

# REGISTRAR OF COMPANIES

**St Philip's  
School  
Trust  
Limited**

## **Annual Report and Financial Statements**

31 August 2012

Company Limited by Guarantee  
Registration Number  
01789733 (England and Wales)

Charity Registration Number  
288887

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## **Reference and administrative details of the charity, its governors, and advisers**

<b>Governors</b>	A Aylward S Day J Dean G Edwards T MacFarlane J McIntosh OBE H Mould P N White
<b>Headmaster</b>	H Biggs-Davison
<b>Secretary</b>	H Rennie
<b>Registered principal office</b>	6 Wetherby Place London SW7 4NE
<b>Company registration number</b>	01789733 (England and Wales)
<b>Charity registration number</b>	288887
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC Bank plc 95 Gloucester Road South Kensington London SW7 4SX
<b>Accountants</b>	SDK Educational Consultancy Ltd 10 Bath Road Old Town Swindon SN1 4BA

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

The Governors of St Philip's School Trust Limited, who are also directors of the Company for the purposes of the Companies Act and trustees for the purposes of charity law, present their statutory report together with the financial statements for the year ended 31 August 2012

The report has been prepared in accordance with Part VIII of the Charities Act 2011

The financial statements have been prepared in accordance with the accounting policies set out on pages 13 and 14 of the attached financial statements and comply with the school's Memorandum and Articles of Association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005 ("SORP 2005")

### **Governance, structure and management**

#### **Constitution and legal status**

The charity is constituted as a company limited by guarantee. The Governors, who are also members, are liable to contribute an amount not exceeding £1 each on the event of winding up

#### **Governance**

The Governing body is elected on the basis of nominations and recommendations received from various sources, with a view to ensuring as wide a mix as possible of relevant expertise. Members are eligible to stand for re-election. Specific appointments are made to ensure that at least one member is recommended by the Oratory, Brompton Road

The Governors maintain overall responsibility for the school and its assets, and determine the general policy of the school

The day-to-day running of the school is delegated to the Headmaster and his senior management team

#### **Governors**

The Governors may appoint additional Governors under the terms of the Memorandum

The following Governors were in office and served throughout the year, except where shown

**Governance, structure and management** (continued)

Governors (continued)

<b>Governors</b>	<b>Appointed / Resigned / Retired</b>
A Aylward	
S Day	
J Dean	
G Edwards	
Rev I Harrison	Appointed 29 September 2011/Resigned 26 September 2012
T MacFarlane	
J McIntosh OBE (Chairman)	
H Mould	
P N White	
Company secretary	
H Rennie	

No Governor received any remuneration from the school during the year (2011 - £nil). During the year one Governor, who is also a parent, had children attending the school. Fees paid by the Governors are the same as fees paid by others. There were no outstanding amounts at the year end. No Governor had any other beneficial interest in any contract with the school during the year.

Statement of Governors' responsibilities

The Governors (who are also directors of St Philip's School for the purposes of company law) are responsible for preparing the Governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the school and of the incoming resources and application of resources, including the income and expenditure, of the school for that period. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the school and of the incoming resources and application of resources, including the income and expenditure, of the school 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 Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP),
- ◆ make judgements 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

**Governance, structure and management** (continued)

Statement of Governors' responsibilities (continued)

- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the school 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 school 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 school and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Governors confirms that

- ◆ so far as the Governor is aware, there is no relevant audit information of which the school's auditor is unaware, and
- ◆ the Governor has taken all the steps that he/she ought to have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that the school's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Organisational management

The Board meets once a term to determine the general policy for the Trust and to review its overall management and control, for which they are legally responsible.

A Finance and General Purpose Committee meets once a term. It reports to the Governors with recommendations on pay and conditions, financial obligations and fee and bursary policies.

Risk management

The Governors have assessed the major risks to which the school is exposed, in particular those related to the operations and finances and they are satisfied that systems are in place to mitigate the exposure to major risks.

**Activities, specific objectives and relevant policies**

Principal aims and objectives

The principal aims and objects of the school are the promotion and provision of the education of boys up to the age of 13.

**Activities, specific objectives and relevant policies (continued)**

**Strategic aim and intended effect**

The school's strategic aim to reach its annual objective is the attainment of the highest academic levels whilst allowing pupils to benefit from our extra-curricular programme. This is intended to draw out their abilities and academic potential, awaken and develop wider interests in life and motivate them for a successful outcome at their chosen senior school. The pupils' moral, social and spiritual development is considered to be just as important as their academic progress.

**Objectives for the year**

The school's main objective continued to be to educate all the school's pupils to at least the same high standard achieved by the school in previous years, so that they will be fully able to benefit from their chosen senior school for the completion of their education in due course. Our strategy for achieving this is to maintain a high teacher-to-pupil ratio, tailoring our services as appropriate in each case to suit individual needs.

**Grant making**

We are now able to support pupils through our Bursary Scheme. This is available on a needs basis as determined by the Headmaster in consultation with the Governors.

**Achievements and performance**

**Review of the year and future plans**

The school has had another successful year. All 20 leaving Year 8 boys passed their Common Entrance examinations with 52% achieving a grade A, which is a school record. One boy won the chemistry prize for incoming pupils at Rugby School for achieving the highest mark of any candidate and one boy was awarded a music exhibition to Winchester. Other schools that our boys passed into included, Eton, Harrow, St Benedict's, St Paul's, The London Oratory, Westminster and Wellington.

Two boys continue to attend the school on a full bursary, taking advantage of the St Philip's Bursary Fund which continues to develop.

Our future plans remain the continuation of the high standards of moral, spiritual and academic education, recognised in both of our recent Diocesan and Ofsted inspection reports, by continued practical and financial support of the headmaster and staff.

The school is continuing to consider various options to improve and enhance the educational facilities of the building, this may mean a considerable capital investment in the near future.

The net surplus for the year before the revaluation of the freehold property was £39,378 (2011 - £150,082).

**Achievements and performance** (continued)

**Fundraising performance**

Large sums of money were raised through the voluntary efforts of pupils, staff and parents during the year for several causes. The Annual Quiz raised £5,000 for the Thai Children's Trust, which was doubled to £10,000 by applying to the Big Give. A further £6,000 was raised for the Himalayan Education Lifeline Programme. In addition, the school supported West London Churches to support their work in providing meals to the homeless.

**Our Parents' Association Volunteers**

Our Parents' Association helped the school's fundraising and cultural activities with many hours of voluntary service during the year, and the Governors would like to thank the Parents for their valuable support to the school throughout the year, which is highly appreciated.

**Public Benefit**

The purpose of the school is the promotion and provision of the education of boys up to the age of 13. The school received no funding from the state and is therefore obliged to charge fees to cover the remuneration of its staff and the maintenance costs both present and in the future associated with the upkeep of the school's fabric and facilities.

The Charity Commission's publication 'Charities and Public Benefit' gives guidance to Governors as to how to demonstrate explicitly that the aims of St Philip's School are for the public benefit. The Governors acknowledge the guidance and will strive whenever it is reasonably possible to follow it.

The school is continuing to develop its already strong relationship with our local Roman Catholic primary school, Our Lady of Victories. One of our teaching staff takes an after school verbal reasoning lesson at the primary school for thirty Year 6 pupils. St Philip's remunerates the teacher. We have also offered to sponsor pupils from the school who wish to take part in some of our after school clubs.

St Philip's boys contribute to the parish of the Oratory Church, Brompton Road, by serving Mass on Sundays, and by singing in the junior choir of the church.

The Governors are looking to offer full bursary places for disadvantaged children from the local community and the "St Philip's Bursary Fund" continues to grow as a key element of the bursary policy which has been set in place.

### **Financial review**

#### Results for the year

Incoming resources for the year were £1,410,134 (2011 - £1,457,296) Resources expended were £1,370,756 (2011 - £1,307,214) The net income for the year before the revaluation of the freehold property was £39,378 (2011 - £150,082) Gains on the revaluation of the freehold property during the year totalled £430,000, resulting in an overall surplus of £469,378 (2011 - £150,082)

Overall, the Governors consider the affairs of the charity to be satisfactory, but they are aware of potential financial issues facing the independent schools sector and the constant need to monitor budgets and cash flow forecasts

### **Financial position and reserves policy**

#### Financial position

The balance sheet shows total funds of £2,840,022 (2011 - £2,370,644)

The total funds are represented by a revaluation reserve, which represents the revalued amount of the school's freehold property, of £1,521,890, general funds of £1,059,018, designated funds of £176,456 and restricted funds of £82,658 Two 100% bursaries totalling £25,080 have been provided using the restricted fund during the year

Within general funds, £282,271 represents funds deployed as part of the school premises and equipment, with the balance of £776,747 being 'free reserves' The level of free reserves represents approximately seven month's expenditure

#### Reserves policy

The Governors have examined the requirement for free reserves (i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed) which they wish to increase so that in the future a larger school can be acquired

#### Fixed assets

The main asset of the school is the freehold building This was revalued by Scanlans Consultant Surveyors LLP on 22 February 2012 on the basis of existing use at £1,780,000

The Governors are of the opinion that the value of the property is not significantly different from that stated

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements


**Governors' report** 31 August 2012

**Financial position and reserves policy** (continued)

Summary

St Philip's School has again had a good year and our thanks go to all those who have helped to achieve this, staff, pupils and parents

Approved by the Governors and signed on their behalf by

  
Chairman (JOHN MCINTOSH)

Approved by the Governors on 31 January 2013

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

### **Independent auditor's report to the members of St Philip's School Trust Limited**

We have audited the financial statements of St Philip's School Trust Limited for the year ended 31 August 2012 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity'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 charity and the charity'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 are also the directors of the charitable company for the purposes of company law. As explained more fully in the governors' responsibilities statement set out in the governors' annual 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 charitable company'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** 31 August 2012

### **Opinion on financial statements**

In our opinion the financial statements

- ◆ give a true and fair view of the state of charitable company'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,
- ◆ 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

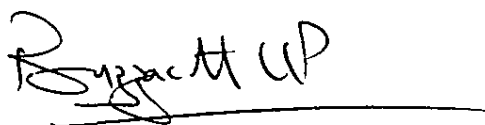
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the governors' annual 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 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



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

14 February 2013

## Statement of financial activities Year to 31 August 2012


	Notes	General funds £	Restricted funds £	Revaluation reserve £	Total 2012 £	Total 2011 £
<b>Income and expenditure</b>						
<b>Incoming resources</b>						
Incoming resources from generated funds						
Voluntary income		1,250	10,000	—	<b>11,250</b>	113,564
Interest receivable		10,461	—	—	<b>10,461</b>	907
Incoming resources from charitable activities						
School fees receivable	1	1,388,423	—	—	<b>1,388,423</b>	1,342,825
<b>Total incoming resources</b>		<b>1,400,134</b>	<b>10,000</b>	<b>—</b>	<b>1,410,134</b>	<b>1,457,296</b>
<b>Resources expended</b>						
Charitable activities						
Provision of education	2	1,337,176	25,080	—	<b>1,362,256</b>	1,298,624
Governance costs	2	8,500	—	—	<b>8,500</b>	8,590
<b>Total resources expended</b>		<b>1,345,676</b>	<b>25,080</b>	<b>—</b>	<b>1,370,756</b>	<b>1,307,214</b>
<b>Net incoming resources before other recognised gains and losses</b>						
		54,458	(15,080)	—	<b>39,378</b>	150,082
<b>Other recognised gains and losses</b>						
Gains on revaluation of freehold property		—	—	430,000	<b>430,000</b>	—
<b>Net movements in funds</b>	3	54,458	(15,080)	430,000	<b>469,378</b>	150,082
<b>Balances brought forward at 1 September 2011</b>						
		1,181,016	97,738	1,091,890	<b>2,370,644</b>	2,220,562
<b>Balances carried forward at 31 August 2012</b>						
		1,235,474	82,658	1,521,890	<b>2,840,022</b>	2,370,644


# **Balance sheet** 31 August 2012

	Notes	2012 £	2012 £	2011 £	2011 £
<b>Fixed assets</b>					
Tangible fixed assets	7		<b>1,804,161</b>		1,372,012
<b>Current assets</b>					
Debtors	8	<b>41,796</b>		20,949	
Fixed deposits		<b>500,000</b>		—	
Cash at bank and in hand		<b>860,713</b>		1,276,142	
		<b>1,402,509</b>		1,297,091	
<b>Creditors</b> amounts falling due within one year	9	<b>(341,356)</b>		(274,804)	
<b>Net current assets</b>			<b>1,061,153</b>		1,022,287
<b>Total assets less current liabilities</b>			<b>2,865,314</b>		2,394,299
<b>Creditors</b> amounts falling due after more than one year	10		<b>(25,292)</b>		(23,655)
<b>Total net assets</b>			<b>2,840,022</b>		2,370,644
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Restricted funds	11		<b>82,658</b>		97,738
Unrestricted funds					
General fund			<b>1,059,018</b>		1,037,869
Designated fund	12		<b>176,456</b>		143,147
Revaluation reserve	13		<b>1,521,890</b>		1,091,890
			<b>2,840,022</b>		2,370,644

St Philip's School Trust Limited  
Company Number 01789733 (England and Wales)

Approved by the Governors  
and signed on their behalf by

  
Governor (JOHN MCINTOSH)

  
Governor (GREG EDWARDS)

Approved on 31 January 2013.

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

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the inclusion of certain tangible fixed assets at a valuation and in accordance with the requirements of the Companies Act 2006 Applicable United Kingdom accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) have been followed in these financial statements

### **Incoming resources**

Incoming resources are recognised in the period in which the school is entitled to receipt and the amount can be measured with reasonable certainty

### **Resources expended and the basis of apportioning costs**

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered

Resources expended comprise the following

- a Cost of charitable activities i.e. the cost of teaching and support staff salaries, including pension and national insurance costs, books, games equipment and other tuition expenses
- b Governance costs comprise the costs which are directly attributable to the procedures for compliance with statutory requirements

The majority of costs are directly attributable to specific activities. All other support costs have been allocated to charitable activities

### **Tangible fixed assets**

All assets costing more than £600 and with an expected useful life exceeding one year are capitalised

- a Freehold property

Depreciation the freehold property is maintained in a continual state of sound repair, the Trustees consider that the life of the property is so long and the residual value, based upon current values is so high, that depreciation is immaterial. On this basis, any depreciation charge under FRS15 would be immaterial and no depreciation has been charged

The freehold property is revalued periodically and surpluses and deficits are transferred to the revaluation reserve

- b Other tangible fixed assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives

- ♦ Fixtures and equipment 25% per annum based on cost

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

### **Fund accounting**

The revaluation reserve comprises the revalued amount of the school's freehold property. The value represented by such assets should not be regarded, therefore, as realisable.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the school's charitable objects.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes in respect of the provision of bursaries to pupils.

Restricted funds represent monies which have been raised for a specific purpose or which are subject to restrictions on their use. Once the purposes have been fulfilled, or the funds used in accordance with the conditions, they are released to unrestricted funds.

### **Cash flow**

The financial statements do not include a cash flow statement because the school, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

### **Pension costs**

Contributions in respect of the defined contribution scheme and the Teachers' Pension Scheme are charged to the income and expenditure account in the year in which they are payable to the scheme.

## Notes to the financial statements 31 August 2012

### 1 Incoming resources from charitable activities:

(a) School fees during the year were as follows

	2012 £	2011 £
Gross school fees	1,332,375	1,303,095
Registration fees	8,700	7,300
Less total bursaries, grants and allowances*	(54,780)	(67,767)
	<b>1,286,295</b>	<b>1,242,628</b>
Add Bursaries, grants and allowances paid for by restricted funds	<b>25,080</b>	<b>19,925</b>
	<b>1,311,375</b>	<b>1,262,553</b>
Music fees	7,789	8,944
Other income	69,259	71,328
	<b>1,388,423</b>	<b>1,342,825</b>

\*During the year awards were made to 14 individuals (2011 – 20 individuals)

(b) Grants paid for by restricted funds comprised (note 11)

	2012 £	2011 £
Bursaries and discounts	<b>25,080</b>	<b>19,925</b>

### 2 Resources expended

	Staff Costs £	Other £	Depreciation £	Total 2012 £	Total 2011 £
<b>Cost of Charitable Activities</b>					
School operating costs					
Teaching costs	825,163	62,259	—	<b>887,422</b>	836,893
Welfare costs	—	12,380	—	<b>12,380</b>	11,412
Premises	—	97,043	—	<b>97,043</b>	95,956
Sports Costs	—	62,468	—	<b>62,468</b>	53,887
Outings and Activities	—	97,581	—	<b>97,581</b>	97,678
Bursaries	—	25,080	—	<b>25,080</b>	19,925
Other direct costs	—	10,530	—	<b>10,530</b>	16,477
Support costs of schooling	91,401	68,327	10,024	<b>169,752</b>	166,396
	<b>916,564</b>	<b>435,668</b>	<b>10,024</b>	<b>1,362,256</b>	<b>1,298,624</b>
<b>Governance costs</b>	—	8,500	—	<b>8,500</b>	8,590
	<b>916,564</b>	<b>444,168</b>	<b>10,024</b>	<b>1,370,756</b>	<b>1,307,214</b>

## Notes to the financial statements 31 August 2012

### 3 Net incoming resources

This is stated after charging

	2012 £	2011 £
Staff costs (note 4)	916,564	852,934
Auditor's remuneration (including VAT)		
- current year	8,400	8,244
- other services	336	346
Depreciation	10,024	13,395

### 4 Employees and staff costs

Staff costs during the year were as follows

	2012 £	2011 £
Wages and salaries	744,346	699,770
Social security costs	70,538	64,290
Other pension costs	93,788	84,929
Other staff costs	7,892	3,945
	916,564	852,934

The average number of employees during the year, calculated on an average basis, analysed by function, was as follows

	2012 Number	2011 Number
Teaching	17	17
Administration	2	2
	19	19

One employee earned between £90,001 and £100,000 (including taxable benefits but excluding employer pension contributions) during the year (2011 – one between £80,001 and £90,000)

Employer contributions made to a defined benefit scheme in respect of the above employee during the year amounted to £12,690 (2011 – £11,496).

### 5 Governors' remuneration

None of the Governors received any remuneration in respect of their services during the year (2011 – £nil)

One governor, who is also a parent, had children attending the school. Fees paid by the Governors are the same as the fees paid by others. There were no outstanding amounts at the year end. £4,250 had been paid at the year end for Autumn 2012, and this amount is included as deferred income.

## Notes to the financial statements 31 August 2012

### 5 Governors' remuneration (continued)

The school has purchased insurance to protect the school from any loss arising from the neglect or defaults of its Governors, employees and agents and to indemnify the Governors or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £3,743 (2011 - £3,759) and provides cover of up to a maximum of £2 million (2011 - £2 million).

### 6 Taxation

St Philip's School Trust Limited is a registered charity and therefore is not liable to corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

### 7 Tangible fixed assets

	Freehold Property £	Fixtures and equipment £	Total £
<b>Cost or valuation</b>			
At 1 September 2011	1,350,000	153,383	<b>1,503,383</b>
Additions	430,000	12,173	<b>442,173</b>
At 31 August 2012	<u>1,780,000</u>	<u>165,556</u>	<b><u>1,945,556</u></b>
At cost	258,110	165,556	<b>423,666</b>
At valuation	<u>1,521,890</u>	<u>—</u>	<b><u>1,521,890</u></b>
	<u>1,780,000</u>	<u>165,556</u>	<b><u>1,945,556</u></b>
<b>Depreciation</b>			
At 1 September 2011	—	131,371	<b>131,371</b>
Charge for year	—	10,024	<b>10,024</b>
At 31 August 2012	<u>—</u>	<u>141,395</u>	<b><u>141,395</u></b>
<b>Net book values</b>			
At 31 August 2012	<u>1,780,000</u>	<u>24,161</u>	<b><u>1,804,161</u></b>
At 31 August 2011	<u>1,350,000</u>	<u>22,012</u>	<b><u>1,372,012</u></b>

The school's freehold property at 6 Wetherby Place, London was revalued by Scanlans, Chartered Surveyors, on 22 February 2012 on the basis of its existing use at £1,780,000. The Governors are of the opinion that at 31 August 2012 this was the best estimate of the property's value.

## Notes to the financial statements 31 August 2012

### 8 Debtors

	2012 £	2011 £
Fees receivable	4,292	2,534
Prepayments and accrued income	37,504	18,415
	<b>41,796</b>	<b>20,949</b>

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

	2012 £	2011 £
Trade creditors	26,941	8,663
Other creditors	49,350	44,851
Deposits and fees in advance	242,091	199,943
Accruals	2,378	1,125
Social security and other taxes	20,596	20,222
	<b>341,356</b>	<b>274,804</b>

### 10 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Fees in advance	25,292	23,655

### 11 Restricted funds

The funds of the school include restricted funds comprising the following balances held on trust to be applied for specific purposes

	At 1 September 2011 £	Incoming resources £	Resources expended £	At 31 August 2012 £
Bursary fund	97,738	10,000	(25,080)	<b>82,658</b>

The restricted bursary fund represents a grant received during the year to be used for the award of bursaries to students

## Notes to the financial statements 31 August 2012

### 12 Designated fund

During the year ended 31 August 2008 the governors set up a bursary fund. The fund is being built up for the award of bursaries and scholarships.

	At 1 September 2011 £	New designations £	Utilised £	At 31 August 2012 £
Bursary fund	143,147	33,309	—	176,456

### 13 Revaluation reserve

	Total £
At 1 September 2011	1,091,890
Net movement in year	430,000
At 31 August 2012	1,521,890

Details of the revaluation of the School's freehold property are given in note 7.

### 14 Allocation of net assets

	Fixed assets £	Current assets £	Current liabilities £	Non- current liabilities £	Total £
Restricted funds	—	82,658	—	—	82,658
Unrestricted funds					
General fund	282,271	1,143,395	(341,356)	(25,292)	1,059,018
Designated fund	—	176,456	—	—	176,456
Revaluation reserve	1,521,890	—	—	—	1,521,890
	1,804,161	1,402,509	(341,356)	(25,292)	2,840,022

### 15 Liability of members

The members of the school guarantee to contribute an amount not exceeding £1 each to the assets of the school in the event of winding up.

## **16 Pension Commitments**

### Teachers Pension Scheme (TPS)

#### *Introduction*

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.

#### *The Teachers' Pension Account*

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.

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

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.

**16 Pensions Commitments** (continued)

Teachers Pension Scheme (TPS) (continued)

*Valuation of the Teachers' Pension Scheme (continued)*

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%.

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.

Latest actuarial valuation	31 March 2004
Actuarial method	Projected benefits
Investment returns per annum	6.5%
Salary scale increases per annum	5.0%
Market value of assets at date of last valuation	£162,650m
Proportion of members' accrued benefits covered by the actuarial value of the assets	98.88%

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.

## Notes to the financial statements 31 August 2012

### 16 Pensions Commitments (continued)

#### Teachers Pension Scheme (TPS) (continued)

##### *Valuation of the Teachers' Pension Scheme (continued)*

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 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 school has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

The pension cost charged in the financial statements for this scheme for the year ended 31 August 2012 was £81,118 (2011 £73,180)

#### Other Pensions

The school made employer contributions in respect of two private pension arrangements for three employees. A total of £12,671 was paid out during the year ended 31 August 2012 (2011 £11,749)