

**Independent Jewish Day School**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Period ended 31 August 2012**



**Company Registration Number:  
7718480 (England and Wales)**

**Independent Jewish Day School**

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## **Independent Jewish Day School**

### **Reference and Administrative Details**

#### **Governors (Trustees/Directors)**

Anushka Levey (Chairman)  
Phillip Selby (Vice Chairman) \*  
Amanda Lando  
Shmuli Dony  
Ayalah Hirst (Responsible Officer) \*  
Ruth Keller  
Jul Kornbluth \*  
Elaine Kornbluth  
Louise Lanzkron  
Tania Marcus  
Debbie Meyer \*\*  
Sara Selby  
Anne Baruch  
Kerry Rosenfeld  
Marion Tapnack \*  
John Wosner  
Jonathan Grodzinski

\*members of finance  
committee

\*\*resigned 1 May  
2012

#### **Company secretary**

Marion Tapnack

#### **Senior Management Team**

Head Teacher	Amanda Lando
Deputy Head	Rav Cobi Ebrahimoff
Assistant Head	Lady Kestenbaum
Assistant Head	Ruth Keller
SENCO	Kim Miller
Business Manager	Marion Tapnack

## **Independent Jewish Day School**

### **Reference and Administrative Details (continued)**

Principal and Registered Office	46 Green Lane Hendon London NW4 2AH
Company Registration Number	7718480 (England and Wales)
Independent Auditor	Purcells Chartered Accountants 4 Quex Road London NW6 4PJ
Bankers	National Westminster Bank 1 Hatton Garden London EC1P 1DU

## **Independent Jewish Day School**

### **Governors' Report**

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2012

### **Incorporation**

The charitable company was incorporated on 26 July 2011 and the school converted to Academy status on 18<sup>th</sup> August 2011. The School is commonly known as IJDS.

### **Structure, Governance and Management**

#### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The Charitable 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 Independent Jewish Day School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Independent Jewish Day School.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

#### Members' Liability

The Academy Trust's funding agreement does not specify any personal liability of the members of the charitable company.

#### Governors' Indemnities

There are no qualifying third party indemnity provisions to disclose.

#### Principal Activities

The goal of the Academy is to advance the education of Jewish children in particular, but without prejudice to the generality of the foregoing, by supporting the provision of education in conjunction with secular studies at the school. Our aim is to work in partnership with parents and to equip our pupils with the confidence, skills and knowledge to reach the highest standards in all secular and Jewish studies. Throughout the Curriculum we encourage all the children to strive for personal excellence and build a strong sense of values.

#### Method of Recruitment and Appointment or Election of governors

Directors are recruited through a process of selection and election. The process involves

## **Independent Jewish Day School**

### **Governors' report (continued)**

nomination of potential trustees from the membership base. Nominees are then elected at the Directors Annual General Meeting. From time to time the Board of Directors invites new people to join.

All new Directors receive information about the roles and responsibilities of Directors. They are also invited to meet with the Finance Director and senior leadership team to understand more about the operations of the School. New Directors are given support in their role by incumbent Directors and staff members.

#### Policies and Procedures Adopted for the Induction and Training of governors

All new governors are given an induction by the chair of governors. The new governor is assigned to specific committees with defined remit and responsibilities. Experienced governors mentor new governors in their roles. The chair of governors and a deputy chair have ongoing communication with the new governor, and receive regular feedback from experienced governors on the new governor's learning and development.

#### Organisational Structure

The Board of Governors is responsible for overall governance. It is also responsible for keeping financial records which disclose the financial position of the charity.

The Board of Governors considers recommendations from two sub-committees, the Personnel Sub-Committee and the Finance Sub-Committee, which are then adopted or rejected.

The Personnel Sub-Committee looks at issues around personnel and human resources. Its main concerns are policies around recruitment, staff training and staff contracts. Its key decisions include the development of key policies relating to selection, recruitment, appointment of new staff, the disciplinary policy and process and all human resource matters. This Sub-Committee consists of the Chair, and other Directors.

The Finance Sub-Committee oversees income and expenditure across all project areas. It looks at issues around financial controls. The Chair, a Deputy Chair, the Responsible Officer and other Directors sit on this Committee. Both sub-committees work closely together, making recommendations which are taken to the Board of Governors.

The Board of Governors delegates the day-to-day running of the school to the Head Teacher who shares this management responsibility with the finance director, also known as the School Business Manager. They have a senior leadership team and together they manage the school. The Governors are in regular communication with the Head Teacher, the Finance Director and members of the senior leadership team.

#### Risk Management

The Governors and management team have identified the major risks to which the academy is exposed. These risks are regularly reviewed, and systems and procedures have been

## **Independent Jewish Day School**

### **Governors' report (continued)**

established to manage them. These risks can be divided into three main categories: financial controls, property maintenance and operational risks. The Academy uses risk assessment documents to evaluate its risks and the systems in place to manage them. The board of governors regularly assesses the major strategic and operational risks and confirms that systems have been established so that the necessary steps can be taken to reduce these risks.

There are systems of financial controls in place to ensure healthy cash flow, detailed internal reporting and complete and timely submission of all necessary external returns. The Key Financial Performance Indicators are a tool for financial controls and mitigating these risks. Premises risks are assessed extensively. Premises risk controls include water, fire, electricity and PAT testing certificates. There is continuous maintenance of the building. To ensure that we comply with all statutory maintenance regulation, the academy employs professional testing services. The operational risks are regularly assessed and managed. The Academy is regularly inspected and approved for all Health and Safety standards and regulations. There are numerous systems in place to reduce the fire risks. These measures include fire alarms, fire drills each term, a written fire policy evacuation procedure and annual fire extinguisher checks. A final example is risks associated with school outings. To manage these risks the school has a risk management document specific for any and every outing. This assessment is completed and reviewed prior to any outing and often accompanied by a site visit.

#### Connected Organisations including Related Party Relationships

Some of the directors of the Academy are also trustees of the Classics Charitable Trust. The latter allows the Academy to use the school premises on licence, rent free.

### **Objectives and Activities**

#### Objects and Aims

Our aim is to equip our children with the confidence, skills and knowledge to reach the highest standards in Jewish and Secular Studies while working in partnership with parents. Our Jewish Studies curriculum is developed in-house and Secular Studies are informed by the National Curriculum and OFSTED providing breadth of study in all subjects.

#### Objectives, Strategies and Activities

Our objective is to develop in all pupils the enjoyment of and commitment to learning, as a means of encouraging their best possible progress and attainment. Every child will experience success from their accomplishments. This objective is met strategically throughout all levels of the curriculum. We develop their knowledge, skills and confidence in their capacity to learn and work independently and collaboratively. All children at the IJDS are encouraged to think for themselves, question their learning and solve problems. It is our priority that every child will read Hebrew fluently and with understanding. Children are monitored closely and receive individual help to achieve this goal. Hebrew is the primary language of Jewish Studies teaching beginning with the nursery. Helping children understand a foreign language at such an early age equips them with knowledge and confidence that not only strengthens their ability to learn from Jewish traditional texts, but has foreign language applications as well. Homework is an integral part of the educational process and provides an essential link between home and school. At the IJDS homework is seen as an opportunity for children and parents to share in the learning process.

## **Independent Jewish Day School**

### **Governors' report (continued)**

From Key Stage 1 children are set tasks in both Jewish and Secular Studies to extend and reinforce material covered in school

Through the curriculum we also help pupils develop physical skills. We encourage them to pursue a healthy lifestyle and to keep themselves and others safe. Physical Education is taught in a style that encourages children to give their best both individually and as team members. We give children many sporting opportunities in which they can compete or simply participate to the best of their ability and enjoy the experience. IJDS football and netball teams compete against other schools, playing league games and friendly matches both at home and away. We look for opportunities to participate in inter-school sport activities. For example, this year all pupils got to participate in a Barnet swimming gala. In addition, we host an intra-school sports day and other ad-hoc year specific multi-sports games.

At the IJDS information technology is seen as an interdisciplinary tool. Whole-class teaching of the ICT curriculum takes place in a purpose built ICT suite. We are currently researching how best to update these resources in the near future. Music has always played an important part in school life. All pupils have regular singing, composition and music appreciation classes. Regular musical assemblies and performances occur throughout the year to showcase the children's individual and collective musical strengths. The children also have the opportunity to learn a range of musical instruments in our fully equipped music room. This year the school hosted a musical festival that celebrated many forms of musical expression and exploration, such as drumming sessions for the pupils.

All our pupils are continuously encouraged to respond to their learning experiences and the world around them. The pupils are encouraged to come up with ideas to raise money for charity, and the staff support the children in bringing their ideas to fruition. In addition the IJDS is developing links with other multi-cultural schools in the local community through joint learning experiences.

#### Public Benefit

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit. The aim of our charitable company is to offer the public benefit of advancing education for the pupils of the school. Pupils are admitted to the school on the basis of catchment area and a lottery. The catchment area is divided into two, based on a more defined proximity to the school. Places to the school are chosen by a lottery from each catchment area.

The activities that were carried out during the year were for the purpose of accomplishing our aim of giving education. The IJDS implemented and taught the National Curriculum. At the same time, the IJDS designed, implemented and taught a Jewish Studies curriculum integrated with the National Curriculum. These formal educational goals have been supported by physical education, Information Technology training and Music and Arts education among others. The pupils were taken on outings to museums, galleries and field centres to enhance their learning experiences. Our pupils, the beneficiaries of our public benefit, receive the full benefit of all of our activities in the form of receiving comprehensive, creative and confidence building education.

Furthermore, the public benefit from our activities extends to the wider society. The IJDS seeks out opportunities to form links with the local community. For example, the children from year three would go visit with the residents of a local home for the elderly. The Head of Jewish Studies went to a local secondary school to talk about Jewish traditions with the aim of promoting understanding and tolerance amongst multi-cultural schools. The pupils organized a school fete to raise money for a public body. The children chose to donate these funds to Great Ormond St Hospital.



## **Independent Jewish Day School**

### **Governors' report (continued)**

#### **Achievements and Performance**

The published SATs results indicate the success of the school to achieve its objectives. The IJDS received outstanding Secular Studies results. Specifically, the IJDS was in the number one position in Barnet. The IJDS came at the top of the primary school leagues in Barnet.

#### **Going Concern**

After making appropriate enquiries, the governing body has a reasonable expectation that the academy trust 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 Statement of Accounting Policies.

#### **Financial Review**

The financial position of the Independent Jewish Day School Academy trust is secure. The income was used to achieve the aims of the Academy trust within the allocated budget. The cash flow is healthy such that the school can function optimally. The balance sheet represents a charitable company that is stable. The item that requires explanation is the inherited deficit from the Local Government Pension Scheme.

The financial management policies used throughout the year were consistent with the Department for Education regulations for financing schools. The governors assume overall financial responsibility of the school including ratifying and approving the school budget. The governing body also approves any expenditure on any major capital expenditure projects. Upon receipt of the allocation from the Department of Education the Finance Director and Finance Governors created a budget that was then approved by the remaining governors. The allocation of funding was split into three main categories including, employees, premises and supplies and services. The principal source of funding was the DfE/EFA General Annual Grant, accounting for 74% of the IJDS Academy trust income for the period ending 31 August 2012. The funding from LB Barnet accounts for 12% of income received, and the final 14% was from voluntary donations.

All the expenses related directly to advancing the educational aims of the IJDS Academy Trust. The main expense of the school was staff salaries, accounting for 76% of total resources expended. These salaries were reviewed annually in line with legislation by the personnel and financial sub-committee. Similarly, these committees approved any staff appointments and salary decisions. They ensured that staff were correctly and fairly appointed, and reviewed performance targets for the Head Teacher and Deputy Head teachers. Payroll was prepared monthly and in-house. All monthly salary reports were checked by the deputy head, and paper and electronic copies were kept.

The School Business Manager ensured that all purchases and payments were carried out according to the Academy's written policies. Official orders were used for all purchases, where appropriate, and payment was made according to the purchase orders. Invoices were authorised by the necessary signatories and filed in alphabetical order. Accurate and current accounting records were maintained adhering to the IJDS's Internal Financial Control policies. The School business Manager also reviewed regular maintenance, and ensured that cyclical maintenance was carried out. All cheques required two signatures, from the business manager and the chair of governors and were never pre-signed. Bank statements were received monthly and reconciled with

## **Independent Jewish Day School**

### **Governors' report (continued)**

accounting records. The bank account was never in overdraft, although a prudent facility is in place in case the need should arise. Most importantly, the Finance Director advised the Governing body on spending priorities, implemented expenditure in line with the school budget, and submitted budget monitoring reports. These reports were on a quarterly basis and gave details of income, expenditure and commitments. The Responsible Officer visited the academy at least once a quarter to review a range of financial management examples. These checks included payroll amendments, purchase orders, unpaid and paid invoices, VAT tax returns and budget monitoring spreadsheets.

Key Financial Performance Indicators are used to conduct business reviews. A KPI of a projected end-of-term bank balance was used to analyse the cash balance at the end of term. This KPI enabled the Head Teacher, Finance Director and Board of Governors to ensure that the general activities and funding of the Academy trust occurred as planned. Classroom numbers were continuously monitored as a KPI. As number of pupils affects funding, though major movement is unexpected, the number of students in each class was closely monitored. The Board of Governors is pleased to report that the classrooms were full and appropriately funded. Finally the funding allocation from the DfE and local authority for early years and statement children was closely monitored. The KPI of allocated income from these sources was carefully checked against incoming receipts.

### **Financial and Risk Management Objectives and Policies**

The Financial Instruments that the IJDS Academy Trust dealt with during the period of these accounts were cash at bank, trade creditors and limited trade debtors. The Board of Governors does not deem this information material to the assessment of the trust's financial position. These items are detailed in the Balance sheet under current assets and creditors. The trust does have a deficit due to the Local Government defined benefit pension scheme. This is identified separately in the balance sheet as a long term liability. A more detailed discussion of this LGPS deficit appears in note 19 to the balance sheet.

### **Principal Risks and Uncertainties**

The major risks to which the Academy Trust is exposed, as identified by the Board of Governors, have been reviewed and systems have been established to mitigate those risks. The principal uncertainty is the inheritance of an underfunded defined benefit contribution pension scheme from the London Borough of Barnet. This was transferred to us from Barnet, the local government, on 18 August 2011 when we became an Academy Trust. To be clear, this deficit does not result in an immediate cash flow problem nor is it a liability that must be settled immediately. The pension deficit disclosed does not mean that the equivalent amount is already committed and is no longer available to the trustees to further the charity's objectives. The actuarial evaluation resulting in the LGPS deficit results in an increase to the scheme contributions over a period of years.

### **Reserves Policy**

The trustees review annually the level of reserves that will enable the charity to cope with specific unforeseen events, contingencies and opportunities. It is the policy of the charity to aim to ensure that the unrestricted and designated funds are at a level that is approximately three months expenditure at a very reduced activity level. The reserves will also be used to enable the charity to continue operating when there is a temporary or partial cessation of funding. The Board of Governors have agreed to fund any excess expenses in the running the school that funding from

## **Independent Jewish Day School**

### **Governors' report (continued)**

the DfE does not cover. Need is analysed each term. Any DfE restricted funding is treated accordingly, and unrestricted funds are used within the period.

A surplus or deficit position of the pension scheme would generally result in a cash flow effect for the academy trust in the form of an increase or decrease in employers' pension contributions over a period of years. The academy trust will revisit its current business plans and budgets and ascertain the need to change its budget in lieu of the actuarial IFRS 17 pension contribution costs determination. On the basis that increased pension contributions should generally come from the academy trust's budgeted annual income, there should be no actual cash flow deficit on the charitable fund, or direct impact on the free reserves of the academy due to recognizing the pension deficit and follows no impact on the general activities of the Academy Trust.

### **Investment Policy**

As there are no unrestricted reserves the IJDS Academy Trust does not engage in investment.

### **Plans for Future Periods**

The IJDS Academy Trust aims to continue in its path of excellent academic results. Scoring top of the Barnet league tables indicates the obtainment of the Academy's key objectives. We will sustain this level of academic success with our pedagogical models. The positive feedback from the excellent results rewards and continues to motivate teachers, pupils, parents and positions the IJDS for another excellent year ahead.

The school has received great feedback from the pupils' community involvement and aims to continue with these projects. As such, plans for activities with other community schools and visits to homes for the elderly are already scheduled.

The IJDS aims to build on the exciting atmosphere of the Olympics from summer 2012. The sporting activities of the school will be further enhanced and promoted. Plans in place are sporting events with other community schools and additional extra-curricular sporting opportunities. Finally, the Academy Trust aims to develop its environmentally friendly initiatives. It aims to adhere to the Sustainable Development Policy of the government initiative.

### **Funds held as Custodian Trustee on behalf of others**

The IJDS Academy Trust or its governors are not acting as custodian trustees.

### **Auditors**

In so far as the governors are aware:

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

## **Independent Jewish Day School**

### **Governors' report (continued)**

The auditors, Purcells, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting

Approved by order of the members of the Governing body on 15 January 2013 and signed on its behalf by



**ANUSHKA LEVEY**

Chair of Governors

## **Independent Jewish Day School**

### **Governance Statement**

#### **Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Independent Jewish Day 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 the Head Teacher and the Finance Director, 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 Independent Jewish Day 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 year at meetings of the governing body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Levey (Chairman)	3	3
P Selby (Deputy Chair)	3	3
A Lando	2	3
S Dony	2	3
R Keller	3	3
J Kornbluth	1	3
E Kornbluth	1	3
L Lanzkron	1	3
T Marcus	2	3
D Meyer	1	2
S Selby	3	3
A Baruch	3	3
K Rosenfeld	2	3
M Tapnack	3	3

## **Independent Jewish Day School**

### **Governance Statement (continued)**

J Wosner	0	3
J Grodzinski	2	3

The Finance Committee is a sub-committee of the main governing body. Its purpose is to oversee financial management of the school.

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Marion Tapnack	3	3
Jul Kornbluth	2	3
Phillip Selby	3	3

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 the Independent Jewish Day 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 trust 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 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 trust'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,

## **Independent Jewish Day School**

### **Governance Statement (continued)**

- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts
- clearly defined purchasing guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Ayalah Hirst, an ACMA qualified Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, Ayalah Hirst reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. The RO's functions have been fully delivered in line with the EFA's requirements.

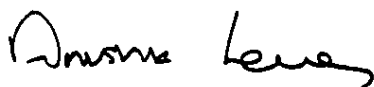
### **Review of Effectiveness**

The Finance Director has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the work of the Board of Directors,
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

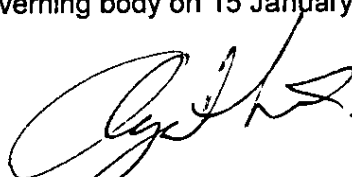
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 15 January 2013 and signed on its behalf by



**ANUSHKA LEVEY**

**Chair of Governors**



**AYALAH HIRST**

**Responsible Officer  
Acting Accounting Officer**

**The Head Teacher, the Accounting Officer has delegated the responsibility to the Responsible Officer as the Acting Accounting Officer in her absence.**

## **Independent Jewish Day School**

### **Statement on Regularity, Propriety and Compliance**

As accounting officer of Independent Jewish Day School academy trust 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 trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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

A handwritten signature in black ink, appearing to read 'Ayalah Hirst', with a stylized flourish at the end.

**AYALAH HIRST**

**Responsible officer**



## **Independent Jewish day School**

### **Statement of governors' Responsibilities**

The governors (who act as trustees for charitable activities of Independent Jewish Day 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 financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 in 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, and
- 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.

**Independent Jewish day School**

**Statement of governors' Responsibilities (continued)**

Approved by order of the members of the governing body on 15 January 2013 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Anushka Levey'.

**ANUSHKA LEVEY**  
Chair of Governors

## **Independent Jewish Day School**

### **Independent Auditor's Report on the Financial Statements to the Governing Body of Independent Jewish Day School**

We have audited the financial statements of Independent Jewish Day School for the period 26 July 2011 to 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 academy trust'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 academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Governors and auditors**

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the academy trust 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 trust'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 applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the annual Accounts Direction 2011/12 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' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **Independent Jewish Day School**

### **Independent Auditor's Report on the Financial Statements to the Governing Body of Independent Jewish Day School (continued)**

#### **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, or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



Eliot Feingold (Senior Statutory Auditor)  
For and on behalf of Purcells,  
Chartered Accountants and Statutory auditors

4 Quex Road  
London  
NW6 4PJ

Date 15 January 2013

## **Independent Jewish Day School**

### **Independent Auditor's Report on Regularity to the Governing Body of Independent Jewish Day 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), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 18 August 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of the governing body and Auditors**

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 18 August 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### **Basis of opinion**

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

## **Independent Jewish Day School**

### **Independent Auditor's Report on Regularity to the Governing Body of Independent Jewish Day School and the Education Funding Agency (continued)**

#### **Opinion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 18 August 2011 to 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



Eliot Feingold (Senior Statutory Auditor)  
for and on behalf of Purcells, Chartered Accountants  
4 Quex Road  
London  
NW6 4PJ

Date 15 January 2013

# Independent Jewish Day School

## Statement of Financial Activities for the period 26 July 2011 to 31 August 2012

(including Income and Expenditure Account and Statement of Total Recognised Gains and losses)

	Note	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2012 £
<b>Incoming resources</b>				
<b>Incoming resources from generated funds:</b>				
Voluntary income	3	146,556		146,556
<b>Incoming resources from charitable activities:</b>				
Funding for the academy's educational operations	4	993,330		993,330
<b>Total incoming resources</b>		<b>1,139,886</b>		<b>1,139,886</b>
<b>Resources expended</b>				
<b>Charitable activities:</b>				
Academy's educational operations	6	1,059,646		1,059,646
Governance costs	7	17,805		17,805
<b>Other Resources expended</b>				
Transfer from Local Authority on conversion	1	79,232	(24,950)	54,282
<b>Total resources expended</b>		<b>1,156,683</b>	<b>(24,950)</b>	<b>1,131,733</b>
<b>Net income for year</b>		<b>(16,797)</b>	<b>24,950</b>	<b>8,153</b>
<b>Other recognised gains and losses</b>				
Actuarial losses on defined benefit pension scheme		(31,000)		(31,000)
<b>Net movement in funds</b>		<b>(47,797)</b>	<b>24,950</b>	<b>(22,847)</b>
<b>Reconciliation of funds</b>				
Total funds brought forward at 26 July 2011				
<b>Total funds carried forward at 31 August 2012</b>		<b>(47,797)</b>	<b>24,950</b>	<b>(22,847)</b>

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Financial Activities Statement

**Independent Jewish Day School**  
**Balance Sheet as at 31 August 2012**

**Company No. 07718480**

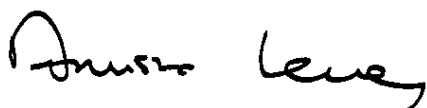
	<b>Note</b>	<b>2012</b> £
<b>Fixed Assets</b>		
Tangible assets	10	56,245
<b>Current Assets</b>		
Debtors	11	23,180
Cash at bank and in hand		<u>94,793</u>
		117,973
<b>Liabilities</b>		
Creditors: amounts falling due within one year	12	(83,065)
<b>Net current assets</b>		<u>34,908</u>
<b>Total assets less Current Liabilities</b>		91,153
<b>Net Assets excluding pension Liability</b>		91,153
Pension Scheme Liability		<u>(114,000)</u>
<b>Net Assets including pension Liability</b>		<u>(22,847)</u>
<b>Funds of the academy:</b>		
<b>Restricted income funds</b>		
Fixed asset fund		24,950
General fund		66,203
Pension reserve		<u>(114,000)</u>
<b>Total funds</b>		<u>(22,847)</u>



**Independent Jewish Day School**

**Balance Sheet as at 31 August 2012 (continued)**

The financial statements on page 3 to 47 were approved by the governors, and authorised for issue on 15 January 2013 and are signed on their behalf by

A handwritten signature in black ink, appearing to read 'Anushka Levey', written in a cursive style.

**ANUSHKA LEVEY**

**Chair of Governors**

## **Independent Jewish Day School**

### **Cash Flow Statement for the period 26 July 2011 to 31 August 2012**

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		<b>2012 £</b>
	<b>Note</b>	
<b>Net cash inflow from operating activities</b>	<b>16</b>	<b>160,599</b>
<b>Capital expenditure</b>	<b>17</b>	<b><u>(65,806)</u></b>
<b>Increase in cash in the period</b>		<b><u>94,793</u></b>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Net funds at 26 July 2011		-
<b>Net funds at 31 August 2012</b>		<b><u>94,793</u></b>
<b>All of the cash flows are derived from acquisitions in the current financial period</b>		

---

# **Independent Jewish Day School**

## **Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012**

### **1. Statement of Accounting Policies**

#### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice' Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **Going Concern**

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 financial statements. The governors consider that the preparation of the accounts on the going concern basis is appropriate.

#### **Incoming Resources**

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

#### **Grants receivable**

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

#### **Donations**

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

#### **Other income**

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

# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012

### Statement of Accounting Policies (continued)

#### Donated Services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Independent Jewish Day School (Charitable Trust) to an academy trust (incorporated 26 July 2011) on the 18<sup>th</sup> August 2011 have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Independent Jewish Day School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in other resources expended in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out below.

Upon becoming an academy trust, the charitable company received a transfer of assets and liabilities with no consideration. The assets were valued at market value and the pension scheme liability was valued at actuarial valuation.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	£	
Tangible Fixed Assets (other)	24,950	(Restricted Fixed Asset Fund)
Other identifiable asset	3,768	(Restricted General Fund)
Defined benefit pension scheme liability	<u>(83,000)</u>	(Restricted Pension Reserve)
	<u>(54,282)</u>	

The resulting exceptional loss was included in the Statement of Financial Activities under other resources expended.

#### 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.

# **Independent Jewish Day School**

## **Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)**

### **1. Statement of Accounting Policies (continued)**

#### **Charitable activities**

These are costs incurred on the academy trust's educational operations

#### **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT

#### **Tangible Fixed Assets**

Assets costing £300 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 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 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 trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Freehold buildings	10%
Fixtures, fittings and equipment	20%
ICT equipment	20%

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.

#### **Leased Assets**

Rentals under operating leases are charged on a straight-line basis over the lease term.

#### **Taxation**

The academy trust 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 academy

# **Independent Jewish Day School**

## **Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)**

### **1. Statement of Accounting Policies (continued)**

trust 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

#### **Conversion to an Academies Trust**

On 18<sup>th</sup> August 2011 the Independent Jewish Day School (charitable trust) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Independent Jewish Day School (academy trust) from the London Borough of Barnet Local Authority 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 resources expended in the Statement of Financial Activities as other resources expended

#### **Pensions Benefits**

Retirement benefits to employees of the academy trust 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 trust

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 trust 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 19, the TPS is a multi-employer scheme and the academy trust 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 trust in separate trustee funds administered by the London Borough of Barnet. 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 are 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 credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### **Fund Accounting**

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

# **Independent Jewish Day School**

## **Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)**

### **1. Statement of Accounting Policies (continued)**

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the London Borough of Barnet 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 Education Funding Agency/Department for Education

# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

### 2. General Annual Grant (GAG)

a. Results and Carry Forward for the Year	2012
	£
GAG brought forward from previous year	-
GAG allocation for current year	857,097
<b>Total GAG available to spend</b>	<b>857,097</b>
Recurrent expenditure from GAG	(1,077,451)
Fixed assets purchased from GAG	-
<b>GAG carried forward to next year</b>	<b>-</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(102,849)
<b>GAG to surrender to DfE</b>	
(12% rule breached if result is positive)	(102,849)
	<b>no breach</b>

### 3 Voluntary Income

	Unrestricted	Restricted	Total
	Funds	Funds	2012
	£	£	£
Donations	-	146,556	146,556
	<b>-</b>	<b>146,556</b>	<b>146,556</b>



# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

### 4 Funding for academy's educational operation

	Unrestricted Funds	Restricted Funds	Total 2012
	£	£	£
<b>DfE / EFA revenue grants</b>			
General Annual Grant (GAG) (note 2)	-	857,097	857,097
Start Up Grants	-	-	-
Other DfE / EFA grants	-	-	-
	-	857,097	857,097
<b>Other Government grants</b>			
Local authority grants	-	108,293	108,293
Special educational projects	-	27,940	27,940
	-	136,233	136,233
	-	993,330	993,330

# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

### 5 Resources Expended

	Staff Costs	Non Pay l Premises	Expenditure Other Costs	Total 2012
	£	£	£	£
Costs of generating voluntary income	-	-	-	-
Costs of activities for generating funds	-	-	-	-
Academy's educational operations				
Direct costs	742,332	-	65,571	807,903
Allocated support costs	118,007	108,125	25,611	251,743
	860,339	108,125	91,182	1,059,646
Governance costs including allocated support costs	-	-	17,805	17,805
Other resources expended	-	-	54,282	54,282
	860,339	108,125	163,269	1,131,733

### Incoming/outgoing resources for the year include:

2012

£

Operating leases	-
Fees payable to auditor - audit	3,000
- other services	7,000
Profit/(loss) on disposal of fixed assets	-

# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

### 6 Charitable Activities: Academy's educational operation

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
<b>Direct costs</b>			
Teaching and educational support staff	-	737,621	737,621
Depreciation	-	5,961	5,961
Educational supplies	-	44,129	44,129
Staff development	-	4,711	4,711
Educational consultancy	-	15,481	15,481
Other direct costs	-	-	-
	-	807,903	807,903
<b>Allocated support costs</b>			
Support staff costs	-	110,219	110,219
Depreciation	-	3,600	3,600
Recruitment and support	-	7,788	7,788
Maintenance of premises and equipment	-	61,872	61,872
Cleaning	-	27,973	27,973
Insurance	-	14,680	14,680
Security and transport	-	23,066	23,066
Bank interest and charges	-	448	448
Other support costs	-	2,097	2,097
	-	251,743	251,743
	-	1,059,646	1,059,646

# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

### 7 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Legal and professional fees	-	14,805	14,805
Auditor's remuneration			
Audit of financial statements	-	3,000	3,000
	-	17,805	17,805

### 8 Staff costs

Staff costs during the period were	2012 £
Wages and salaries	725,331
Social security costs	59,254
Pension costs	63,255
	847,840
Supply teacher costs	-
Compensation payments	-
	847,840

# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

### 8 Staff costs (continued)

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

	2012 No.
<b>Charitable Activities</b>	
Teachers	33
Administration and support	10
Management	5
Total	<hr/> 48 <hr/>

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

	2012 No.
£60,001 - £70,000	1
£70,001 - £80,000	-

The above employee participated in the Teachers' Pension Scheme but not in the Local Government Pension Scheme. During the period ended 31 August 2012, pension contributions for this member of staff amounted to £9,099.

### 9 Governors' remuneration and expenses

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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 was as follows

Head Teacher	£65,784
Other staff Governor	£42,499
Other staff Governor	£24,259

## Independent Jewish Day School

### Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

<b>10 Tangible Assets</b>	<b>Freehold Land and Building £</b>	<b>Furniture and Equipment £</b>	<b>Computer Equipment £</b>	<b>Total 2012 £</b>
<b>Cost</b>				
At 26 July 2011	-	-	-	-
Transfer on conversion	-	13,050	11,900	24,950
Additions	36,000	-	4,856	40,856
Disposals	-	-	-	-
<b>At 31 August 2012</b>	<b>36,000</b>	<b>13,050</b>	<b>16,756</b>	<b>65,806</b>
<b>Depreciation</b>				
At 26 July 2011	-	-	-	-
Charged in year	3,600	2,610	3,351	9,561
Disposals	-	-	-	-
<b>At 31 August 2012</b>	<b>3,600</b>	<b>2,610</b>	<b>3,351</b>	<b>9,561</b>
<b>Net book values</b>				
<b>At 31 August 2012</b>	<b>32,400</b>	<b>10,440</b>	<b>13,405</b>	<b>56,245</b>
<b>At 26 July 2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

### 11 Debtors

	<b>Total 2012 £</b>
Other debtors	<u>23,180</u>

### 12 Creditors

<b>Amounts falling due within one year</b>	<b>Total 2012 £</b>
Trade creditors	13,362
PAYE & NIC creditor	23,703
Other taxation and social security	-
Other creditors	46,000
Accruals and deferred income	-
	<u>83,065</u>

# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31<sup>st</sup> August 2012 (continued)

### 13 Funds

#### Restricted General Funds

	Balance at 26 July 2011 £	Incoming Resources £	Resources Expended £	Gains Losses and Transfers £	Balance at 31 August 2012 £
General Annual Grant (GAG)	-	1,139,886	(1,073,683)	-	66,203
Start Up Grant	-	-	-	-	-
Other DFE/EFA Grants	-	-	-	-	-
Provision of Boarding	-	-	-	-	-
Pension Reserve	-	-	(83,000)	(31,000)	(114,000)
	-	1,139,886	(1,156,683)	(31,000)	(47,797)

#### Restricted Fixed Asset Funds

DFE/EFA Capital Grants	-	-	-	-	-
Capital Expenditure from GAG	-	-	-	-	-
Transfer on conversion	-	-	-	24,950	24,950
<b>Total restricted Fund</b>	-	1,139,886	(1,156,683)	(6,050)	(22,847)
<b>Total unrestricted Fund</b>	-	-	-	-	-
<b>Total Funds</b>	-	1,139,886	(1,156,683)	(6,050)	(22,847)

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

- General Annual Grant from DfE/EFA. Usage generally restricted to recurrent expenditure of the academy
- Pension Reserve taken over from London Borough of Barnet Usage restricted to defined benefit pension scheme
- Restricted Fixed Asset Fund Fixed assets taken over from London Borough of Barnet Usage restricted to those assets



# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

- Free Early Years Provision Funding (FEYP) Usage restricted to Nursery provision
- Special Education Needs Funding (SEN) Usage restricted to statemented pupils
- Local Authority Central Spend Equivalent Grant (LACSEG) Usage restricted to recurrent expenditure
- Insurance fund Usage restricted to insurance

### 14 Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	31,295	24,950	56,245
Current assets	-	117,973	-	117,973
Current liabilities	-	(83,065)	-	(83,065)
Pension scheme liabilities	-	(114,000)	-	(114,000)
<b>Total net liabilities</b>	<b>-</b>	<b>(47,797)</b>	<b>24,950</b>	<b>(22,847)</b>

### 15. Financial commitments

#### Operating leases

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

	2012 £
<u>Other</u>	
Expiring within one year	1,220
Expiring within two and five years inclusive	681
Expiring in over five years	-
	<b>1,901</b>

# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

### 16 Reconciliation of net expenditure to net cash inflow from operating activities

	2012 £
Net expenditure	(22,847)
Depreciation	9,561
Increase in debtors	(23,180)
Increase in creditors	197,065
<b>Net cash inflow from operating activities</b>	<b>160,599</b>

£

### 17 Capital expenditure and financial investment

Purchase of tangible fixed assets	(65,806)
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(65,806)</b>

	At 26th July 2011 £	Cash flows £	At 31st August 2012 £
<b>Analysis of changes in net funds</b>			
Cash in hand and at bank	-	94,793	94,793
	-	94,793	94,793

### 18 Members' Liability

The Academy Trust's funding arrangement does not specify any personal liability of the members of the charitable company

# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

### 19 Pension and similar obligations

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 the London Borough of Barnet Both are defined-benefit schemes

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, 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 trust at the balance sheet date

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year

#### Teachers' Pension Scheme

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

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

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

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

# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

### 19 Pension and similar obligations (continued)

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

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

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

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

# **Independent Jewish Day School**

## **Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)**

### **19 Pension and similar obligations**

**(continued) 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 £25,000, of which employer's contributions totalled £20,000 and employees' contributions totalled £5,000. The agreed contribution rates for future years are 80 per cent for employers and 20 per cent for employees.

The actual return on scheme assets was £3,000.

# **Independent Jewish Day School**

## **Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)**

### **19 Pension and similar obligations (continued)**

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

**(continued)**

#### **Amounts recognised in the statement of financial activities**

	<b>2012 £000</b>
Current service cost (net of employee contribution)	16
Past service cost	-
<b>Total operation charges</b>	<b>16</b>
<b>Analysis of pension finance income / (costs)</b>	
Expected return on pension scheme assets	3
Interest on pension liabilities	(6)
<b>Pension finance income / (costs)</b>	<b>(3)</b>

# Independent Jewish Day School

## Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)

### 19 Pension and similar obligations (continued)

#### Local Government Pension Scheme (Continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £114,000 loss

Movement in the present value of defined benefit obligations were as follows

	2012 £000
At 1 September (Taken over)	112
Current service cost	16
Interest cost	6
Employee contributions	5
Actuarial (gain)/loss	32
Benefits paid	-
Past Service cost	-
Curtailments and settlements	-
At 31 August	<u>171</u>

## **Independent Jewish Day School**

### **Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (Continued)**

#### **19 Pension and similar obligations (continued)**

##### **Local Government Pension Scheme (Continued)**

**Movement in the fair value of academy's share of scheme assets:  
were as follows**

	<b>2012 £000</b>
<b>At 1 September (Taken over)</b>	<b>29</b>
Expected return on assets	3
Actuarial gain/ (loss)	0
Employer contributions	20
Employee contributions	5
Benefits paid	0
<b>At 31 August</b>	<b>57</b>

The estimated value of employer contributions for the year ended 31 August 2013 is £20,000



## **Independent Jewish Day School**

### **Notes to the Financial Statements for the period 26 July 2011 to 31 August 2012 (continued)**

#### **20 Related Party Transaction**

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have 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.

Some of the directors of the academy are also trustees of The Classics Charitable Trust. The latter allows the academy to use the school premises on licence, rent free.