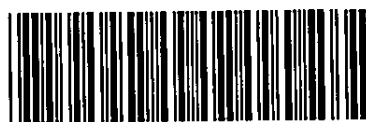


Registered number 07413883

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

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CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Governors and Advisers	1
Governors' Report	2 - 6
Governance Statement	7 - 9
Statement on Regularity, Propriety and Compliance	10
Governors' Responsibilities Statement	11
Independent Auditors' Report	12 - 13
Independent Auditors' Assurance Report on Regularity	14 - 15
Statement of Financial Activities	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19 - 35

CANARY WHARF COLLEGE LIMITED

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Governors

Sarah Counter, Principal and Accounting Officer
Peter Webb
Michele Martin
Peter Counter
Peter Martin Griffiths, Chair
Dr Ophelia Cheng, Vice Chair
Paul Armitage
Gleny Lovell (appointed 31 October 2012)
James Ethenngton (appointed 29 November 2012)

Company registered number

07413883

Principal and registered office

197 East Ferry Road, London, E14 3BA

Company secretary

Sarah Counter

Head teacher

Sarah Counter

Senior leadership team

David Payne, Assistant Head
Louise Cathrow, Leader of Learning Programmes
Peter Young, Leader of Finance and Facilities

Independent auditors

haysmacintyre, 26 Red Lion Square, London, WC1R 4AG

Bankers

HSBC, 165 Fleet Street, London, E14 3BA

Solicitors

Harrison Clark Rickerbys, Ellenborough House, Wellington Street, London, GL50 1YD

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with the audited financial statements of Canary Wharf College Limited for the year ended 31 August 2013. The Governors confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the Canary Wharf College Limited's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Canary Wharf College is incorporated as a Company Limited by Guarantee with no share capital, company number 07413883 and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents.

The Governors are directors of the charitable company for the purposes of Company Law and are trustees for the purposes of Charity Law. The Governors who were in office at 31 August 2013, and served during the period, are listed on page 1.

During the year under review, the Governors held 5 meetings. Further, opportunity was given for the Governors to meet new members of staff.

Members' liability

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

Method of recruitment and appointment or election of Governors

The members can appoint up to 12 Governors. Governors are elected on the basis of their eligibility, personal competence, specialist skills and local availability. A further 2 Governors must be elected from the parent body.

Policies and procedures adopted for the induction and training of Governors

When new Governors are to be appointed they will be given a tour of the College and encouraged to arrange a day at the College to view how it functions. New Governors will be provided with all documents required to enable them to undertake their role as Governors. It is the intention that they will attend professional courses on Trustee and Governor training to allow them to efficiently fulfil their duties.

Organisational structure

The Governors are responsible for setting general policy, adopting a plan and budget. The Governors make all decisions regarding capital expenditure and senior appointments, and monitor financial progress against budget with regard to capital projects and revenue expenditure and income. The Governors also oversee the strategic development of the College.

On starting the academic year on 1 September 2012 there was an operational structure led by Governors, Principal, Leader of Finance and Facilities, Leader of Learning Programmes and Teaching and Support Staff. The Principal and Leader of Finance and Facilities and Leader of Learning Programmes formed the Senior Leadership Team. The Senior Leadership Team is responsible for implementing policies and reporting to the Governors. The Senior Managers are responsible for the authorisation of spending within agreed budgets and

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

appointment of further staff

Risk management

The Governors have assessed the major risks to which Canary Wharf College Limited is exposed, in particular those related to the operations and finances of the Canary Wharf College Limited, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks

Governors' indemnities

Employees and Governors are covered by Governors and Officers' indemnity insurance for failings arising from the performance of their duties that may lead to civil liability. There are no other specific third party indemnities beyond this which require reporting in the context of section 236 of the Companies Act 2006

Principal activities

The principal activity of the Canary Wharf College Limited is to advance public benefit education in the United Kingdom by maintaining a school offering a broad and balanced curriculum

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The principal object and activity of the charitable company is the advancement of education for the public benefit. In particular it maintains, manages and develops a school offering a broad and balanced curriculum. It does this through the operation of Canary Wharf College Limited, which provides education for pupils of different abilities between the ages of 4 and 11. The College has emphases on Science, Mathematics and Design Technology

Objectives, strategies and activities

The College's main strategy is encapsulated in its mission statement, which states, "To Live, Share and Celebrate the Love of Learning in a Christian Environment whilst welcoming those of other faiths and cultures". To this end the College will include the following activities

- learning opportunities for all pupils appropriate to their age and ability,
- training opportunities for all staff,
- a programme of extended day activities to supplement the learning opportunities for pupils,
- trips and visits to support pupil learning

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

- to operate the Funding Agreement with the Secretary of State for Canary Wharf College,
- to organise the College to enable it to provide an excellent education for its pupils,
- to induct pupils, staff and parents into the Canary Wharf College ethos,
- to promote the College in the local and wider community,
- to ensure proper use of public funds to facilitate the education of its pupils,
- to provide a safe environment for its pupils, staff and visitors,
- to comply with all statutory requirements,
- to conduct the College's business in accordance with the highest standards of integrity, probity and openness

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Disabled persons

Ramps are provided where necessary on the ground floor. Disabled toilets are installed on the ground floor and first floor. A chair stair lift is provided to enable access to the first floor. Door widths are adequate to enable wheelchair access to all main areas of the College. The policy of the College is to support recruitment and retention of staff and pupils with disabilities. The College does this, wherever practicable, by adapting the physical environment and by making support resources available and through training and career development.

Equal opportunities policy

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

Public benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charitable company.

ACHIEVEMENTS AND PERFORMANCE

The College opened on 13 September 2011 after receiving a signed Funding Agreement from the Secretary of State for Education on 11 July 2011. The College opened with a full cohort of pupils. The Department of Education agreed for the College to admit a further 60 pupils in September 2012, 40 pupils in September 2013 and a further 40 each year after that until a maximum of 280 pupils is reached. During the year there were more than 190 applications for 40 Reception Class places. The College started with 154 pupils on roll in September 2012. Of the 6 places not taken 1 was deferred to later in the year. 4 of the spaces have been filled by the start of the second half of the Autumn Term 2013. Any further places will be filled from our waiting list.

In July 2013 the College received an Outstanding Grade from Ofsted. The Governors are extremely pleased at this achievement. We recognise that this would not have been possible without the Principal, staff, support staff, the many volunteers and of course the pupils that have worked so hard over the last 3 years. Thanks must also go to the parents that have supported this school from the start and encouraged their children in their education.

Our results show that both the girls and boys performed well above the national average, achieving significantly more than national progress. In both Year 1 and Year 2 pupils have progressed well beyond the approximate national expectation of two sub-levels per annum, with boys and girls exceeding an average 3 sub-levels progress over the course of 2012/13. Overall achievement is excellent.

During the academic year a programme of lesson observations, testing and external inspection was put in place, in order to ensure continual improvement.

Going concern

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

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Key financial performance indicators

The Key Financial Performance Indicators used by the Governors to assess the Performance of the College are these

- Performance against budget
- Maintaining staff cost within budget
- Funding received per pupil
- Ensuring that the school operates at capacity

These indicators are reviewed monthly at leadership team meetings, twice termly at Finance and Audit Committee and three times a year at Governor Board Meetings

FINANCIAL REVIEW

For the year to 31 August 2013, the majority of the College's funds were received by means of grants from the Education Funding Agency and the Department for Education. This income is restricted for the provision of education. In the year to 31 August 2013, funds received were also used to pay for setting up costs, capital refurbishment of the Docklands Settlement Centre, the Capital provision of equipment and resources, including ICT, for the College and Capital building project for the redevelopment of the buildings and infrastructure on the College site. Further funds were provided for the revenue funding of the operation of the College.

For the year ended 31 August 2013, the College made a surplus of £3,983,854, although £3,902,431 relates to funding for fixed assets including a £3m purchase of land by the DfE on behalf of the College, which has been shown as a gift in kind in these accounts. The assets acquired have been capitalised in the year. This will be spent on our upcoming building programme, building up of reserves and replacement of FF&E and ICT where required.

Financial and Risk Management Objectives and Policies

The Governors have assessed the major risks to which the College is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the College, and its finances. The Governors have implemented a number of systems to assess risks that the College faces, especially in operational areas of, for example, finance, teaching, health and safety, bullying and school trips. A programme of Governor Committees and financial internal controls enable Governors to minimise risk. Where risk cannot be effectively managed a comprehensive insurance policy exists.

Principal risks and uncertainties

The Governors keep under review the strategic risks facing Canary Wharf College and the programmes that help to manage or mitigate the risk. Amongst the most important strategic risks at present are

- the impact of changes in the economy generally and the resultant decline in funding across the education sector from public sources. In particular, the new funding formula, together with the Minimum Funding Guarantee, introduced for 2013/14 may have a detrimental effect on our revenue funding.
- the impact of falling pupil numbers. Although, given the College's over subscription rates, the Governors do not consider this a current risk.
- long-term viability of a small school. Although the five year plan shows a year on year surplus, the Governors have had an application for a second free school approved and are looking to set-up new free schools in the local area. This will address the need for school places and achieve economies of scale and synergies across the schools.

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Reserves policy

The Governors intend to adopt a suitable reserves policy and to carry out an annual review of the reserves policy when the charity has operational income and expenditure and budgets. The aim will be to provide sufficient working capital to cover lags between the spending and receipt of grants and to provide a buffer for unexpected expenditure. Further, the EFA has removed the limit on year to year carry over of revenue monies and the use of surplus FF&E funding for the purpose of funding forthcoming capital projects.

PLANS FOR FUTURE PERIODS

The College opened to students on 1 September 2011. The DfE acquired the Dockland Settlements Site on behalf of the College. We are currently redeveloping the site to provide a school with capacity for 280 pupils from Reception to Year 6. Kier were appointed, after a thorough tender process, to construct their design. The redevelopment will also provide capacity for ancillary office space and large hall to be used by the local community. This project is due for completion in June 2014.

During the period Canary Wharf College Limited has had an application for a second Free School approved. It is anticipated this will open on the Isle of Dogs in September 2014 with initial capacity for 40 Reception children and 40 Year 1 children. Applications for places are now being welcomed via the Tower Hamlets Admissions website and our Supplementary Form. It is likely that the second College will open in temporary accommodation and the Trust is currently trying to secure a permanent site. Once a site has been acquired we will tender a design and build contract with contractors and seek to obtain planning permission.

The Trust is also submitting an application for a Through School (ages 4-19) to be set up on the Isle of Dogs. We would seek approval of this in May 2014 by the Department for Education. This is a further exciting development for the College where it wishes to provide much needed school places for all the children of the local area.

Disclosure of information to auditors

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Haysmacintyre, have indicated their willingness to continue in office. A resolution to reappoint them will be proposed at the Annual General Meeting.

This report was approved by order of the Governing Body on 11 December 2013 and signed on its behalf by



Martin Griffiths
Chair of Governors

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Head teacher, 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 Canary Wharf College Limited and the Secretary of State for Education. They are 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 Governors' Responsibilities Statement. 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	Meetings attended	Out of a possible
Sarah COUNTER, Principal and Accounting Officer	5	5
Peter Webb	5	5
Michele Martin	3	5
Peter COUNTER	5	5
Peter Martin Griffiths, Chair	5	5
Dr Ophelia Cheng, Vice Chair	5	5
Paul Armitage	4	5
Gleny Lovell	5	5
James Etherington	5	5

The Finance and Audit Committee is a sub-committee of the main governing body. Its purpose is to monitor and review the financial state of the College. It also discusses issues relating to the finances and makes recommendations to the Governing Body with regard to issues such as pay settlements, authorisation limits and financial control. The membership of this committee is Sarah COUNTER, Peter Webb (Chair), and Peter COUNTER. During the year Gleny Lovell joined the committee. Attendance at meetings in the year was as follows:

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Sarah COUNTER	6	6
Peter Webb	6	6
Peter COUNTER	6	6
Gleny Lovell	6	6

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 Canary Wharf College Limited'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 in Canary Wharf College Limited for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which Canary Wharf College Limited is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

The Canary Wharf College Limited'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 Governing Body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided to appoint David Waller of School Accounting and Financial Services Ltd as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Canary Wharf College Limited's financial systems. On a termly basis, the internal auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. During the financial year, only one report was carried out due to the internal auditor being appointed towards the end of the year.

The Internal Auditor has reported no significant control issues. Any advice or recommendations has been considered and, where appropriate, has been implemented.

Review of Effectiveness

As Accounting Officer, the Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the internal auditor,
- the work of the external auditors,
- the work of the executive managers within Canary Wharf College Limited's who have responsibility for the development and maintenance of the internal control framework

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

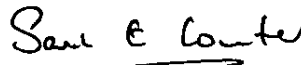
GOVERNANCE STATEMENT (continued)

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

Approved by order of the members of the Governing Body on 11 December 2013 and signed on their behalf, by



Martin Griffiths
Chair of Governors



Sarah Counter
Accounting Officer

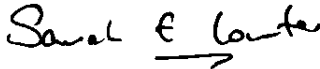
CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Canary Wharf College Limited I have considered my responsibility to notify Canary Wharf College Limited's Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between Canary Wharf College and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012)

I confirm that I and Canary Wharf College Limited's Governing Body are able to identify any material, irregular or improper use of funds by Canary Wharf College Limited or material non-compliance with the terms and conditions of funding under the Canary Wharf College Limited's funding agreement and the Academies Financial Handbook (2012)

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



Sarah Counter
Accounting Officer

11 December 2013

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who act as Trustees of Canary Wharf College Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

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

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

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

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

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



Martin Griffiths
Chair of Governors

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF COLLEGE LIMITED

We have audited the financial statements of Canary Wharf College Limited for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the charitable company's members 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 charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Governors and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

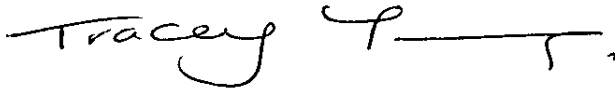
CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF COLLEGE LIMITED

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



Tracey Young (Senior Statutory Auditor)
for and on behalf of

haysmacintyre
Statutory Auditors
26 Red Lion Square
London
WC1R 4AG

Date 11 December 2013

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO CANARY WHARF COLLEGE LIMITED AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 30 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Canary Wharf College Limited during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Canary Wharf College Limited and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Canary Wharf College Limited and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Canary Wharf College Limited and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Canary Wharf College Limited's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Canary Wharf College Limited's funding agreement with the Secretary of State for Education dated 26 November 2012, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CANARY WHARF COLLEGE LIMITED

(A Company Limited by Guarantee)

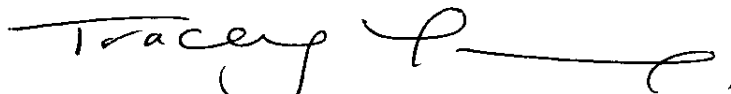
INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO CANARY WHARF COLLEGE LIMITED AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes

- Assessment of the control environment operated by Canary Wharf College Limited
- Walkthrough testing of controls to ensure operational effectiveness
- Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised
- Detailed testing on a selection of expense claims
- Review of minutes, bank certificates and related party declarations provided by Governors and senior management

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Tracey Young (Senior Statutory Auditor)
for and on behalf of
haysmacintyre
Statutory Auditors
26 Red Lion Square
London
WC1R 4AG

Date 11 December 2013

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	7,148	-	3,000,000	3,007,148	4,153
Activities for generating funds	3	27,063	-	-	27,063	10,440
Incoming resources from charitable activities	4	-	961,394	902,431	1,863,825	1,114,072
TOTAL INCOMING RESOURCES		34,211	961,394	3,902,431	4,898,036	1,128,665
RESOURCES EXPENDED						
Costs of generating funds						
Activities for generating funds		12,005	-	-	12,005	9,344
Charitable activities	6	-	806,644	80,432	887,076	665,615
Governance costs	5	-	14,101	-	14,101	8,243
TOTAL RESOURCES EXPENDED	7	12,005	820,745	80,432	913,182	683,202
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		22,206	140,649	3,821,999	3,984,854	445,463
Other recognised gains and losses						
Actuarial gains and losses on defined benefit pension scheme		-	(1,000)	-	(1,000)	(1,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		22,206	139,649	3,821,999	3,983,854	444,463
Total funds at 1 September 2012		(4,571)	84,597	583,416	663,442	218,979
TOTAL FUNDS AT 31 AUGUST 2013		- 17,635	224,246	4,405,415	4,647,296	663,442

All activities relate to continuing operations

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

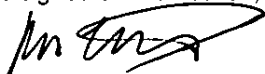
The notes on pages 19 to 35 form part of these financial statements

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER 07413883

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013	£	£	2012	£
FIXED ASSETS							
Tangible assets	12			4,412,321			583,416
CURRENT ASSETS							
Debtors	13	281,005			178,672		
Cash at bank		269,930			226,705		
		<u>550,935</u>			<u>405,377</u>		
CREDITORS amounts falling due within one year	14	(310,960)			(324,351)		
NET CURRENT ASSETS				239,975			81,026
TOTAL ASSETS LESS CURRENT LIABILITIES				4,652,296			664,442
Defined benefit pension scheme liability	20			(5,000)			(1,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES				<u>4,647,296</u>			<u>663,442</u>
FUNDS OF THE ACADEMY							
Restricted funds							
General funds	15	229,246			85,597		
Restricted fixed asset funds	15	4,405,415			583,416		
		<u>4,634,661</u>			<u>669,013</u>		
Restricted funds excluding pension liability							
Pension reserve		(5,000)			(1,000)		
		<u></u>			<u></u>		
Total restricted funds				4,629,661			668,013
Unrestricted funds	15			17,635			(4,571)
TOTAL FUNDS				<u>4,647,296</u>			<u>663,442</u>

The financial statements were approved by the Governors, and authorised for issue, on 11 December 2013 and are signed on their behalf, by


Martin Griffiths
Chair of Governors

The notes on pages 19 to 35 form part of these financial statements

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	17	87,407	649,189
Capital expenditure and financial investment	17	(44,182)	(439,585)
INCREASE IN CASH IN THE YEAR		<u>43,225</u>	<u>209,604</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

	2013 £	2012 £
Increase in cash in the year	<u>43,225</u>	<u>209,604</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>43,225</u>	<u>209,604</u>
Net funds at 1 September 2012	<u>226,705</u>	<u>17,101</u>
NET FUNDS AT 31 AUGUST 2013	<u>269,930</u>	<u>226,705</u>

The notes on pages 19 to 35 form part of these financial statements

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education/Education Funding Agency.

1.3 Incoming resources

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

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

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

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

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

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

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

1.4 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 are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years (none is provided in the year on the part of the asset in the course of construction)
Fixtures and fittings	-	25% Straight Line
Office equipment	-	25% Straight Line

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

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

17 Taxation

Canary Wharf College Limited 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 College 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.

18 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 20, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

2 VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Donations	7,148	-	7,148	4,153
Gift in kind from DfE (see below)	-	3,000,000	3,000,000	-
	<u>7,148</u>	<u>3,000,000</u>	<u>3,007,148</u>	<u>4,153</u>
Voluntary income	<u>7,148</u>	<u>3,000,000</u>	<u>3,007,148</u>	<u>4,153</u>

During the year the Department for Education purchased the land for the College's premises on behalf of the College at a cost of £3m. This purchase has been shown above as a gift in kind.

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
After School Clubs	18,079	-	18,079	9,571
School trips	5,019	-	5,019	110
Other	3,965	-	3,965	759
	<u>27,063</u>	<u>-</u>	<u>27,063</u>	<u>10,440</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Funding for College's Educational Operations (see below)	-	1,863,825	1,863,825	1,114,072
	<u>-</u>	<u>1,863,825</u>	<u>1,863,825</u>	<u>1,114,072</u>

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA grants				
General Annual Grant (GAG)	-	731,393	731,393	413,550
Start up grants	-	71,840	71,840	98,400
Other EFA grants	-	92,161	92,161	116,372
Multi-Academy start-up grant	-	66,000	66,000	-
Capital grants	-	902,431	902,431	485,750
	-	1,863,825	1,863,825	1,114,072

5 GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Auditors' remuneration	-	7,000	7,000	5,500
Other fees payable to the auditor	-	3,715	3,715	850
Legal and professional fees	-	582	582	530
Governors' expenses reimbursed	-	2,804	2,804	1,363
	-	14,101	14,101	8,243

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

6 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DIRECT COSTS				
Wages and salaries	-	419,775	419,775	239,590
National insurance	-	41,007	41,007	19,600
Pension cost	-	54,705	54,705	22,713
Depreciation	-	68,987	68,987	132,608
Educational supplies	-	40,530	40,530	28,397
Staff development	-	2,661	2,661	2,500
Educational consultancy	-	10,662	10,662	3,843
	-	638,327	638,327	449,251
SUPPORT COSTS				
Wages and salaries	-	84,994	84,994	75,016
National insurance	-	6,740	6,740	6,752
Pension cost	-	13,162	13,162	7,502
Recruitment and support	-	5,883	5,883	6,715
Maintenance of premises and equipment	-	6,055	6,055	1,688
Cleaning	-	6,886	6,886	3,209
Rent and rates	-	59,741	59,741	64,715
Light and heat	-	6,187	6,187	3,039
Insurance	-	19,694	19,694	14,267
Other office costs	-	16,927	16,927	14,190
Technology costs	-	1,209	1,209	6,337
Bank charges and interest	-	208	208	72
Professional fees	-	9,411	9,411	4,861
Other support costs	-	11,652	11,652	8,001
	-	248,749	248,749	216,364
	-	887,076	887,076	665,615

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

7 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Activities for generating funds	-	12,005	12,005	9,344
Costs of generating funds	-	12,005	12,005	9,344
Academy's Educational Operations				
- Direct costs	515,487	122,840	638,327	449,251
- Allocated support costs	104,896	143,853	248,749	216,364
Charitable activities	620,383	266,693	887,076	665,615
Governance	-	14,101	14,101	8,243
	620,383	292,799	913,182	683,202

8 NET INCOMING RESOURCES

This is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the charity	68,987	132,608
Auditors' remuneration	7,000	5,500
Other fees payable to the auditor	3,715	850

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

9. STAFF COSTS

Staff costs were as follows

	2013 £	2012 £
Wages and salaries	500,082	303,015
Social security costs	47,747	26,352
Other pension costs (Note 20)	67,867	30,215
	<u>615,696</u>	<u>359,582</u>
Supply teacher costs	4,687	11,591
	<u>620,383</u>	<u>371,173</u>

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

	2013 No	2012 No
Teachers	15.5	7.0
Administration and support	2.0	1.5
Management	1.0	1.0
	<u>18.5</u>	<u>9.5</u>

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

	2013 No	2012 No
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for this staff member amounted to £11,321 (2012 £10,605)

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

10 GOVERNORS' REMUNERATION AND EXPENSES

The Head teacher only receives remuneration in respect of services she provides undertaking the role of Head teacher, and not in respect of her services as Governor. Other Governors did not receive any payments, other than expenses, from the College in respect of their role as Governors. The value of Governors' remuneration fell within the following bands

	2013 £	2012 £
Sarah Counter	80,000-85,000	75,000-80,000

During the year ended 31 August 2013, expenses totalling £2,804 (2012 - £1,363) were reimbursed to 4 Governors (2012 - 3)

11 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £475 (2012 - £252)

The cost of this insurance is included in the total insurance cost

12 TANGIBLE FIXED ASSETS

	Freehold property £	L/Term Leasehold Property £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 September 2012	-	542,855	56,709	116,460	716,024
Additions	3,811,564	29,318	11,244	45,766	3,897,892
Transfers	572,173	(572,173)	-	-	-
At 31 August 2013	4,383,737	-	67,953	162,226	4,613,916
Depreciation					
At 1 September 2012	-	93,117	10,376	29,115	132,608
Charge for the year	11,443	-	16,988	40,556	68,987
Transfers	93,117	(93,117)	-	-	-
At 31 August 2013	104,560	-	27,364	69,671	201,595
Net book value					
At 31 August 2013	4,279,177	-	40,589	92,555	4,412,321
At 31 August 2012	-	449,738	46,333	87,345	583,416

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

12 TANGIBLE FIXED ASSETS (continued)

The College acquired the freehold to its premises during the year, and therefore the leasehold property additions have been transferred to freehold property. Only part of the asset has been depreciated as the balance was in the course of construction.

1

13 DEBTORS

	2013 £	2012 £
VAT recoverable	144,732	14,938
Prepayments and accrued income	136,273	163,734
	<u>281,005</u>	<u>178,672</u>

14 CREDITORS
Amounts falling due within one year

	2013 £	2012 £
Trade creditors	254,848	86,320
Other taxation and social security	12,135	9,477
Other creditors	32,937	127,464
Accruals and deferred income	11,040	101,090
	<u>310,960</u>	<u>324,351</u>

Deferred income

	£
Deferred income at 1 September 2012	5,628
Resources deferred during the year	2,699
Amounts released from previous years	(5,628)
Deferred income at 31 August 2013	<u>2,699</u>

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

15 STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Actuarial losses £	Carried Forward £
Unrestricted funds					
General Funds	(4,571)	34,211	(12,005)	-	17,635
Restricted funds					
General Annual Grant (GAG)	73,745	731,393	(659,182)	-	145,956
Start-up grants	11,852	71,840	(66,402)	-	17,290
Other EFA grants	-	92,161	(92,161)	-	-
Multi-academy trust start-up grant	-	66,000	-	-	66,000
Pension reserve	(1,000)	-	(3,000)	(1,000)	(5,000)
	<u>84,597</u>	<u>961,394</u>	<u>(820,745)</u>	<u>(1,000)</u>	<u>224,246</u>
Restricted fixed asset funds					
EFA funding	583,416	3,902,431	(80,432)	-	4,405,415
Total restricted funds	<u>668,013</u>	<u>4,863,825</u>	<u>(901,177)</u>	<u>(1,000)</u>	<u>4,629,661</u>
Total of funds	<u>663,442</u>	<u>4,898,036</u>	<u>(913,182)</u>	<u>(1,000)</u>	<u>4,647,296</u>

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

The General Annual Grant is funding from the DfE for the College's operating costs. Start up grant covers teaching costs, training and recruitment. The balance represents expenditure to be incurred in the following accounting year.

Start-up grants consist of £15k to cover the cost of additional pupils and £57k to cover the cost of employing an additional person to join the leadership team. The balance represents an additional sum which will be spent in 2013/14.

Capital grants were to fund the purchase of fixed assets and the gift of land from the DfE for £3m. The balance represents the net book value of the assets as well as an unspent amount of capital funding.

Other DfE/EFA grants were received to cover the costs of insurance, rates, rent and training.

Multi-academy trust start-up grant was used to cover the costs of setting up additional free-schools within the College. This amount has not yet been spent.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Actuarial losses £	Carried Forward £
General funds	(4,571)	34,211	(12,005)	-	17,635
Restricted funds	84,597	961,394	(820,745)	(1,000)	224,246
Restricted fixed asset funds	583,416	3,902,431	(80,432)	-	4,405,415
	<u>663,442</u>	<u>4,898,036</u>	<u>(913,182)</u>	<u>(1,000)</u>	<u>4,647,296</u>

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	11,444	-	4,400,877	4,412,321	583,416
Current assets	317,151	229,246	4,538	550,935	405,377
Creditors due within one year	(310,960)	-	-	(310,960)	(324,351)
Pension scheme liability	-	(5,000)	-	(5,000)	(1,000)
	<u>17,635</u>	<u>224,246</u>	<u>4,405,415</u>	<u>4,647,296</u>	<u>663,442</u>

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

	2013 £	2012 £
Net incoming resources before revaluations	3,984,854	445,463
Land gift in kind	(3,000,000)	-
Depreciation of tangible fixed assets	68,987	132,608
Capital grants from DfE	(853,710)	(48,750)
(Increase)/decrease in debtors	(102,332)	117,454
(Decrease)/increase in creditors	(13,392)	2,414
FRS 17 adjustments	3,000	-
Net cash inflow from operations	<u>87,407</u>	<u>649,189</u>
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(897,892)	(488,335)
Capital grants from DfE	853,710	48,750
Net cash outflow capital expenditure	<u>(44,182)</u>	<u>(439,585)</u>

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

18 ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	226,705	43,225	-	269,930
Net funds	226,705	43,225	-	269,930

19 CAPITAL COMMITMENTS

The College has authorised, but not committed to, spending in respect of its development of its school site totalling £2,923,563 at the year-end

20 PENSION COMMITMENTS

The College's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Tower Hamlets Both are defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 August 2013

Contributions amounting to £7,415 were payable to the scheme at 31 August 2013 (2012 - nil) and are included within creditors

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases)

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

20 PENSION COMMITMENTS (continued)

From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

20 PENSION COMMITMENTS (continued)

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £16,208, of which employer's contributions totalled £11,478 and employees' contributions totalled £4,730. The agreed contribution rates for future years are 14.9% for employers and between 5.5% and 7.5% for employees.

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

The College's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £
Equities	6.60	18,000	5.50	3,000
Bonds	35.00	3,000	2.80	1,000
Property	4.70	2,000	3.70	1,000
Total market value of assets		23,000		5,000
Present value of scheme liabilities		(28,000)		(6,000)
Net liability		(5,000)		(1,000)

The amounts recognised in the Balance Sheet are as follows

	2013 £	2012 £
Fair value of scheme assets	23,000	5,000
Present value of unfunded obligations	(28,000)	(6,000)
Net liability	(5,000)	(1,000)

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

20 PENSION COMMITMENTS (continued)

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

	2013 £	2012 £
Current service cost	(15,000)	(3,000)
Interest on obligation	(1,000)	-
Expected return on scheme assets	1,000	-
Total	<u>(15,000)</u>	<u>(3,000)</u>

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

	2013 £	2012 £
Opening defined benefit obligation	6,000	-
Current service cost	15,000	3,000
Interest cost	1,000	-
Contributions by scheme participants	5,000	2,000
Actuarial Losses	1,000	1,000
Closing defined benefit obligation	<u>28,000</u>	<u>6,000</u>

Movements in the fair value of the College's share of scheme assets

	2013 £	2012 £
Opening fair value of scheme assets	5,000	-
Expected return on assets	1,000	-
Contributions by employer	12,000	3,000
Contributions by employees	5,000	2,000
	<u>23,000</u>	<u>5,000</u>

The actuarial loss for the year of £1,000 (2012 - £1,000) is recognised in the Statement of Financial Activities. The cumulative amount of actuarial losses recognised in the Statement of Financial Activities was £2,000 (2012 - £1,000).

The College expects to contribute £13,717 to its LGPS in 2014.

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.10 %
Expected return on scheme assets at 31 August	5.90 %	4.80 %
Rate of increase in salaries	5.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %

CANARY WHARF COLLEGE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

20 PENSION COMMITMENTS (continued)

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

	2013	2012
Retiring today		
Males	21.8	21.8
Females	23.9	23.9
Retiring in 20 years		
Males	23.3	23.3
Females	26.5	26.5

Amounts for the current and previous two periods are as follows

Defined benefit pension schemes

	2013 £	2012 £	2011 £
Defined benefit obligation	(28,000)	(6,000)	-
Scheme assets	23,000	5,000	-
Deficit	(5,000)	(1,000)	-
Experience adjustments on scheme liabilities	(1,000)	(1,000)	-

21 MEMBERS' LIABILITY

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

22 RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures. No related party transactions took place in the period of account.