

Company Registration No 07687897 (England and Wales)

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2012



GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Governors (Trustees)

J Oppenheimer (Chairman)
J Botterill
N Brannon
M Dilley (Chair of Staff/Pupil)
J Cox
J Douglas
D Hayes (Vice-Chair of Staff Pupil Committee)
L Highton
S Jackson
J Katz (Chair of Finance and Development)
M Mahomed (Vice-Chair of Finance Committee)
M Marquez
I Parkes (Chair of Curriculum)
C Paterson
H Rolfe
C Romilly
G Stapleton (Principal)
D Thomas
M Thomson (Vice-Chair of Curriculum Committee)
C Tubby

Senior managers

G Stapleton (Principal)

Company number

07687897

Registered office

Welham Road
Tooting
London
SW17 9BU

Auditors

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent BR6 8QE

Bankers

National Westminster Bank
3rd Floor City Link House
4 Addiscombe Road
Croydon
Surrey
CR0 5TT

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS

| | Page |
|---|-------------|
| Governors report | 1 - 10 |
| Governance Statement | 11 - 13 |
| Statement of Regularity, Propriety and Compliance | 14 |
| Independent auditor's report | 15 - 16 |
| Accountants Assurance Report on Regularity | 17 - 18 |
| Statement of financial activities | 19 |
| Summary income and expenditure account | 20 |
| Balance sheet | 21 |
| Cash flow statement | 22 |
| Notes to the accounts | 23 - 46 |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS REPORT
FOR THE PERIOD ENDED 31 AUGUST 2012

The Governors (Trustees) present their report and accounts for the period ended 31 August 2012

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charitable Company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, and the Annual Accounts Direction 2011/12 issued by the EFA

Structure, Governance and Management

The Charitable Company is a company limited by guarantee, which was incorporated on 29/06/2011 and the predecessor school converted to academy status on 01/08/2011

The Governors (Trustees), who are also the directors for the purpose of company law, and who served during the period were

J Oppenheimer (Chairman)

J Botterill

N Brannon

M Dilley (Chair of Staff/Pupil)

J Cox

J Douglas

D Hayes (Vice-Chair of Staff Pupil Committee)

L Highton

S Jackson

J Katz (Chair of Finance and Development)

M Mahomed (Vice-Chair of Finance Committee)

M Marquez

I Parkes (Chair of Curriculum)

C Paterson

H Rolfe

C Romilly

G Stapleton (Principal)

D Thomas

M Thomson (Vice-Chair of Curriculum Committee)

C Tubby

**GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2012

Constitution and Members' Liability

The Graveney Trust is registered under the Companies Act 2006, as a company limited by guarantee without a share capital. Each Member of the company undertakes to contribute to the assets of the company in the event of the company being wound up while they are a Member, or within one year after they cease to be a member. The liability of the Members is limited to £10 each for the debts and liabilities contracted before they ceased to be a Member. The Academy is an exempt charity. The company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Graveney Trust and are also the directors of the company for the purposes of company law.

Details of the governors who served throughout the period are included above.

Principal Activities

The principal activity of Graveney Trust is to advance education for the public benefit by maintaining, managing and developing a school for students aged 11 to 19. The Trust's secondary activity is to provide and promote facilities for recreation/leisure for the local community in the interests of social welfare and with the object of improving life conditions for local people.

Funding is obtained from the Department for Education (DfE) through the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

Method of Recruitment and Appointment or Election of Governors

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend on their existing experience. All governors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as governors. New governors are provided with a mentor from the Senior Leadership Team who takes the lead on arranging appropriate visits to the school and ensuring that they are equipped to act effectively in their role. Where necessary and appropriate, induction includes training in charity and educational legal and financial matters. In addition, a wide range of documentation is available in a special governors area on the school's Managed Learning Environment, which is accessible to governors over the internet.

The Governing Body is constituted as follows,

- a) Ten governors appointed by the Members on incorporation, four of whom are appointed to represent particular community/educational interests,
- b) Six elected parent governors,
- c) Three staff governors elected by the staff,
- d) The Principal is an ex-officio Governor,
- e) Further governors may be appointed by the Secretary of State.

**GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2012

Organisational Structure

The Board of Governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The Board meets at least three times a year and has three committees, including a Finance and Development Committee, a Staff Pupil Committee and a Curriculum Committee. All of these Committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

Governors delegate specific responsibilities to these Committees, the activities of which are reported to and discussed at each full Governing Body Meeting.

Day to day management of the Academy is undertaken by the Principal, supported by the Senior Leadership Team.

Risk Management

The governors have implemented a number of systems to assess risks that the Trust faces, and have developed policies and procedures to mitigate those risks. These systems use the model arrangements provided in the Academies Financial Handbook and provide an effective tool for risk management. The risk management process has been codified in a risk register implemented by the Senior Management Team and overseen by Governors.

In addition, a contract for an internal audit service with a particular focus on developing risk management processes was let during this financial period and further work in this area will take place in 2012/13 with a view to refining this generic approach and sharpen the risk focus still further.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control.

The Governors (Trustees) have assessed the major risks to which the Charitable Company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Connected Organisations, including Related Party Relationships

The Academy has no connected organisations.

Objectives and Activities

The Governors (Trustees) have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charitable Company should undertake.

**GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2012

Objects, Aims and Public Benefit

The principal object of the company is to advance for the public benefit, education in the United Kingdom. It achieves this object through the operation of Graveney School, providing a state education, free of charge, to pupils aged 11 to 19.

In exercising their powers, the Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Achievements and Performance

Examination Results

Our main goal for 2011/12 was to achieve our examination targets and raise our current teaching and learning grade from 2 to 1.

It was a very successful summer for Graveney School Sixth Form. Our students scored a superb set of results at A Level. 295 students sat 916 A Levels between them, and over 36% of all grades were at A* or A, almost 64% at A* to B and nearly 85% at A* to C, with an overall A to E pass rate of 98.47%. Particularly noteworthy were the results in Art, Chemistry, English Literature, Geography, German, IT, Maths and Further Maths, Music, Photography, Religious Studies, Sociology and Spanish in which over 35% of all grades were at A* or A. These are the best results ever achieved at A Level and we are delighted that our results have continued to improve, contrary to the national picture. The vast majority of students obtained the University places of their choice, with 12 candidates taking up places at Oxford and Cambridge and other candidates going to prestigious institutions such as LSE, Imperial and Durham, and to highly competitive courses such as medicine.

At GCSE, we achieved 80% on the most important national benchmark of 5 A*-C including English and Maths, 86% 5 A*-C overall and 99.9% A*-G. A number of subjects achieved over 90% A*-C this year including all three sciences, Geography, Religious Studies, Economics, Sports Studies and all the BTEC groups. Mathematics also performed extremely well at 88%.

In addition to these excellent results, arising from the final visit from our School Improvement Partner who reviewed our lesson observation arrangements and grades, we have now achieved our target of moving our Teaching and Learning Grade from a 2 to a 1. We can demonstrate this through our lesson observation results which show an improvement from 90% to 94% good and outstanding lessons, with the percentage of outstanding rising from 22% to 29%.

We continue to monitor and report on our pupil's attendance and our efforts put us well over the national average at 94.8% for pupils on Free School Meals and 96.4% for all other pupils against national averages of 90% and 94% respectively.

Our pupils continue to gain public recognition in a wide variety of fields including achieving both the winning position and a series of commendations in the Wandsworth Young Person of the Year award.

PE and Sporting Achievements

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2012

The last academic year was another extremely successful one for the PE department with more pupils being involved in extra curricular sport than ever before. We hosted and competed in several events through out the year in a number of sports. The Rugby team were again outstanding in their performances against many private and selective schools, they also went on tour to Spain and competed there. Volleyball and Netball retained their titles as Regional and London Champions respectively. The girls' football team narrowly missed out on representing Chelsea this year, but did finish the season as Wandsworth Champs. The cross country and Athletics seasons saw many of our pupils competing at borough and regional level, with one pupil taking part in the English Schools games.

We have begun to support Sports Relief and this year both staff and pupils took part in a "Sports Relief Week of Sport" which saw money being raised to the sum of £900 and finished with a fancy dress fun run.

Olympics

The PE department has been extremely busy this year in the build up to the London 2012 Olympics and Paralympics. We began proceedings with weekly challenges such as "the fastest pupil" "Olympic bake off" competitions. It finished with our annual Sports day where almost 1000 pupils attended and the reintroduction year 10 created a fantastic and competitive atmosphere.

Due to the extensive work from Mr Toal and his updates on the Getset website, the school received almost 200 tickets and saw a select few pupils taking part in a Guard of Honour at the opening ceremony. Our link school over in Rio sent staff and pupils over for a week and they too joined in with our Olympic celebrations.

All in all it was a fantastic year in terms of sporting achievements and participation and we hope that pupils will be further encouraged to take part this academic year to continue the "Graveney Olympic Legacy Dream".

School Journeys

Once again, Graveney provided an extensive range of experiences for all ages and abilities through a comprehensive school journeys programme. Trips varied from curriculum based, cultural and sporting to community based trips. Places visited included Morocco (Duke of Edinburgh Gold), Iceland (Geography) and New York (Sociology) as well as a large number of more local trips. Many trips are offered at very low cost, and where needed, funding was provided to enable pupils from a range of backgrounds and abilities to participate. For example, Pupil Premium funding was used to ensure all pupils eligible for Free School Meals were funded to go on the Year 7 Boulogne trip. We continue to monitor the cost of trips and track participation of key target groups to ensure equality of opportunity for all.

This year, there was also a sharp focus on Olympic trips including to the attendance of a number of our pupils at activities in both the Olympic and Paralympic Games. Over 500 pupils, parents, governors and staff attended a range of events. Many SEN pupils were rewarded for their achievements by being invited to attend one of the Paralympic Athletics session and a lucky few even made it into the Athletics Arena on the evening that Mo Farah and Jessica Ennis captured international acclaim!

Significant resources are required to facilitate this ambitious programme of trips, demonstrating the school's commitment to this important aspect of our student's personal and academic development.

Building and Site Works

**GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2012

Governors provided a Sinking Fund for capital works this year from which they funded a range of exciting buildings projects including

- The conversion of a classroom to form a Science Laboratory
- The conversion of the former school keepers house to form a Medical Centre
- The creation of a large area for use as a car park at the back of the site as phase 1 of the 'close Welham Road' initiative
- Refurbishment of many pupil toilets
- Decorating and re-flooring many areas of the school in line with priorities identified in the Condition Survey
- Improvements to the Dark Rooms

In addition to these site works, major elements of the ICT system were upgraded including parts of the server room with a focus of virtualisation where appropriate, two Film and Media Suites, and a new 100Gb Broadband connection provided by the London Grid for Learning

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 accounts.

Key Financial Performance Indicators

The principal performance measures are educational and pastoral rather than financial. However, the governors require that each annual budget must be balanced, although they expect to bring forward an element of committed but as yet unspent funds each year as the purchasing cycle does not always fit within any financial year. This can have the effect of producing in-year expenditure budgets that exceed in-year income. Governors also require their periodic reports to identify all budget movements/variances so that they are transparent and can be tracked. Governors have specified 5% as a ceiling for uncommitted reserves, although this is now superseded by the tighter requirements of their Funding Agreement with the DfE.

Financial Review

Most of the Academy's income is obtained from the DfE (via the Education Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

On 01 August 2011 all the assets and liabilities of the predecessor school known as Graveney School were transferred to the Academy. The value of the assets brought into the balance sheet as a result are shown as restricted fixed asset funds.

At 31st August 2012 the net book value of fixed assets was £30,564,000 and details are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

In addition to the fixed asset fund of £30,564,000, the academy also held fund balances at 31 August 2012 comprising £493,000 of restricted funds, £870,000 of unrestricted funds and a pension reserve deficit of £(1,514,000).

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

Financial and Risk Management Objectives and Policies

Governors keep spendable reserves under constant review to ensure that they have sufficient income to run the Academy on an efficient basis without affecting the quality of teaching and learning

Principal Risks and Uncertainties

Finance - the school funding regime is changing. We expect to fare relatively badly as a result of the changes, although there is a clear commitment from government to provide fairly long term transitional protection to schools losing from the reforms. Being a larger school, we can also benefit from some economies of scale. However, this is an area that will need careful watching.

Sixth form numbers - we rely heavily on the success of our sixth form, taking in over 150 external applicants each year. Any decline in our ability to recruit high achieving external candidates would impact negatively on both our funding and our results.

Failure to meet examination targets - we continue to perform well with respect to our internal targets and in the context of achievement nationally. We need to remain on an upward trajectory to ensure a continuing outstanding Ofsted rating as well as a continuing high reputation in the community.

Safeguarding - our capacity to safeguard our staff and pupils is threatened by public access to the school site and buildings via Welham Road. We have already taken all the steps we can as a school to mitigate and control this risk. We now have to proceed to a full consultation on closure of the road.

Tooting Primary School - the new school must achieve an outstanding/good ranking in its first Ofsted inspection. If it does not, there could be a negative impact on the reputation of the Trust. An appropriate level of resource will be allocated to support the planning and implementation of the new school.

Reserves Policy

The Governors require that reserve levels are regularly monitored by the Finance Team and reported to them so as to ensure that sufficient reserves are maintained to meet anticipated future needs but avoiding long term accumulation of excessive sums. They are also required to ensure that reserves remain within the guidelines specified from time to time by the Education Funding Agency.

Investment Policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Employee Involvement

Academy staff are empowered to elect colleagues to sit and serve as Governors. There are also a number of internal forums/groups for staff to share views with each other and with the Senior Leadership team both informally and formally. Where appropriate (i.e. a formal consultation) governors are invited to join the discussion and reports are made to the relevant governors' committee.

**GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2012

Disabled Persons

The policy of the Trust is to support recruitment and retention of students and employees with disabilities where at all possible. However, there are physical limitations in terms of the design and layout of the site and buildings. Access to wheelchair users is limited, with some access by ramp to some of the Trust buildings and there is some provision for disabled toilets. However, where possible, other adaptations to the physical environment are made (e.g. handrails, hi vis lines on external steps, soundfield systems etc) in order to ensure that individuals with non-ambulant disabilities are able to access the site and buildings. The Special Needs Department also provides support resources for disabled students with special educational needs and support and training for staff with academic or pastoral responsibility for them.

Plans for the Future

During the course of the year, the Articles of Association for the Trust will be amended so that the existing community based 'objects' can be realised. In the first instance this will include working with Wandsworth on the opening of the Tooting Primary School and the handover of the Furzedown Recreation Ground to the Trust. We will also be working with the Furzedown Family Centre to bring their organisation within the umbrella of the Graveney Trust. All of these initiatives will bring benefits not just to the communities they currently serve but also to the Graveney School community.

The principal task facing the school is to maintain and improve on the already excellent educational standards in teaching, learning and leadership. Our aspirational target of achieving 100% 5A*-C (including English and Maths) in 2014 will underpin our improvement planning. This will include extending our arrangements for personalising the curriculum, completing and acting on the findings of a review of arrangements for pupils with SEN, reviewing and improving our arrangements for assessment, monitoring and intervention and ensuring that school leaders are both mandated and enabled to providing the necessary support and challenge to the subject areas for which they are responsible.

We plan a significant investment in our IT infrastructure over the next year with a view to ensuring that our systems and procedures remain at the forefront in the field and that they represent a high quality and appropriate tool to support effective teaching, learning and management.

We will continue to pursue the closure of Welham Road and on building on the preparatory works undertaken this year in providing for the relocation of car parking to the rear of the site.

Funds held as Custodian Trustee

The Trust inherited £72,370 from the predecessor school, representing funds held on behalf of the Extended Schools Cluster, for which the Academy is the 'banker school'. These funds were fully spent in the thirteen month period to 31st August 2012. The trust also administers two separate bank accounts on behalf of the Rosa Bassett Fund and Streatham Fund (total balance at 31 August 2012 of £355). These funds will ultimately be the responsibility of the London Borough of Wandsworth.

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

Statement of Governors Responsibilities

The Governors (who act as Trustees for charitable activities of Graveney School and are also the directors of the charitable company for the purposes of company law), are responsible for preparing the Governors Report and the accounts in accordance with applicable law and regulation, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Annual Accounts Requirements issued by the Education Funding Agency

Company law requires the Governors (Trustees) to prepare accounts for each financial period. Under company law the Governors (Trustees) must not approve the Accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these accounts, the Governors (Trustees) are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Governors (Trustees) 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 accounts 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 (Trustees) 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNORS REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2012

In accordance with company law, as the company's directors, we certify that

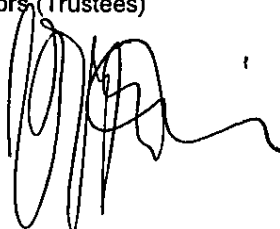
- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and

- The Governors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

A resolution regarding the reappointment of auditors of the company will be put to the members

On behalf of the board of Governors (Trustees)

J Oppenheimer
Chair of Governors
Dated 27 November 2012

A handwritten signature in black ink, appearing to be 'J Oppenheimer', written over the printed name and title.

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNANCE STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to G Stapleton, the Principal, as Accounting Officer for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Graveney School 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 Statement of Governors Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the period at meetings of the Governing Body was as follows:

| Governor | Meetings Attended | Out of a Possible |
|--|--------------------------|--------------------------|
| J Oppenheimer (Chairman) | 3 | 3 |
| J Botterill | 1 | 3 |
| N Brannon | 2 | 3 |
| M Dille (Chair of Staff/Pupil) | 2 | 3 |
| J Cox | 0 | 1 |
| J Douglas | 1 | 3 |
| D Hayes (Vice-Chair of Staff Pupil Committee) | 1 | 3 |
| L Highton | 2 | 3 |
| S Jackson | 2 | 3 |
| J Katz (Chair of Finance and Development) | 2 | 3 |
| M Mahomed (Vice-Chair of Finance Committee) | 2 | 3 |
| M Marquez | 0 | 1 |
| I Parkes (Chair of Curriculum) | 2 | 3 |
| C Paterson | 2 | 3 |
| H Rolfe | 3 | 3 |
| C Romilly | 1 | 1 |
| G Stapleton (Principal) | 3 | 3 |
| D Thomas | 1 | 3 |
| M Thomson (Vice-Chair of Curriculum Committee) | 3 | 3 |
| C Tubby | 1 | 3 |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

The Finance and Development Committee is a sub-committee of the main Governing Body. Its purpose is to assist and support the Governing Body, ensuring sound oversight is exercised over the management of the Academy's finances and resources. Attendance at meetings in the year was as follows:

| Governor | Meetings Attended | Out of a Possible |
|-----------------|--------------------------|--------------------------|
| J Katz | 5 | 5 |
| J Oppenheimer | 5 | 5 |
| M Mahomed | 4 | 5 |
| D Hayes | 4 | 5 |
| G Stapleton | 5 | 5 |

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Graveney School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- Regular reviews by the Finance and Development Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- Setting targets to measure financial and other performance,
- Clearly defined purchasing (asset purchase or capital investment) guidelines,
- Delegation of authority and segregation of duties,

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

- Identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has appointed Crowe, Clark Whitehill as internal auditors to support Mr M Dille, the Responsible Officer. During the period under review an internal audit visit took place following which a report was issued which included some proposals to further improve the internal controls. These proposals are at present being considered by the Governors. No material weaknesses were however identified.

Review of Effectiveness


The Accounting Officer, G Stapleton, has the responsibility for reviewing the effectiveness of the system of internal control.

During the period ended 31 August 2012 the review has been informed by

- The work of the Internal Auditor and the Responsible Officer,
- The work of the External Auditor,
- The financial management and governance self assessment process,
- The work of the Executive Managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Finance and Development Committee of the implications of the result of their review of the system of internal control. A plan to ensure continuous improvement of the system is in place.

On behalf of the board of Governors (Trustees)


J Oppenheimer
Chair of Governors
Dated 27 November 2012

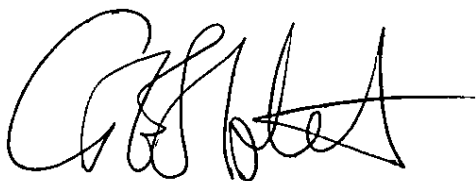

G Stapleton
Accounting Officer
Dated 27 November 2012

**GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD ENDED 31 AUGUST 2012**

As accounting officer of Graveney School I have considered my responsibility to notify the academy trust 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 the Academy and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Graveney School Governing Body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

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



G Stapleton
Accounting Officer
Dated 27 November 2012

**GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GRAVENEY SCHOOL**

We have audited the accounts of Graveney School for the period ended 31 August 2012 set out on pages 19 to 46. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the EFA.

This report is made solely to the charitable company'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 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors (Trustees) and auditors

As explained more fully in the statement of Governors responsibilities, the Governors (Trustees), who are also the directors of Graveney School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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. We are also responsible for expressing an opinion on whether grants made by the DfE/EFA have been applied for the purposes intended.

Scope of the audit of the accounts

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

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 23 to the accounts.

Emphasis of matter

In forming our opinion on the accounts, which is not qualified, we have considered the adequacy of the disclosure in note 21 of the accounts, concerning a contingent liability in respect of shared maintenance costs. Attention is accordingly drawn to note 21 which describes the circumstances and amount involved.

**GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF GRAVENEY SCHOOL**

Opinion on accounts

In our opinion the accounts

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

Opinion on other matters

In our opinion grants made by the DfE/EFA have been applied for the purposes intended

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 accounts are prepared is consistent with the accounts

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 accounts are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

**D J Walsh FCCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co**

**Chartered Certified Accountants
Statutory Auditor**

Lynwood House
Crofton Road
Orpington
Kent BR6 8QE

Dated 29 November 2012

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO GRAVENEY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 November 2012 and further to the requirements of the Education Funding Agency 'EFA' as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Graveney School during the period ended 31 August 2012 have been applied to the purpose identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Graveney School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Graveney School 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 Graveney School and the EFA, for our work, for this report, or for the conclusion we have formed

Respective Responsibilities of Graveney School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Graveney School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook as published by the DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purpose 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 2011/12. 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 period ended 31 August 2012 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 2011/12 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 the Academy Trust's income and expenditure. We have included in our examination testing of a sample of

- Payments to staff,
- Payments to suppliers and other third parties,
- Grant and other income streams

We have reviewed the most recent Financial Management and Governance Evaluation self assessment return prepared by the Academy and made enquiries of the Accounting Officer thereon. We have reviewed minutes and other evidence made available to us, relevant to our consideration of regularity

**GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO GRAVENEY SCHOOL AND THE EDUCATION FUNDING AGENCY
(CONTINUED)**

Conclusion

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

Baxter & Co

Chartered Certified Accountants

Lynwood House
Crofton Road
Orpington
Kent BR6 8QE

Dated 29 November 2012

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 AUGUST 2012

| | Notes | Unrestricted funds £'000 | Restricted funds £'000 | Fixed Asset fund £'000 | Total 2012 £'000 |
|---|----------|--------------------------------|------------------------------|------------------------------|------------------------|
| Incoming Resources | | | | | |
| <i>Generated Funds</i> | | | | | |
| - Voluntary Income | 3 | - | 294 | - | 294 |
| - Voluntary Income (transfers on conversion) | 3 | 1,011 | 1,265 | 30,554 | 32,830 |
| - Activities for Generating Funds | 4 | 25 | - | - | 25 |
| - Investment Income | 5 | 1 | - | - | 1 |
| <i>Charitable Activities</i> | | | | | |
| - Educational Operations | 6 | - | 13,766 | - | 13,766 |
| Total Incoming Resources | | 1,037 | 15,325 | 30,554 | 46,916 |
| Resources Expended | | | | | |
| <i>Costs of generating funds</i> | | | | | |
| - Costs of generating Voluntary Income | 7 | - | 1,369 | - | 1,369 |
| <i>Charitable Activities</i> | | | | | |
| - Educational Operations | 8 | - | 13,547 | 2 | 13,549 |
| <i>Governance Costs</i> | 9 | - | 59 | - | 59 |
| <i>Other Resources Expended</i> | | | | | |
| - Transfers on conversion | 7 | - | 1,142 | - | 1,142 |
| - LGPS Pension Finance Costs | 7/17 | - | 46 | - | 46 |
| Total Resources Expended | 7 | - | 16,163 | 2 | 16,165 |
| Net Incoming/(Outgoing) Resources before Transfers | | 1,037 | (838) | 30,552 | 30,751 |
| Gross transfers between funds | 15 | (167) | 155 | 12 | - |
| Net Incoming/(Outgoing) Resources before Other Recognised Gains and Losses | | 870 | (683) | 30,564 | 30,751 |
| Other recognised gains and losses | | | | | |
| Actuarial Gains/(Losses) on Defined Benefit Pension Scheme | 17 | - | (338) | - | (338) |
| Net movement in funds | | 870 | (1,021) | 30,564 | 30,413 |
| Fund balances at 29 June 2011 | | - | - | - | - |
| Fund balances at 31 August 2012 | | 870 | (1,021) | 30,564 | 30,413 |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2012

| | Period ended 31 August 2012 £'000 |
|--|---|
| Income | |
| General Annual Grant (GAG) | 12,507 |
| Other DfE / EFA Grants | 276 |
| Other Government Grants | 486 |
| Capital Income | 183 |
| Fixed Assets donated to Academy | 30,554 |
| Other Income | 2,910 |
| Total Income | 46,916 |
| Expenditure | |
| General Annual Grant (GAG) related expenditure | 12,662 |
| Other DfE / EFA Grants related expenditure | 277 |
| Other Government Grant related expenditure | 486 |
| Expenditure Funded from Capital Income (not capitalised) | 71 |
| Other Expenditure | 1,176 |
| Expenditure Funded from Other Income | 1,491 |
| Depreciation | 2 |
| Total Expenditure | 16,165 |
| Excess of Income over Expenditure | 30,751 |

The summary income and expenditure account is derived from the statement of financial activities on page 19 which, together with the notes on pages 23 to 46, provides full information on the movements during the period on all funds of the charity

All of the Academy's activities derive from acquisitions in the current financial period

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

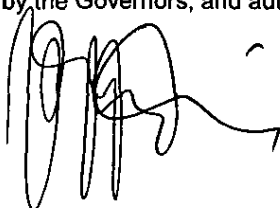
| | |
|--|---------------|
| Net Income/(Expenditure) for the period | 30,751 |
| Actuarial Gains/(Losses) on Defined Benefit Pension Scheme | (338) |
| Total Recognised Gains and Losses for the period | 30,413 |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 AUGUST 2012

| | Notes | 2012 £'000 | £'000 |
|---|-------|---------------|---------------|
| Fixed assets | | | |
| Tangible assets | 12 | | 30,564 |
| Current assets | | | |
| Debtors | 13 | 299 | |
| Cash at bank and in hand | | 2,042 | |
| | | 2,341 | |
| Creditors, amounts falling due within one year | 14 | (978) | |
| Net current assets | | | 1,363 |
| Total assets less current liabilities | | | 31,927 |
| Defined benefit pension liability | 17 | | (1,514) |
| Net assets | | | 30,413 |
| Funds | | | |
| Restricted Funds | 15 | | |
| Capital Fund | | | 111 |
| Fixed Asset Fund | | | 30,564 |
| Other Income Fund | | | 382 |
| LGPS Fund | | | (1,514) |
| Unrestricted Funds | 15 | | |
| Other Income Fund | | | 870 |
| | | | 30,413 |

The accounts were approved by the Governors, and authorised for issue on 27 November 2012

J Oppenheimer
Chair of Governors



**Company
Registration
No. 07687897**

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

| | Notes | Period ended 31 August 2012 £'000 |
|---|-----------|---|
| Net cash (outflow)/inflow from operating activities | 18 | 676 |
| Cash transferred on conversion | 3 | 1,194 |
| Returns on investments and servicing of finance | | |
| Investment income | | 1 |
| Net cash inflow from returns on investments and servicing of finance | | 1 |
| Capital expenditure and financial investments | | |
| Payments to acquire tangible fixed assets | | (12) |
| Capital Grants | | 183 |
| Net cashflow from capital activities | | 171 |
| Increase in cash | 19 | 2,042 |

All of the Academy's activities derive from acquisitions in the current financial period

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards and the Charities SORP 2005

The Standard Format for the financial statements as required by the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP 2005') and the Academies Accounts Direction issued by the EFA

A summary of the principal accounting policies, which have been applied consistently, except where noted is set out below

1.2 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 company 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 accounts

1.3 Incoming resources

Grants Receivable

Grants are included in the statements 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.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Donated Services and Gifts in Kind

The value of donated services and gifts in kind (other than fixed assets) provided to the company is recognised in the statement of financial activities as incoming resources and resources expended at their estimated open market value to the company in the period in which they are receivable, and where the benefit is both quantifiable and material.

Interest Receivable

Interest receivable is included within the statements of the financial activities on a receivable basis.

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

1 Accounting Policies

(continued)

Other Income

Income is included in the statement of financial activities on a cash received basis or on an accruals basis where the receipt is assured with reasonable certainty and is receivable at the balance sheet date

1.4 Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity

Allocation of Costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the company's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity

Costs of Generating Funds

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

Charitable Activities

These are costs incurred on the Academy's educational operations

Governance Costs

Governance costs include the costs attributable to the company's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs

Fund Accounting

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

Restricted funds comprise grants from the DfE / EFA and other donors which are to be used for specific purposes as explained in note 15

Restricted Fixed Asset funds are resources which are to be applied to specific purposes according to the source of funding for the related fixed assets

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

1 Accounting Policies

(continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation

Assets costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

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 are depreciated over their expected useful economic life. The related grants are credited to an appropriate restricted fund in the statement of financial activities and carried forward in the balance sheet

Depreciation is charged in the statement of financial activities at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold land is not depreciated

| | |
|--------------------------------|------------------------|
| Freehold buildings | 50 Years Straight Line |
| Plant and machinery | 3 Years Straight Line |
| Fixtures, fittings & equipment | 7 Years Straight Line |
| Motor vehicles | 5 Years Straight Line |

1.6 Fixed Asset Transfer from the Predecessor School

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below

Land

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is included at a valuation that assumes continuation of existing use

Buildings

In accordance with the requirements of FRS 15, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings

Other Fixed Assets

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set). Assets transferred (other than fixed assets) are dealt with as a donation in kind within the Statement of Financial Activities

1.7 Leasing and hire purchase commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

1 Accounting Policies

(continued)

1.8 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy. More details of the schemes are given in note 17.

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 17, 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.

Local Government Pension Scheme

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 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 recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credit adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Further details are set out in note 17 to the financial statements.

1.9 Taxation

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

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

| | | |
|----------|--|------------------|
| 2 | General Annual Grant (GAG) | 2012 |
| | | £'000 |
| a | Results and Carry Forward for the period | |
| | GAG brought forward from previous period | - |
| | GAG allocation for current period | 12,507 |
| | Total GAG available to spend | 12,507 |
| | Recurrent expenditure from GAG | (12,662) |
| | Fixed Assets purchased from GAG | (12) |
| | Transfer from Other Funds | 167 |
| | GAG Carried Forward to Next Year | - |
| | Maximum permitted GAG carry forward at end of current period (12% of allocation for current period) | (1,501) |
| | GAG to surrender to DfE / EFA | (1,501) |
| | (12% rule breached if result is positive) | <i>no breach</i> |
| b | Use of GAG Brought Forward from previous period for recurrent purposes | |
| | This is the first accounting period and as such there is no GAG brought forward from the previous period | |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

3 Voluntary Income

| | Unrestricted funds £'000 | Restricted funds £'000 | Fixed Asset funds £'000 | Total 2012 £'000 |
|-------------------------|--------------------------------|------------------------------|-------------------------------|------------------------|
| Other Income | - | 294 | - | 294 |
| | - | 294 | - | 294 |
| Transfers on Conversion | | | | |
| School Reserves | 1,011 | 183 | - | 1,194 |
| Fixed Assets | - | - | 30,554 | 30,554 |
| Other Assets | - | 1,082 | - | 1,082 |
| | 1,011 | 1,265 | 30,554 | 32,830 |
| | 1,011 | 1,559 | 30,554 | 33,124 |

4 Activities for Generating Funds

| | Unrestricted funds £'000 | Total 2012 £'000 |
|----------|--------------------------------|------------------------|
| Lettings | 25 | 25 |
| | 25 | 25 |

5 Investment Income

| | Unrestricted funds £'000 | Total 2012 £'000 |
|---------------|--------------------------------|------------------------|
| Bank Interest | 1 | 1 |
| | 1 | 1 |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

6 Funding for Academy's Educational Operations

| | Restricted funds £'000 | Total 2012 £'000 |
|-----------------------------------|---------------------------------------|---------------------------------|
| General Annual Grant (GAG) | 12,507 | 12,507 |
| Other DfE / EFA Grants | | |
| Pupil Premium | 130 | 130 |
| Other Grants | 146 | 146 |
| Other Government Grants | | |
| Other Government Grants | 486 | 486 |
| Capital Grants | | |
| DfE Capital Grant | 183 | 183 |
| Other Income | | |
| Other Restricted Income | 314 | 314 |
| | 13,766 | 13,766 |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

7 Total resources expended

| | Staff costs £'000 | Depreciation £'000 | Other costs £'000 | Total 2012 £'000 |
|--|----------------------|-----------------------|----------------------|------------------------|
| Costs of Generating Voluntary Income | - | - | 1,369 | 1,369 |
| Costs of Activities for Generating Funds | - | - | - | - |
| Academy's Educational Operations | | | | |
| Direct Costs | 9,689 | 2 | 792 | 10,483 |
| Allocated Support Costs | 1,062 | - | 2,004 | 3,066 |
| | 10,751 | 2 | 2,796 | 13,549 |
| Governance costs | - | - | 59 | 59 |
| Other | | | | |
| LGPS Deficit Inherited on Conversion | - | - | 1,142 | 1,142 |
| LGPS Pension Finance Cost | - | - | 46 | 46 |
| | - | - | 1,188 | 1,188 |
| | 10,751 | 2 | 5,412 | 16,165 |

Details of fees payable to Auditors are set out in note 9 (Governance Costs)

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

8 Charitable Activities - Academy's Educational Operations

| | Restricted funds £'000 | Fixed Asset fund £'000 | Total 2012 £'000 |
|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------|
| Direct Costs | | | |
| Teaching and Educational Support | 9,689 | - | 9,689 |
| Depreciation | - | 2 | 2 |
| Educational Supplies and Services | 550 | - | 550 |
| Examination Fees | 200 | - | 200 |
| Educational Consultancy | 4 | - | 4 |
| School Trips and Activities | 5 | - | 5 |
| Staff Development | 33 | - | 33 |
| Other Direct Costs | - | - | - |
| | <u>10,481</u> | <u>2</u> | <u>10,483</u> |
| Allocated Support Costs | | | |
| Support Staff Costs | 1,074 | - | 1,074 |
| LGPS Staff Costs | (12) | - | (12) |
| Depreciation | - | - | - |
| Maintenance of Premises | 628 | - | 628 |
| Furniture and Equipment | 96 | - | 96 |
| Cleaning | 223 | - | 223 |
| Water | 15 | - | 15 |
| Energy | 444 | - | 444 |
| Rates | 44 | - | 44 |
| Insurance | 33 | - | 33 |
| Administrative Costs | 76 | - | 76 |
| Catering | 95 | - | 95 |
| Recruitment and Support | 69 | - | 69 |
| Other Supplies & Services | 22 | - | 22 |
| Technology Costs | 185 | - | 185 |
| Other Support Costs | 74 | - | 74 |
| | <u>3,066</u> | <u>-</u> | <u>3,066</u> |
| Total | <u>13,547</u> | <u>2</u> | <u>13,549</u> |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

| 9 Governance costs | Restricted funds £'000 | Total 2012 £'000 |
|---------------------------|---------------------------------------|---------------------------------|
| Legal and Professional | 44 | 44 |
| Fees payable to Auditors | | |
| Audit Fees | 9 | 9 |
| Other Fees | 6 | 6 |
| | <u>59</u> | <u>59</u> |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

10 Staff Costs

Number of employees

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

| | 2012 Number |
|----------------------------|------------------------|
| Teachers | 124 |
| Administration and Support | 60 |
| Management | 16 |
| | <u>200</u> |

Employment costs

| | 2012 £'000 |
|--|-----------------------|
| Wages and salaries | 8,738 |
| Social security costs | 738 |
| Other pension costs | 1,149 |
| | <u>10,625</u> |
| Agency Supply and Other Salary Related Costs | 126 |
| | <u>10,751</u> |

During the period £115k was paid to 7 staff in relation to redundancy and compromise agreements

The number of employees whose annual remuneration was £60,000 or more was

| | 2012 Number |
|---------------------|------------------------|
| £60,001 - £70,000 | 4 |
| £70,001 - £80,000 | 2 |
| £80,001 - £90,000 | 1 |
| £110,001 - £120,000 | 1 |
| £150,001 - £160,000 | 1 |

Of the employees whose emoluments exceed £60,000 p a, 9 participated in either the Teachers' Pension Scheme or the Local Government Pension Scheme. During the period, pension contributions for these staff amounted to £130,455

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

11 Governors (Trustees)

Governors' Remuneration and Expenses

The Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration during the period covered by these accounts was as follows

| | 13 months to 31/8/12 | 12 months to 31/8/12 |
|----------------------------|----------------------|----------------------|
| G Stapleton (Principal) | £159,657 | £147,376 |
| N Brannon (Staff Governor) | £60,000-65,000 | £55,000-60,000 |
| L Highton (Staff Governor) | £60,000-65,000 | £55,000-60,000 |
| C Tubby (Staff Governor) | £30,000-35,000 | £25,000-30,000 |

During the period ended 31 August 2012, no expenses were reimbursed to Governors

Governors' and Officers' Insurance

In accordance with normal commercial practice the company purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, error or omissions occurring whilst on company business. Cover of up to £2,000,000 on any one claim was purchased, the cost of which could not be separately identified from the total insurance policy premium

12 Tangible fixed assets

| | Land and buildings £'000 | Motor vehicles £'000 | Total £'000 |
|--------------------------|--------------------------------|----------------------------|----------------|
| Cost | | | |
| At 29 June 2011 | - | - | - |
| Additions | 30,554 | 12 | 30,566 |
| At 31 August 2012 | 30,554 | 12 | 30,566 |
| Depreciation | | | |
| At 29 June 2011 | - | - | - |
| Charge for the period | - | 2 | 2 |
| At 31 August 2012 | - | 2 | 2 |
| Net book value | | | |
| At 31 August 2012 | 30,554 | 10 | 30,564 |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

| | |
|--------------------------------|--------------|
| 13 Debtors | 2012 |
| | £'000 |
| Other debtors | 147 |
| Prepayments and accrued income | 152 |
| | <hr/> |
| | 299 |
| | <hr/> |

| | |
|--|--------------|
| 14 Creditors' amounts falling due within one year | 2012 |
| | £'000 |
| Taxes and social security costs | 199 |
| Other creditors | 144 |
| Accruals | 354 |
| Deferred income | 281 |
| | <hr/> |
| | 978 |
| | <hr/> |

Deferred income of £281k represents resources deferred in the period and carried forward at 31 August 2012

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

15 Funds

| | Movement in funds | | | | |
|------------------------------------|-------------------------------|-----------------------|-----------------------|-----------------------------------|---------------------------------|
| | Balance at 29 June 2011 | Incoming resources | Resources expended | Gains, Losses and Transfers | Balance at 31 August 2012 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| General Annual Grant | - | 12,507 | (12,662) | 155 | - |
| Other DfE / EFA Grants | - | 276 | (277) | 1 | - |
| Other Government Grants | - | 486 | (486) | - | - |
| Other Income | - | 1,873 | (1,491) | - | 382 |
| Restricted General Funds | - | 15,142 | (14,916) | 156 | 382 |
| DfE / EFA Capital Grant | - | 183 | (71) | (1) | 111 |
| Restricted Capital Fund | - | 183 | (71) | (1) | 111 |
| Restricted Fixed Asset Fund | - | 30,554 | (2) | 12 | 30,564 |
| Restricted LGPS Fund | - | - | (1,176) | (338) | (1,514) |
| Total Restricted Funds | - | 45,879 | (16,165) | (171) | 29,543 |
| Total Unrestricted Funds | - | 1,037 | - | (167) | 870 |
| Total Funds | - | 46,916 | (16,165) | (338) | 30,413 |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

15 Funds

(continued)

The Restricted General Funds are used to fund the general operating costs of the Academy. The company is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% can be used for general purposes at the discretion of the company, but any balance over 2% must be used for premises expenditure.

The Other Government Grants Fund represents the unspent balance of grants received during the period for specific purposes.

The Restricted Other Income General Fund represents the unspent balance which is earmarked for particular purposes.

The Restricted Capital Fund represents unspent capital income at the period end and is set aside to fund future capital purchases.

The Restricted Fixed Asset Fund are resources which are to be applied to specific purposes according to the source of funding for the related fixed asset.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

16 Analysis of net assets between funds

| | Unrestricted funds £'000 | Restricted funds £'000 | Fixed Asset Fund £'000 | Total Funds £'000 |
|--|--------------------------------|------------------------------|------------------------------|----------------------|
| Fund balances at 31 August 2012 are represented by: | | | | |
| Tangible fixed assets | - | - | 30,564 | 30,564 |
| Current assets | 870 | 1,471 | - | 2,341 |
| Creditors amounts falling due within one year | - | (978) | - | (978) |
| Defined benefit pension liability | - | (1,514) | - | (1,514) |
| | <u>870</u> | <u>(1,021)</u> | <u>30,564</u> | <u>30,413</u> |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wandsworth Council Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £107,393 were payable to the schemes at 31 August and are included within other creditors

Teachers' Pension Scheme

The TPS is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pension Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

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

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

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

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments

(continued)

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £365,000, of which employer's contributions totalled £272,000 and employees' contributions totalled £93,000. The agreed contribution rates for future years are 19.2% for employers and a range between 5.5% and 7.5% for employees according to salary levels.

At present no increase is anticipated, however a revision to this will be assessed using the fund as at 31 March 2013 and any new rate will be applied from 1 April 2014.

The LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did subsequently, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments

(continued)

The major assumptions used by the actuary were:

| | 2012 |
|---|-------------|
| | % |
| Rate of increase in salaries | 4.10 |
| RPI Increases | 2.70 |
| CPI Increases | 1.90 |
| Rate of increase in pensions in payment | 1.90 |
| Discount rate | 3.90 |

Sensitivity Analysis

| | Assets at 31 | Liabilities at 31 | (Deficit)/Surplus |
|------------------------|---------------------|--------------------------|--------------------------|
| | August 12 | August 12 | At 31 August 12 |
| | £'000 | £'000 | £'000 |
| Central | 3,897 | (5,411) | (1,514) |
| Sensitivity 1 | | | |
| +0.1% pa discount rate | 3,897 | (5,276) | (1,379) |
| Sensitivity 2 | | | |
| -0.1% pa discount rate | 3,897 | (5,551) | (1,654) |
| Sensitivity 3 | | | |
| +1 year mortality rate | 3,897 | (5,242) | (1,345) |
| Sensitivity 4 | | | |
| -1 year mortality rate | 3,897 | (5,581) | (1,684) |

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

| | 2012 |
|----------------------|--------------|
| | Years |
| Retiring today | |
| Males | 22 |
| Females | 24 |
| Retiring in 20 years | |
| Males | 24 |
| Females | 26 |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments **(continued)**

The values of the assets in the scheme are as follows

| | 2012 | 2012 |
|-------------------------------------|-------------------|-------------------|
| | % | £'000 |
| Equities | 75 00 | 2,922 |
| Bonds | 10 00 | 390 |
| Property | 1 00 | 39 |
| Other assets | 14 00 | 546 |
| | <u> </u> | <u> </u> |
| Total market value of assets | | 3,897 |
| Present value of scheme liabilities | | (5,411) |
| | | <u> </u> |
| Net pension liability | | (1,514) |
| | | <u> </u> |

Analysis of the amounts recognised in the statement of financial activities:

| | 2012 |
|---|-------------------|
| | £'000 |
| Employer Service Cost | (260) |
| Deficit Inherited from Predecessor School | (1,142) |
| Employers Contribution | 272 |
| | <u> </u> |
| Total operating charge | (1,130) |
| | <u> </u> |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments **(continued)**

Analysis of the amount shown as other finance expenditure.

2012
£'000

| | |
|--|-------|
| Expected Return on Employee Share of Scheme Assets | 207 |
| Interest on Pension Liabilities | (253) |
| | <hr/> |
| Net surplus/(deficit) | (46) |
| | <hr/> |

Analysis of amount recognised in the statement of total recognised gains and losses:

2012
£'000

| | |
|--|-------|
| Actuarial Gains/(Losses) on Assets | 178 |
| Actuarial Gains/(Losses) on Liabilities | (516) |
| | <hr/> |
| Actuarial Gain/(Loss) recognised in the statement of total recognised gains and losses | (338) |
| | <hr/> |

Movement in Surplus/(Deficit) during the period:

2012
£'000

| | |
|-------------------------------------|---------|
| Operating charge | (1,130) |
| Other finance income | (46) |
| Actuarial losses | (338) |
| | <hr/> |
| Deficit in scheme at 31 August 2012 | (1,514) |
| | <hr/> |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments (continued)

Movements in the Present Value of Defined Benefit Obligations were as follows.

| | 2012 |
|--------------------------------------|----------------|
| | £'000 |
| Interest Cost | (253) |
| Actuarial (Losses) Gains | (516) |
| Contributions by Scheme Participants | (93) |
| Other Movements | (4,549) |
| | <u>(5,411)</u> |

Included within Other Movements is £4,363,000 in relation to the obligations inherited by the Academy, £260,000 of service costs, and £(74,000) in relation to benefits paid

Movements in the Fair Value of Academy's share of scheme assets

| | 2012 |
|--|--------------|
| | £'000 |
| Actuarial Gains (Losses) | 178 |
| Contributions by Employer including unfunded | 272 |
| Contributions by Scheme Participants | 93 |
| Other Movements | 3,354 |
| | <u>3,897</u> |

Included within Other Movements is £3,221,000 of assets inherited by the Academy, £207,000 relating to expected return on plan assets, and £(74,000) of benefits paid

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments

(continued)

Defined benefit (continued)

History of experience gains and losses

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|----------------|----------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Present value of defined benefit obligations | (5,411) | (4,363) | - | - | - |
| Fair value of share of scheme assets | 3,897 | 3,221 | - | - | - |
| | <u>(1,514)</u> | <u>(1,142)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Experience adjustment on scheme liabilities | - | - | - | - | - |
| Percentage of liabilities | - | - | - | - | - |
| Experience adjustment on scheme assets | 178 | - | - | - | - |
| Percentage of assets | 4.57% | - | - | - | - |

18 Net cash inflow from operating activities

2012
£'000

Reconciliation to changes in resources

| | |
|--|------------|
| Changes in resources before revaluations | 30,751 |
| Cash transferred on conversion | (1,194) |
| Investment income | (1) |
| Depreciation of tangible fixed assets | 2 |
| Increase in debtors | (299) |
| Increase in creditors | 978 |
| Non cash donations | (30,554) |
| Capital Income | (183) |
| FRS17 Deficit Inherited on Conversion | 1,142 |
| Other FRS17 Charges | 34 |
| | <u>676</u> |

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

| | |
|--|--------------|
| 19 Reconciliation of net cash flow to movement in net funds | 2012 |
| | £'000 |
| Increase in cash | 2,042 |
| Net funds at 29 June 2011 | - |
| | <hr/> |
| Net funds at 31 August 2012 | 2,042 |
| | <hr/> <hr/> |

| | | | |
|---|------------------|-----------------|---------------------|
| 20 Analysis of net cash balances | Cash flow | Non-cash | At 31 August |
| | | changes | 2012 |
| | £'000 | £'000 | £'000 |
| Cash at bank and in hand | 2,042 | - | 2,042 |
| | <hr/> | <hr/> | <hr/> |
| | 2,042 | - | 2,042 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

21 Contingent liabilities

The Academy is negotiating with another educational institution regarding maintenance services costs of £299,610 invoiced to the Academy on 24 January 2012 in respect of shared costs. Governors have disputed this claim and having assessed the likelihood of a liability arising, they are satisfied that no liability will materialise. No provision is therefore included in the accounts in respect of this matter.

22 Capital commitments

During the period the academy commenced a boiler replacement project at an estimated cost of £760,000. Funding of £146,000 was received in 2011/12 from which costs of £62,465 were incurred. The balance of costs to completion are expected to be funded from the unspent capital balance as at 31 August 2012 plus future funding in 2012/13.

GRAVENEY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2012

23 Conversion to an Academy

On 01 August 2011 the Graveney School converted to Academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Graveney School from the London Borough of Wandsworth for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income/resources expended in the Statement of Financial Activities as Voluntary income/other resources expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Fixed Asset funds £'000 | Total 2012 £'000 |
|---|--------------------------------|------------------------------|-------------------------------|------------------------|
| Tangible Fixed Assets | | | | |
| - Freehold / Leasehold Land & Buildings | - | - | 30,564 | 30,564 |
| - Other Tangible Fixed Assets | - | - | - | - |
| Budget Surplus/(Deficit) on Local Authority Funds | 1,011 | - | - | 1,011 |
| Budget Surplus/(Deficit) on Other School Funds | - | 183 | - | 183 |
| LGPS Pension Surplus/(Deficit) | - | (1,142) | - | (1,142) |
| Borrowing Obligations | - | - | - | - |
| Other identified Assets & Liabilities | - | 1,082 | - | 1,082 |
| | <u>1,011</u> | <u>123</u> | <u>30,564</u> | <u>31,698</u> |

The above net Assets / Liabilities include £1,194k that were transferred as cash

24 Members' Liability

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