Related party transactions

Several of the governors are also members of The Parochial Church Council of the Parish of St Luke's West Hampstead, with whom the School transacts. A 25 year licence agreement with the Church was signed in April 2011 and amounts totalling £23,909 (2011 - £8,813) were paid in rental expenses during the year, with £1,609 (2011 - £1,609) included as a prepayment.

### 18 Reconciliation of net income to net cash outflow from operating activities

	2012 £	2011 £
Net income	<b>598,393</b>	614,245
Depreciation (note 12)	<b>67,253</b>	—
Capital grants from the DfE	<b>(638,972)</b>	(746,454)
Decrease (increase) in debtors	<b>45,694</b>	(332,227)
Increase in creditors	<b>28,002</b>	313,538
<b>Net cash inflow (outflow) from operating activities</b>	<b>100,370</b>	(150,898)

## Notes to the financial statements Year to 31 August 2012

### 19 Capital expenditure and financial investment

	2012 £	2011 £
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(656,022)	(622,045)
Capital grants from the DfE	638,972	746,454
	<b>(17,050)</b>	<b>124,409</b>

### 20 Analysis of changes net funds

	At 1 September 2011 £	Cash flows £	At 31 August 2012 £
Cash at bank and in hand	—	56,831	<b>56,831</b>
Overdraft	(26,489)	26,489	—
	<b>(26,489)</b>	<b>83,320</b>	<b>56,831</b>

### 21 Capital commitments

	2012 £	2011 £
Contracted for, but not provided in the financial statements	—	578,444

### 22 Financial commitments

Operating leases

At 31 August 2012 the School had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
<b>Land and buildings</b>		
Expiring in over five years	<b>22,300</b>	22,300

### 23 Pension and similar obligations

The School'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 Camden 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 was 31 March 2004 and of the LGPS 31 March 2010

The total pension cost to the Academy during the year ended 31 August 2012 was £16,000 (2011 - £nil) of which £10,000 relates to the TPS, £3,000 relates to LGPS and £3,000 related to personal pension schemes

Contributions amounting to £4,000 (2011 - £ nil) were payable to the schemes at 31 August and are included within creditors

**23 Pension and similar obligations (continued)**

**Teachers' Pension Scheme**

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, 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 (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is 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 investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

**23 Pension and similar obligations** (continued)

**Teachers' Pension Scheme** (continued)

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, 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. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School 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 School has set out above the information available on the scheme and the implications for the School in terms of the anticipated contribution rates.

**Local Government Pension Scheme (LGPS)**

The School is one of several employing bodies included in the London Borough of Camden Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit scheme, with assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The total contributions made for the year ended 31 August 2012 were £4,000, of which employer's contribution totalled £3,000 and employees' contributions totalled £1,000. The employer contribution rate is 14.2% of salaries and the employees' rate 5.9%.

As at 31 August 2012, the Academy's share of underlying assets and liabilities could not be separately identified so the Academy has taken advantage of the exemption in FRS17 and has accounted for its contribution to the scheme as if it were a defined contribution scheme.

The last full triennial valuation of the LGPS was at 31 March 2010 and the next one will be carried out with an effective date of 31 March 2013.