

REGISTRAR OF COMPANIES

**St Philip's
School
Trust
Limited**

Annual Report and Financial Statements

31 August 2013

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

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

Governors' report 31 August 2013

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 2013

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 12 and 13 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)

Governors	Appointed / Resigned / Retired
A Aylward	
M Breen	Appointed 31 January 2013
S Day	
J Dean	
G Edwards	Resigned 21 May 2013
Rev I Harrison	Resigned 27 September 2012
T MacFarlane	
J McIntosh CBE (Chairman)	
H Mould	
P N White	
<hr/>	
Company secretary	
H Rennie	

No Governor received any remuneration from the school during the year (2012 - £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.

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 proper 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 a high proportion achieving a grade A. Two boys were awarded academic scholarships to Ampleforth and one boy was awarded an academic scholarship to Worth. In addition to academic scholarships, one boy was awarded an art scholarship to Ampleforth. Other schools that our boys passed into included, City of London, Cranbrook, Dulwich, Eton, Harrow, King's College Wimbledon, Portland Place and Radley.

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 was £15,608 (2012 - £39,378)

Achievements and performance (continued)

Fundraising performance

£8,600 in total was raised during the year through the voluntary efforts of pupils, staff and parents. The funds raised were split equally between The Trinity Hospice and L'Arche.

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 Board 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 trustees 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 £1,525,136 (2012 - £1,410,134). Resources expended were £1,509,528 (2012 - £1,370,756). The net income for the year was £15,608 (2012 - £39,378).

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 £2,855,630 (2012 - £2,840,022)

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 £1,056,890, designated funds of £210,562 and restricted funds of £66,288. In addition to bursaries, grants and allowances of £19,125 provided from unrestricted funds, two 100% bursaries totalling £26,670 have been provided using the restricted fund during the year.

Within general funds, £345,489 represents funds deployed as part of the school premises, equipment and intangible assets, with the balance of £711,401 being 'free reserves'. The level of free reserves represents approximately six months' 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.

Summary

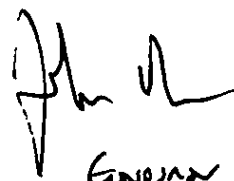
St Philip's School has again had a good year and our thanks go to all those who have helped to achieve this, staff, pupils and parents.

Approved by the Governors and signed on their behalf by



Chairman

JOHN MCINTOSH


GOVERNOR
JOHN DEAN

Approved by the Governors on 4th February 2014

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 2013 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 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 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.

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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006

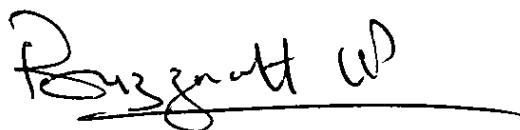
Opinion on other matter prescribed by the Companies Act 2006

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

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

11 March 2014

Statement of financial activities Year to 31 August 2013


	Notes	General funds £	Restricted funds £	Revaluation reserve £	Total 2013 £	Total 2012 £
Income and expenditure						
Incoming resources						
Incoming resources from generated funds						
Voluntary income		32,850	10,300	—	43,150	11,250
Interest receivable		17,195	—	—	17,195	10,461
Incoming resources from charitable activities						
School fees receivable	1	1,464,791	—	—	1,464,791	1,388,423
Total incoming resources		1,514,836	10,300	—	1,525,136	1,410,134
Resources expended						
Charitable activities						
Provision of education	2	1,473,886	26,670	—	1,500,556	1,362,256
Governance costs	2	8,972	—	—	8,972	8,500
Total resources expended		1,482,858	26,670	—	1,509,528	1,370,756
Net incoming resources before other recognised gains and losses						
		31,978	(16,370)	—	15,608	39,378
Other recognised gains and losses						
Gains on revaluation of freehold property		—	—	—	—	430,000
Net movements in funds	3	31,978	(16,370)	—	15,608	469,378
Balances brought forward at 1 September 2012						
		1,235,474	82,658	1,521,890	2,840,022	2,370,644
Balances carried forward at 31 August 2013						
		1,267,452	66,288	1,521,890	2,855,630	2,840,022

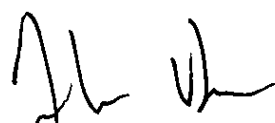
Balance sheet 31 August 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Intangible fixed assets	7		48,889		—
Tangible fixed assets	8		1,818,490		1,804,161
			<u>1,867,379</u>		<u>1,804,161</u>
Current assets					
Debtors	9	20,524		41,796	
Fixed deposits		—		500,000	
Cash at bank and in hand		<u>1,315,137</u>		<u>860,713</u>	
		1,335,661		1,402,509	
Creditors amounts falling due within one year	10	<u>(347,410)</u>		<u>(341,356)</u>	
Net current assets			<u>988,251</u>		<u>1,061,153</u>
Total assets less current liabilities			2,855,630		2,865,314
Creditors amounts falling due after more than one year	11		—		(25,292)
Total net assets			<u>2,855,630</u>		<u>2,840,022</u>
Represented by					
Funds and reserves					
Restricted funds	12		66,288		82,658
Unrestricted funds					
General fund			1,056,890		1,059,018
Designated fund	13		210,562		176,456
Revaluation reserve	14		<u>1,521,890</u>		<u>1,521,890</u>
			<u>2,855,630</u>		<u>2,840,022</u>

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

Approved by the Governors
and signed on their behalf by


Governor


Governor

Approved on 4th February 2014

Principal accounting policies 31 August 2013

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.

Intangible fixed assets

Intangible assets comprise a purchased licence capitalised at cost and amortised through the statement of financial activities on a straight line basis over the length of the licence.

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.

Principal accounting policies 31 August 2013

Tangible fixed assets (continued)

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

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 2013

1 Incoming resources from charitable activities

(a) School fees during the year were as follows

	2013 £	2012 £
Gross school fees	1,364,250	1,332,375
Registration fees	7,700	8,700
Less total bursaries, grants and allowances*	(45,795)	(54,780)
	1,326,155	1,286,295
Add Bursaries, grants and allowances paid for by restricted funds	26,670	25,080
	1,352,825	1,311,375
Music fees	4,483	7,789
Other income	107,483	69,259
	1,464,791	1,388,423

*During the year awards were made to 13 individuals (2012 – 14 individuals)

(b) Grants paid for by restricted funds comprised (note 12)

	2013 £	2012 £
Bursaries and discounts	26,670	25,080

2 Resources expended

	Staff Costs £	Other £	Depreciation £	Total 2013 £	Total 2012 £
Cost of Charitable Activities					
School operating costs					
Teaching costs	833,922	74,547	—	908,469	887,422
Welfare costs	—	13,772	—	13,772	12,380
Premises	—	157,773	—	157,773	97,043
Sports Costs	3,660	55,776	—	59,436	62,468
Outings and Activities	—	131,678	—	131,678	97,581
Bursaries	—	26,670	—	26,670	25,080
Other direct costs	—	22,167	—	22,167	10,530
Support costs of schooling	92,886	76,729	10,976	180,591	169,752
	930,468	559,112	10,976	1,500,556	1,362,256
Governance costs	—	8,972	—	8,972	8,500
	930,468	568,084	10,976	1,509,528	1,370,756

Notes to the financial statements 31 August 2013

3 Net incoming resources

This is stated after charging

	2013 £	2012 £
Staff costs (note 4)	930,468	916,564
Auditor's remuneration (including VAT)		
- current year	8,636	8,400
- other services	336	336
Depreciation	10,976	10,024

4 Employees and staff costs

Staff costs during the year were as follows

	2013 £	2012 £
Wages and salaries	762,202	744,346
Social security costs	74,352	70,538
Other pension costs	86,350	93,788
Other staff costs	7,564	7,892
	930,468	916,564

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

	2013 Number	2012 Number
Teaching	17	17
Administration	2	2
	19	19

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows

	2013 Number	2012 Number
£60,001 - £70,000	1	—
£90,001 - £100,000	1	1
	2	1

Employer contributions made to a defined benefit scheme in respect of the above employees during the year amounted to £21,543 (2012 - £12,690)

Notes to the financial statements 31 August 2013

5 Governors' remuneration

None of the Governors received any remuneration in respect of their services during the year (2012 - £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 2013, and this amount is included as deferred income.

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 £3,958 (2012 - £3,743) and provides cover of up to a maximum of £2 million (2012 - £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 Intangible fixed assets

	Total £
Cost or valuation	
At 1 September 2012	—
Additions	50,000
At 31 August 2013	50,000
Amortisation	
At 1 September 2012	—
Charge for year	1,111
At 31 August 2013	1,111
Net book values	
At 31 August 2013	48,889
At 31 August 2012	—

The intangible fixed assets comprise a licence purchased on 27 March 2013 for £50,000 to allow use of playing fields over a period of 15 years.

Notes to the financial statements 31 August 2013

8 Tangible fixed assets

	Freehold Property £	Fixtures and equipment £	Total £
Cost or valuation			
At 1 September 2012	1,780,000	165,556	1,945,556
Additions	—	24,194	24,194
At 31 August 2013	1,780,000	189,750	1,969,750
At cost	258,110	189,750	447,860
At valuation	1,521,890	—	1,521,890
	1,780,000	189,750	1,969,750
Depreciation			
At 1 September 2012	—	141,395	141,395
Charge for year	—	9,865	9,865
At 31 August 2013	—	151,260	151,260
Net book values			
At 31 August 2013	1,780,000	38,490	1,818,490
At 31 August 2012	1,780,000	24,161	1,804,161

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 2013 this was the best estimate of the property's value.

9 Debtors

	2013 £	2012 £
Fees receivable	4,021	4,292
Prepayments and accrued income	16,503	37,504
	20,524	41,796

10 Creditors' amounts falling due within one year

	2013 £	2012 £
Trade creditors	24,077	26,941
Other creditors	57,665	49,350
Deposits and fees in advance	234,560	242,091
Accruals	10,513	2,378
Social security and other taxes	20,595	20,596
	347,410	341,356

Notes to the financial statements 31 August 2013

11 Creditors' amounts falling due after more than one year

	2013 £	2012 £
Fees in advance	—	25,292

12 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 2012 £	Incoming resources £	Resources expended £	At 31 August 2013 £
Bursary fund	82,658	10,300	(26,670)	66,288

The restricted bursary fund represents grants received to be used for the award of bursaries to students

13 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 2012 £	Net designations £	At 31 August 2013 £
Bursary fund	176,456	34,106	210,562

14 Revaluation reserve

	Total £
At 1 September 2012	1,521,890
Net movement in year	—
At 31 August 2013	1,521,890

Details of the revaluation of the School's freehold property are given in note 8

Notes to the financial statements 31 August 2013

15 Allocation of net assets

	Fixed assets £	Current assets £	Current liabilities £	Total £
Restricted funds	—	66,288	—	66,288
Unrestricted funds				
General fund	345,489	1,058,811	(347,410)	1,056,890
Designated fund	—	210,562	—	210,562
Revaluation reserve	1,521,890	—	—	1,521,890
	<u>1,867,379</u>	<u>1,335,661</u>	<u>(347,410)</u>	<u>2,855,630</u>

16 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

17 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.

17 Pensions Commitments (continued)

Teachers Pension Scheme (TPS) (continued)

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.

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.

From 1 April 2012 to 31 March 2013, the employee contribution rate ranged 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.

17 Pensions Commitments (continued)

Teachers Pension Scheme (TPS) (continued)

Valuation of the Teachers' Pension Scheme (continued)

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 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 2013 was £76,907 (2012: £81,118).

Other Pensions

The school made employer contributions in respect of two private pension arrangements for two employees (2012: three employees). A total of £9,443 was paid out during the year ended 31 August 2013 (2012: £12,670).