

# REGISTRAR OF COMPANIES

**Barnet City  
Academy**

**Operating as  
"London Academy"**

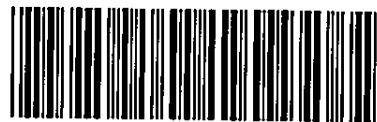
**Report and Financial Statements**

**31 August 2009**

Company Limited by Guarantee  
Registration Number  
04389132 (England and Wales)

Charity Registration Number  
1091759

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## Reference and administrative information

<b>Governors</b>	P Shalson A H Trigg (Principal) Dr M H Platt J Apthorp OBE D I Dover B Ellis Dr R Evans MBE M Glass P O'Hear J Halpern Prince W J Reith J S Rosetti L Standen B Shalson M Wagner
<b>Secretary</b>	J Menell
<b>Registered office</b>	London Academy Spur Road Edgware Middlesex HA8 8DE
<b>Company registration number</b>	04389132 (England and Wales)
<b>Charity registration number</b>	1091759
<b>Auditors</b>	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
<b>Bankers</b>	Lloyds TSB 190 Great Portland Street London W1A 4LN

## **Governors' report** Year to 31 August 2009

The governors of Barnet City Academy (the Academy), who are also directors of the Academy for the purposes of the Companies Act and trustees for the purposes of the Charities Act, present their statutory report and the audited financial statements for the year ended 31 August 2009

The report has been prepared in accordance with Part VI of the Charities Act 1993

The financial statements have been prepared in accordance with the accounting policies on pages 20 to 22 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005')

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy is a company limited by guarantee (company registration number 04389132) and a registered charity which was established on 7 March 2002. The company's memorandum and articles of association are the primary governing documents of the Academy. Members of the company are nominated either by the Secretary of State for Children, Schools and Families or the main sponsors of the Academy. The articles of association require the members of the company to appoint at least three governors to be responsible for the affairs of the company.

The principal objective of the Academy is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, operating and developing a secondary school offering a broad curriculum with a strong influence on business, enterprise and information technology and its principal applications.

The 'funding agreement' was executed and delivered as a deed on 3 March 2004 and signed by the Academy and the Secretary of State for Children, Schools and Families. The funding agreement specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn and that the curriculum should comply with the substance of the national curriculum with emphasis on business, enterprise and information technology and its principal applications.

#### **Members' liability**

The Academy is a company limited by guarantee, without share capital, and a registered charity. Every member of the 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.

## **Governors' report** Year to 31 August 2009

### **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

#### **Governors**

The following governors were in office during the year to 31 August 2009

<b>Governors</b>	<b>Appointed/ Resigned</b>
P Shalson	
A H Trigg (Principal)	
J Apthorp OBE	
D I Dover	
B Ellis	Appointed 4 February 2009
Dr R Evans MBE	
M Glass	
M D Paisner CBE	Resigned 15 October 2008
Dr M H Platt	
J Halpern Prince	
W J Reith (Staff)	
G M Ronson	Resigned 15 October 2008
J S R Rosetti	
B Shalson	
L Snow (Staff)	Resigned 31 December 2008
L Standen	Appointed 4 February 2009
M Wagner	Appointed 10 December 2008

P O'Hear was appointed Governor on 14 October 2009

No governors received any remuneration or reimbursement of expenses from the Academy during the year in the course of their duties as governors

The Articles of Association of the academy contain provisions for the appointment of governors. At any one time the academy must have a minimum of eight academy governors. These include the Principal, two teacher governors (other than the Principal), one staff governor, and one parent governor. The Academy also has one community governor and one governor appointed by the LEA. The Secretary of State may also appoint governors.

The parent governor is elected by the parents of pupils, and the teacher governors and staff governors are appointed by the teachers and staff of the academy.

The term of office of any governor other than the Principal and the sponsor is four years. The period can be extended if the person is eligible to act as a governor.

The academy is in the process of setting up a system for the induction and training of governors into place.

#### **Statement of governors' responsibilities**

The governors (who are also directors of Barnet City Academy for the purposes of company law, and the trustees for the purposes of charity law) are responsible for preparing the governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

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

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Academy and the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 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 financial statements, and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Academy 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 charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the governors confirms that

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

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

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

**Organisational structure**

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Managers are the Principal, five Deputy Principals, six Assistant Principals and the Finance Director. These managers control the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Organisational structure** (continued)

As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Appointment boards for certain senior posts contain a Governor. Some spending control is devolved with limits above which a Senior Manager must countersign.

The Middle Management Team includes Subject Leaders, Strategic Directors and Heads of Student Learning. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

The Academy is working closely with the Department for Children, Schools and Families (DCSF), the Local Education Authority, University of Dundee, University of Bristol, Barnet College and other local organisations.

**Risk management**

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls which is explained in more detail in the following statement.

**Statement on the system of internal financial controls**

As governors, we acknowledge we have overall responsibility for ensuring that the Academy has effective and appropriate systems of controls, financial and otherwise. We are also responsible for keeping proper accounting records which at any time disclose with reasonable accuracy at any time the financial position of the Academy and enable us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- ◆ the Academy is operating efficiently and effectively,
- ◆ its assets are safeguarded against unauthorised use or disposition,
- ◆ the proper records are maintained and financial information used within the Academy or for publication is reliable, and
- ◆ the Academy complies with relevant laws and regulations.

The Academy's systems of internal financial control are designed to provide reasonable, but not absolute, assurance against material misstatement. These are based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Statement on the system of internal financial controls** (continued)

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 Executive 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,
- ◆ identification and management of risks,
- ◆ delegation of authority and segregation of duties, and
- ◆ identification and management of risks

In addition, the governors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have

- ◆ set policies on internal controls which cover the following
  - ◇ the type of risks the Academy faces,
  - ◇ the level of risks which they regard as acceptable,
  - ◇ the likelihood of the risks materialising,
  - ◇ the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise,
  - ◇ the costs of operating particular controls relative to the benefits obtained
- ◆ clarified the responsibility of the Management Team to implement the governors' policies and to identify and evaluate risks for the governors' consideration,
- ◆ explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives,
- ◆ embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy,
- ◆ developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment, and
- ◆ included procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being undertaken



**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Statement on the system of internal financial controls** (continued)

At every meeting the governors receive a verbal report from the Responsible Officer (RO) whose role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The RO 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 carries out a visit to the Academy on a termly basis and prepares a written report for the governors which they receive at each meeting. The Responsible Officer normally discusses the report with the Executive Committee at each Governor's meeting. To date there have been no material control issues arising as a result of the RO's work and this function has been delivered in line with the requirements of the Financial Handbook.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

**OBJECTIVES AND ACTIVITIES**

**Objects, aims and objectives**

The principal object and activity of the company from 1 September 2004 is the operation of the London Academy to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on business, enterprise and information technology as our first specialism and as we were a high performing specialist school we were granted applied learning as a secondary specialism.

The main objectives of the Academy are summarised below:

- ◆ to raise the standard of educational achievement of all pupils,
- ◆ to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- ◆ to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- ◆ to provide value for money for the funds expended,
- ◆ to comply with all appropriate statutory and curriculum requirements,
- ◆ to maintain close links with industry and commerce, and
- ◆ to conduct business in accordance with the highest standards of integrity, probity and openness.

The principal objective of the Academy is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, operating and developing a secondary school offering a broad curriculum with a strong emphasis on business, enterprise and information technology.

**OBJECTIVES AND ACTIVITIES** (continued)

**Public benefit**

The governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. The governors consider that the Academy's aims are demonstrably to the public benefit

**Key Values**

- ◆ Responsibility (of self and others)
- ◆ Integrity (honesty and respect)
- ◆ Good citizenship
- ◆ Creativity
- ◆ Scholarship

**Strategies and activities**

The Academy's main strategy is encompassed in its mission statement which is 'To build a learning community which has access to the best possible teaching facilities and staff' To this end the activities provided include

- ◆ tuition and learning opportunities for all students to attain appropriate academic qualifications,
- ◆ training opportunities for all staff, especially teaching staff;
- ◆ secondments and placing of students with industrial and commercial partners,
- ◆ a programme of sporting and after-school activities for all students, and
- ◆ a careers advisory service to help students obtain employment or move on to higher education

**Equal opportunities**

The governors understand that equal opportunities should be an integral part of good practice within the Academy. The Academy aims to establish equal opportunities in all areas of its activities including creating an environment in which the contribution and needs of the people are fully valued

**Disabled persons**

Full details of policies are available from the Academy

Lifts and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development

## **Governors' report** Year to 31 August 2009

### **OBJECTIVES AND ACTIVITIES (continued)**

#### **Personnel**

The Academy has implemented a number of detailed policies in relation to all aspects of personnel matters including

- ◆ Equal opportunities policy
- ◆ Health and safety policy
- ◆ Disability Equality Scheme
- ◆ Gender Equality Scheme

### **ACHIEVEMENTS AND PERFORMANCE**

The Academy is now in its sixth year of operation and is now full in each year group with a record number of students in year 12 and 13. The Academy is full in years 7-11 with 10 students in CDSL and 370 in the Sixth Form. The Academy had 334 applicants for admission in 2008 and now has access to an independent appeals panel through Barnet Local Authority.

Two new Deputy Principals were appointed for this September along with two Assistant Principals, one of whom is part funded by the Future Leaders Programme. Further teaching appointments have been made and once again five Teach First staff have been employed and have proved to be a significant asset to the Academy.

Staff training to be teachers through the Teach First programme have been successful in qualifying and the Academy continues to invest in developing leadership across the Academy at all levels. The Academy has partnerships with Future Leaders developed from middle to senior leadership development.

The Academy attendance rate which is 94.02% is above the national average and considerably above schools in a similar context.

Examination results for 2009 were very pleasing. The A and AS level candidates achieved excellent results. At GCSE level 65% of grades were A\* - C (2008 = 60%). This figure was above the target set. Pupils achieving one A-G was 100% and five A-G was 98%.

This year, 114 students went on to university and the other ten found employment.

To ensure that standards are continually raised, the Academy operates a programme of observation of lessons, is visited by advisers and has a rolling programme of subject reviews. All areas of the Academy are currently updating both their self-evaluation and development plan.

**ACHIEVEMENTS AND PERFORMANCE** (continued)

Once again the Academy passed the RYA Sailing Club Inspection with flying colours. As part of the Academy's community development programme, the Academy has established links with Barnet College to run courses for the community in ICT. A series of Family Learning Events have also taken place and the Academy is working in partnership with Barnet College and local primary schools to deliver basic English to mothers with little or no English whose son or daughter joined the Academy in September. Barnet Knights, sponsored by the London Chess Centre, held their London Junior Chess Championships at the Academy. The Afghan Association run a Saturday school at the Academy and the local community also run a Somali project and various sporting activities in the Academy's premises.

London Academy is involved with several community groups and organisations.

London Academy has a tradition of supporting the local Stonegrove community by sponsoring St Peter's Church which is on the Stonegrove Estate. Every year the community centre and church have a fun day where they approach local organisations for money. The school pays for them to rent a piece of equipment. This year they needed money to hire some inflatable toys and a bouncy castle for the fun day. In return for this the Academy's logo was given presence on their marketing materials.

Make Believe is a stage school that uses space in the Academy over the weekends to put on drama and music classes for young people aged 3-19. The Academy has facilities that Make Believe need such as ample practice rooms, workshop space, toilets, eating area and the auditorium where the children can put on shows, as well as seating space for parents to wait, and car parking space with a secure drop off/pick up space where parents can drive to. The stage school provides many of the West End shows with child actors and finds the premises ideal for auditions. We advertise the dates in the newsletter and on the plasma screen so that our children can attend the auditions and perhaps get a place in a West End show. Over an audition weekend more than a 1000 come in to the academy.

During the holidays we use Make Believe as our Stage school provider. In conjunction with various local play schemes Make Believe put on quality classes for the local children at a much reduced rate.

As demand for stage school has grown Make Believe has now started to use the academy one evening a week as well as their weekend slots.

Barnet Bulldogs is a basketball group that use our facilities in the evening in return for specialised coaching to our young people. The Bulldogs take an afterschool group from 3.30pm until 5.00pm free of charge and in return the group then use our facilities for their own members at no cost.

We run a table tennis club that is open to local young people on Friday nights. The group is funded by Youth and Connexions because Friday evenings were identified as a possible trouble time for local youth. The money puts on a club that we run at the academy using our staff and equipment.

## **Governors' report** Year to 31 August 2009

### **ACHIEVEMENTS AND PERFORMANCE** (continued)

For the last six holidays we have been working in conjunction with Summerun London Academy puts on an array of fun activities such as jewellery making, stage school, football, table tennis, tennis, touch rugby, trampolining and bmx biking. London Academy takes responsibility for organising the activities and advertises them both in school and on the Summerun web site. We use many of our own coaches and staff as well as outside providers that have a reputation for offering meaningful activities that enthuse, entertain and encourage the young people. The activities are available to all local young people free of charge. The numbers have been growing steadily and London Academy is gaining a reputation for high quality activities that are well organised, well supervised and well monitored. As well as advertising online and within the school - London Academy works directly with its feeder schools offering these holiday activities as informal taster sessions for young people thinking of coming to the academy.

London Academy has just started working with the Gourmet Society to offer a '2 meals for 1' card. In over 3000 participating restaurants holders of the card can enjoy substantial savings. The annual membership for the card is normally over £50 but now it is only £25 and the school gets £10 for every sale they make from staff and parents.

### **FINANCIAL REVIEW**

#### **Financial review for the year**

The financial statements have been prepared in accordance with the current statutory requirements and the Academy's governing documents.

Most of the Academy's income is obtained from the DCSF in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DCSF during the year ended 31 August 2009 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants and donations for fixed assets from the DCSF and its sponsor, Mr Peter Shalson. The total donation received from Peter Shalson Family Charitable Trust to 31 August 2009 was £1,212,650. Other private sector sponsorship and donations received to 31 August 2009 were £207,618. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2009, total expenditure was £10,895,297. The net incoming resources for the year (including the transfer to the fixed assets fund) but excluding restricted fixed asset funds was £63,049.

At 31 August 2009 the net book value of fixed assets was £32,045,249. Movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

**FINANCIAL REVIEW** (continued)

**Reserves policy**

The governors recognise that the Academy needs to hold reserves for a range of reasons, the most common of which are given below

- ◆ a contingency fund to deal with minor adjustments to expenditure from a range of budget areas, e.g. underestimate of examination fees. It is the Board's policy to build up reserves which can be used for future education purposes in line with the development plan, and
- ◆ The deficit in the pension fund for support staff.

The governors will ensure that the Reserves Policy continues to conform to the requirements laid down in the Academies Financial Handbook produced by the DCSF

**Financial position**

The Academy held reserves of £33,205,508 at 31 August 2009, comprising £32,520,540 of restricted funds (which includes a pension reserve deficit of £952,000 and £684,968 of unrestricted general funds)

**PLANS FOR FUTURE PERIODS**

The Academy will continue to improve the levels of performance of its students at all levels

The Academy is offering a new Diploma in construction which is being taught from September 2009. London Academy was accepted as part of a consortia to deliver the Construction and Built Environment Diploma from September 2009. We are also working in partnership to deliver several other Diplomas from 2010 onwards.

Our bid to lead on the Diplomas in ICT and Business and Finance were successful.

Teaching staff development continues to focus on teaching and learning and assessment and is in line with development plans. Nationally there is a change to the Key Stage 3 (KS3) curriculum and the Academy is developing a year 7 curriculum that builds on the key aspects of the enterprise curriculum encouraging independent learning and developing skills for learning.

Leadership development continues to be a priority. The Academy is involved in a number of national leadership programmes including the National Professional Qualification for Headship, Future Leaders and Teaching Leaders. Four staff have been involved in these programmes.

New teachers continue to meet on a weekly basis with a programme of events. The Academy has devoted part of the six weekly meeting cycle to professional development activities.

All teaching staff participate in the Academy Innovation Groups. They consider how the Academy can make use of best practice within the Academy and also learn from other schools and academies to significantly develop an area of the Academy such as the curriculum at KS3.

**Governors' report** Year to 31 August 2009

**PLANS FOR FUTURE PERIODS** (continued)

As part of the Healthy Schools Campaign staff can take part in yoga, table tennis, football, volleyball, fitness and weights, canoeing, sailing and cycling after school

The Academy was chosen to be filmed as an example of best practice in GCSE PE for use by other schools

The Academy is working to improve communication both internally and externally e.g. new telephone system, parent mail, etc. and continues to build links and work closely with the local community

Approved by the governors and signed on their behalf by

Governor

P. O'HEAR

Date



3.02.10

## **Independent auditors' report** Year to 31 August 2009

### **Report of the independent auditors to the members of Barnet City Academy**

We have audited the financial statements of Barnet City Academy for the year ended 31 August 2009, which comprise the statement of financial activities, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement, and the related notes. These financial statements have been prepared under accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 495 of the Companies Act 2006 and the charity's governors, as a body, in accordance with Section 43 of the Charities Act 1993 and the regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members and governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, and the charitable company's governors, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of governors and auditors**

The governors are also trustees for the charitable activities of the Barnet City Academy and are also the directors of the company for the purposes of company law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of governors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you in our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the governors' report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of governors' remuneration specified by law are not made.

We read other information contained in the governors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.



## **Independent auditors' report** Year to 31 August 2009

### **Basis of opinion**

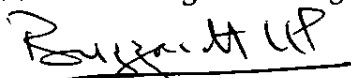
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion

- (a) the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- (b) the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- (c) the financial statements have been prepared in accordance with the Companies Act 2006,
- (d) the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families in respect of the relevant financial year,
- (e) proper accounting records have been kept by the charitable company throughout the financial year,
- (f) grants made by the Department for Children, Schools and Families have been applied for the purposes intended, and
- (g) the information given in the governors' report is consistent with the financial statements.



Avnish Savjani, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
12 New Fetter Lane  
London  
EC4A 1AG

19 February 2010

## Statement of financial activities Year ended 31 August 2009

		Unrestricted general fund £	Restricted funds			Total 2009 £	Total 2008 £
	Notes		DCSF £	Other £	Fixed asset funds £		
<b>Income and expenditure</b>							
<b>Incoming resources</b>							
Incoming resources from generated funds							
Voluntary Income	2	—	—	—	—	—	50,000
Interest receivable	3	69,184	—	—	—	69,184	121,466
Incoming resources from charitable activities							
Funding for the Academy's educational operations	4	—	9,374,935	772,773	18,547	10,166,255	10,598,038
Other income		189,592	—	—	—	189,592	165,027
<b>Total incoming resources</b>		<b>258,776</b>	<b>9,374,935</b>	<b>772,773</b>	<b>18,547</b>	<b>10,425,031</b>	<b>10,934,531</b>
<b>Resources expended</b>							
Charitable activities							
Academy's educational operations	5	156,026	9,025,183	872,278	825,179	10,878,666	9,758,135
Governance	7	—	16,631	—	—	16,631	17,949
<b>Total resources expended</b>		<b>156,026</b>	<b>9,041,814</b>	<b>872,278</b>	<b>825,179</b>	<b>10,895,297</b>	<b>9,776,084</b>
<b>Net incoming (outgoing) resources before transfers</b>		<b>102,750</b>	<b>333,121</b>	<b>(99,505)</b>	<b>(806,632)</b>	<b>(470,266)</b>	<b>1,158,447</b>
<b>Transfers between funds</b>		<b>—</b>	<b>(273,317)</b>	<b>—</b>	<b>273,317</b>	<b>—</b>	<b>—</b>
<b>Statement of total recognised gains and losses</b>							
<b>Net incoming (outgoing) resources</b>		<b>102,750</b>	<b>59,804</b>	<b>(99,505)</b>	<b>(533,315)</b>	<b>(470,266)</b>	<b>1,158,447</b>
<b>Other recognised gains and losses</b>							
Actuarial gains (losses) on defined benefit pension scheme	20	—	(410,000)	—	—	(410,000)	(638,000)
<b>Net movement in funds</b>		<b>102,750</b>	<b>(350,196)</b>	<b>(99,505)</b>	<b>(533,315)</b>	<b>(880,266)</b>	<b>520,447</b>
<b>Balances brought forward at 1 September 2008</b>		<b>582,218</b>	<b>703,607</b>	<b>221,385</b>	<b>32,578,564</b>	<b>34,085,774</b>	<b>33,565,327</b>
<b>Balances carried forward at 31 August 2009</b>		<b>684,968</b>	<b>353,411</b>	<b>121,880</b>	<b>32,045,249</b>	<b>33,205,508</b>	<b>34,085,774</b>

The company has no recognised gains or losses other than those shown above and therefore no separate statement of total recognised gains and losses have been presented

There is no difference between the net movement in funds stated above, and its historical cost equivalent

All of the Academy's activities derived from continuing operations during the above two financial periods

## Income and expenditure Year ended 31 August 2009

	Note	2009 £	2008 £
<b>Income</b>			
General annual grant (GAG)	4	8,681,829	7,966,045
Other DCSF grants	4	693,106	317,806
DCSF capital grants	4	18,547	1,121,322
Other government grants	4	769,773	1,164,007
Other grants received	4	3,000	28,858
Private sector sponsorship	2	—	50,000
Bank interest receivable	3	69,184	121,466
Other income		189,592	133,027
FRS17 net return on assets	20	—	32,000
<b>Total income</b>		<b>10,425,031</b>	<b>10,934,531</b>
<b>Expenditure</b>			
General Annual Grant (GAG) related expenditure		8,373,595	7,576,521
Other DCSF grant expenditure		658,219	52,366
Other government grant expenditure		778,997	1,141,173
Depreciation		825,179	892,657
Other expenditure		249,307	107,367
FRS17 net return on assets		32,000	—
FRS17 pension costs		(22,000)	6,000
<b>Total expenditure</b>		<b>10,895,297</b>	<b>9,776,084</b>
<b>(Deficit) surplus of income over expenditure</b>		<b>(470,266)</b>	<b>1,158,447</b>
<b>Statement of total recognised gains and losses</b>			
(Deficit) surplus of income over expenditure		(470,266)	1,158,447
Actuarial losses on defined benefit pension scheme		(410,000)	(638,000)
<b>Total recognised (losses) gains for the year</b>		<b>(880,266)</b>	<b>520,447</b>
<b>Net movement in funds</b>			
Restricted funds		(983,017)	333,321
Unrestricted general fund		102,751	187,126
		<b>(880,266)</b>	<b>520,447</b>

The income and expenditure account is derived from the Statement of Financial Activities on page 16, which together with the notes to the financial statements on pages 23 to 36 provides full information on the movements during the year on all funds of the Academy

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the Academy's activities derived from continuing operations during the above two financial periods

# **Balance sheet** 31 August 2009

	Notes	2009 £	2009 £	2008 £	2008 £
<b>Fixed assets</b>					
Tangible assets	13		<b>32,045,249</b>		32,578,564
<b>Current assets</b>					
Stock		<b>7,026</b>		10,662	
Debtors	14	<b>308,338</b>		303,138	
Short term deposits		<b>2,000,000</b>		—	
Cash at bank and in hand		<b>757,359</b>		3,514,675	
		<b>3,072,723</b>		3,828,475	
<b>Current liabilities</b>					
<b>Creditors</b> amounts falling due within one year	15	<b>(960,464)</b>		(1,789,265)	
<b>Net current assets</b>			<b>2,112,259</b>		2,039,210
<b>Net assets excluding pension (liability) asset</b>			<b>34,157,508</b>		34,617,774
Pension scheme (liability) asset	20		<b>(952,000)</b>		(532,000)
<b>Net assets including pension (liability) asset</b>			<b>33,205,508</b>		34,085,774
<b>Funds</b>					
<b>Restricted funds</b>	16				
DCSF funds excluding pension reserve			<b>1,305,411</b>		1,235,607
Pension reserve			<b>(952,000)</b>		(532,000)
DCSF funds including pension reserve			<b>353,411</b>		703,607
Other funds			<b>121,880</b>		221,385
			<b>475,291</b>		924,992
Fixed asset funds			<b>32,045,249</b>		32,578,564
			<b>32,520,540</b>		33,503,556
<b>Unrestricted general funds</b>			<b>684,968</b>		582,218
			<b>33,205,508</b>		34,085,774

Approved by the governors  
and signed on their behalf by

Governor *R. O'HERR*

*X*  
Approved by the governors on

*3.02.10*

## Cash flow statement 31 August 2009

Notes	2009 £	2009 £	2008 £	2008 £
<b>Cash (outflow) inflow from operating activities</b>				
<b>Receipts</b>				
Grants received from DCSF		9,330,087		8,288,386
Other grants		811,374		1,454,202
Private sector sponsorship		—		50,000
Other receipts		157,333		194,454
<b>Total receipts</b>		<b>10,298,794</b>		<b>9,987,042</b>
<b>Payments</b>				
Staff costs	7,923,323		6,699,835	
Other cash payments	3,068,051		2,297,690	
<b>Total payments</b>		<b>10,991,374</b>		<b>8,997,525</b>
<b>Net cash (outflow) inflow from operating activities</b>		<b>(692,580)</b>		<b>989,517</b>
<b>Returns on investments and servicing of finance</b>				
Interest received		69,184		121,466
<b>Capital (expenditure) income</b>				
Payments to acquire fixed assets	(489,914)		(1,613,502)	
Capital grants received from DCSF	355,994		1,348,979	
<b>Net income (expenditure)</b>		<b>(133,920)</b>		<b>(264,523)</b>
		<b>(757,316)</b>		<b>846,460</b>
<b>Management of liquid resources</b>				
Cash invested in short term deposits		(2,000,000)		—
<b>(Decrease) increase in cash in the year</b>	<b>A</b>	<b>(2,757,316)</b>		<b>846,460</b>

### A Analysis of changes in net funds

	At 31 August 2008 £	Cash flows £	At 31 August 2009 £
Cash at bank and in hand	3,514,675	(2,757,316)	757,359
Short term deposits	—	2,000,000	2,000,000
	3,514,675	(757,316)	2,757,359

**Format of financial statements**

The standard format for the financial statements as required by Part 15 Chapter 4 of 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 reflects the activities of the company

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006. Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005)

**Incoming resources**

**Grants receivable**

All grants are accounted for on a receivable basis. DCSF grants include the General Annual Grant (GAG), start up grants and other annual grants. Grants from the London Borough of Barnet are included in other grants. DCSF and London Borough of Barnet grants are received for specific purposes and are matched to relevant expenditure.

**Sponsorship income**

Donations and sponsorship 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.

**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.

**Interest receivable**

Interest receivable is included within the statement of financial activities on an accruals basis.

**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.

In accordance with the Charities SORP, expenditure has been analysed between the Academy'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.

**Governance costs**

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

## **Principal accounting policies 31 August 2009**

### **Fund accounting**

Unrestricted funds are those monies which may be used towards meeting the objectives of the Academy at the discretion of the governors

Restricted funds comprise grants from DCSF and other bodies to be used for specific purposes

Restricted fixed assets fund comprises funds received towards capital expenditure by way of grants from the Government and by private donations. Depreciation is charged against these funds over the estimated useful lives of the fixed assets purchased

### **Tangible fixed assets**

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 (shown in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

### **Depreciation**

Depreciation is charged on a straight line basis beginning in the year in which the asset is brought into use at the following annual rates:

- ◆ Furniture, fittings and equipment - 25% p a
- ◆ Academy building - 2% p a

### **Taxation**

The Academy is a registered charity and accordingly is exempt from taxation on its charitable activities which fall within the scope of section 505(1) of the Taxes Act 1988 and section 256 of the Taxation of Chargeable Gains Act 1992.

### **Leased assets**

Rentals applicable to operating leases are charged to the income and expenditure account as incurred.

### **Pensions**

Academy staff are members of one of two defined benefit schemes. More details of the schemes are given in note 20.

**Pensions (continued)**

***Teachers' Pension Scheme***

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Children, Schools and Families. As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Academy in the year.

***Local Government Pension Scheme***

Non teaching members of staff are offered membership of the Local Government Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

The Academy's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.



## Notes to the financial statements 31 August 2009

### 1 General annual grant (GAG)

	Total funds 2009 £	Total funds 2008 £
GAG brought forward from previous year	970,167	884,171
DCSF GAG grant received in the year	8,681,829	7,966,045
<b>Total grant available to spend</b>	<b>9,651,996</b>	<b>8,850,216</b>
Recurrent expenditure from GAG	(8,373,595)	(7,576,521)
Fixed assets purchased from GAG	(273,317)	(303,528)
GAG carried forward	1,005,084	970,167
Maximum permitted carry over	1,041,819	1,039,622
	(36,735)	(69,455)
	(no breach)	(no breach)
GAG to surrender to DCSF	—	—

	2009 £	2008 £
Recurrent expenditure from GAG in current year	8,373,595	7,576,521
GAG allocation for current year	(8,681,829)	(7,966,045)
Prior year GAG allocation x 2%	(159,321)	(147,401)
<b>GAG brought forward from previous year in excess of 2% used on recurrent expenditure in current year</b>	<b>(467,555)</b>	<b>(536,925)</b>
	(no breach)	(no breach)

### 2 Voluntary Income

	2009 £	2008 £
Private sector sponsorship	—	50,000

### 3 Interest receivable

	Unrestricted funds £	Restricted funds £	Total funds 2009 £	Total funds 2008 £
Bank interest	69,184	—	69,184	121,466

## Notes to the financial statements 31 August 2009

### 4 Funding for the Academy's education operations

	Unrestricted funds £	Restricted funds £	Total funds 2009 £	Total funds 2008 £
DCSF grants				
General Annual grant (GAG)	—	7,115,341	<b>7,115,341</b>	6,631,300
School budget share	—	347,141	<b>347,141</b>	382,732
Local authority central spend equivalent grant	—	155,317	<b>155,317</b>	149,640
Specialist school funding	—	190,400	<b>190,400</b>	180,640
School Standards Grant (2008/09)	—	172,646	<b>172,646</b>	159,468
School Standards Grant (personalisation)	—	433,746	<b>433,746</b>	333,083
VAT grant	—	120,142	<b>120,142</b>	116,075
Insurance	—	22,769	<b>22,769</b>	—
London pay addition grant	—	102,240	<b>102,240</b>	—
Higher performing schools funding	—	22,087	<b>22,087</b>	15,563
Lunch grant	—	8,681,829	<b>8,681,829</b>	7,968,501
Teachers threshold (adjustment)	—	—	—	(2,456)
	—	8,681,829	<b>8,681,829</b>	7,966,045
Other DCSF grants				
Start up grants				
Current year	—	—	—	26,349
Previous year	—	—	—	26,017
	—	—	—	52,366
City gates scholarship	—	4,400	<b>4,400</b>	—
Standards Funds	—	688,706	<b>688,706</b>	265,440
	—	693,106	<b>693,106</b>	317,806
Capital	—	18,547	<b>18,547</b>	1,121,322
Total DCSF grants	—	9,393,482	<b>9,393,482</b>	9,405,173
Other government grants				
London Borough of Barnet	—	311,740	<b>311,740</b>	313,524
Speech and Language unit	—	23,581	<b>23,581</b>	526,081
Standards funds	—	297,798	<b>297,798</b>	324,402
Statement funding	—	136,654	<b>136,654</b>	—
Other	—	769,773	<b>769,773</b>	1,164,007
Other Grants	—	3,000	<b>3,000</b>	28,858
	—	10,166,255	<b>10,166,255</b>	10,598,038

## Notes to the financial statements 31 August 2009

### 5 Resources expended

	Notes	Staff costs £	Other costs £	Subtotal £	Depreciation £	Total 2009 £	Total 2008 £
<b>Charitable activities</b>							
<b>Academy's educational operations</b>							
Direct costs		6,820,360	2,022,379	8,842,739	825,179	<b>9,667,918</b>	8,541,503
Support costs		662,473	538,275	1,200,748	—	<b>1,200,748</b>	1,210,632
FRS 17 charges		(22,000)	32,000	10,000	—	<b>10,000</b>	6,000
		<u>7,460,833</u>	<u>2,592,654</u>	<u>10,053,487</u>	<u>825,179</u>	<u><b>10,878,666</b></u>	<u>9,758,135</u>
Governance costs	7	—	16,631	16,631	—	<b>16,631</b>	17,949
		<u>7,460,833</u>	<u>2,609,285</u>	<u>10,070,118</u>	<u>825,179</u>	<u><b>10,895,297</b></u>	<u>9,776,084</u>

### 6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
<b>Direct costs</b>				
Teaching and educational support staff costs	44,492	6,775,868	<b>6,820,360</b>	5,953,143
Maintenance	786	422,315	<b>423,101</b>	189,240
Occupancy	27,069	483,206	<b>510,275</b>	555,677
Mobile classrooms	—	28,798	<b>28,798</b>	10,150
Education and other supplies	2,381	325,590	<b>327,971</b>	237,931
Examination fees	1,703	159,641	<b>161,344</b>	159,055
Educational consultancy	7,400	45,892	<b>53,292</b>	172,848
Staff development	—	31,954	<b>31,954</b>	29,347
Depreciation	—	825,179	<b>825,179</b>	892,657
IT software and other capital expenditure	—	297,829	<b>297,829</b>	182,393
<i>Trips and activities</i>	35,323	93,072	<b>128,395</b>	123,837
Other direct costs	13,039	46,381	<b>59,420</b>	35,225
	<u>132,193</u>	<u>9,535,725</u>	<u><b>9,667,918</b></u>	<u>8,541,503</u>
<b>Support costs</b>				
Support staff costs	—	662,473	<b>662,473</b>	716,658
Transport	—	13,637	<b>13,637</b>	16,362
Catering	—	111,412	<b>111,412</b>	106,678
Insurance	—	120,208	<b>120,208</b>	109,864
Removal costs	—	—	<b>—</b>	—
Other support costs	23,833	269,185	<b>293,018</b>	261,070
	<u>23,833</u>	<u>1,176,915</u>	<u><b>1,200,748</b></u>	<u>1,210,632</u>
<b>FRS 17 costs</b>				
Staff costs	—	(22,000)	<b>(22,000)</b>	6,000
Interest costs	—	32,000	<b>32,000</b>	—
	<u>—</u>	<u>10,000</u>	<u><b>10,000</b></u>	<u>6,000</u>
<b>Total</b>	<b>156,026</b>	<b>10,722,640</b>	<b>10,878,666</b>	9,758,135

## Notes to the financial statements 31 August 2009

### 7 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2009 £	Total funds 2008 £
Legal and professional fees	—	10,095	10,095	14,998
Other governance costs	—	6,536	6,536	2,951
	—	16,631	16,631	17,949

### 8 Staff costs

Staff costs during the year were as follows

	2009 £	2008 £
Wages and salaries	5,279,611	5,098,726
Social security costs	430,498	423,241
Pension costs – Normal contribution	675,356	650,891
- FRS 17 pension charge	(22,000)	6,000
	6,363,465	6,178,858
Non contracted staff	1,097,368	496,943
	7,460,833	6,675,801

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

	2009 Number	2008 Number
£60,001 - £70,000	4	2
100,000 - £110,000	1	1
	5	3

During the year pension contributions for the above staff to the Teachers' Pension Scheme or the Local Government Pension Scheme amounted to £32,306

The average number of persons employed by the Academy during the year (excluding non contracted staff) was

	2009 Number	2008 Number
Teachers	109	113
Support	47	44
Administration	23	20
	179	177

### 9 Governors' remuneration and expenses

None of the governors received any remuneration or reimbursement of expenses in respect of their services during the year (2008 - £nil)

Ms Angela Trigg is remunerated as the Principal of the Academy Ms Laura Snow and Ms Wendy Reith are remunerated as employees of the Academy

## Notes to the financial statements 31 August 2009

### 10 Governors' and officers insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for 2009 was £720.

### 11 Net income for the year

The Academy's net income for the year is stated after charging.

	2009 £	2008 £
Staff costs (excluding FRS 17 costs)	7,404,774	6,675,801
Depreciation	825,179	892,657
Auditors' remuneration (including VAT)		
Statutory audit services	10,950	12,572
Other services	1,345	3,258
Leasing charges	57,690	14,124
FRS17 charges		
Pension charge (staff costs)	(22,000)	6,000
Net finance income	32,000	(32,000)

### 12 Taxation

The Academy is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

### 13 Tangible fixed assets

	Academy building (freehold) £	Furniture, fittings and equipment £	Total £
<b>Cost</b>			
At 1 September 2008	33,632,889	879,995	34,512,884
Additions	141,530	150,334	291,864
At 31 August 2009	33,774,419	1,030,329	34,804,748
<b>Depreciation</b>			
At 1 September 2008	1,322,887	611,433	1,934,320
Charge for year	675,488	149,691	825,179
At 31 August 2009	1,998,375	761,124	2,759,499
<b>Net book values</b>			
At 31 August 2009	31,776,044	269,205	32,045,249
At 31 August 2008	32,310,002	268,562	32,578,564

## Notes to the financial statements 31 August 2009

### 13 Tangible fixed assets (continued)

Title to the site at Spur Road, Edgware, Middlesex is registered in the name of the Academy, but has not been included in these financial statements because the site is designated for educational purposes only and has no open market value

At 31 August 2008, the Academy had entered into no capital commitments (2008 £55,000)

#### Source of funding for assets acquired (cumulative to date)

	Total 2009 £	Total 2008 £
DCSF capital grants (including implementation grant)	32,249,285	32,230,738
Other DCSF grants	1,143,312	869,995
Other government grants	141,235	141,235
Private sector capital sponsorship	1,260,916	1,260,916
Other funds (non grant income)	10,000	10,000
<b>Cost of fixed assets at 31 August 2009</b>	<b>34,804,748</b>	<b>34,512,884</b>
Less Accumulated depreciation	(2,759,499)	(1,934,320)
<b>Net book value of fixed assets at 31 August 2009</b>	<b>32,045,249</b>	<b>32,578,564</b>

The net book value at 31 August 2009 represents fixed assets used for educational purposes

### 14 Debtors

	2009 £	2008 £
Trade debtors	43,002	17,716
DCSF grants receivable - capital	30,650	228,700
- other	109,286	46,722
Other debtors	10,000	10,000
Prepayments and accrued income	115,400	—
	<b>308,338</b>	<b>303,138</b>

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

	2009 £	2008 £
Expenses creditors	703,081	1,677,943
Accruals	27,500	75,580
Grants received in advance	229,883	35,742
	<b>960,464</b>	<b>1,789,265</b>

## Notes to the financial statements 31 August 2009

### 16 Restricted funds

The income funds of the Academy include restricted funds comprising the following unexpended balances of grants held for specific purposes

	At 1 September 2008 £	Incoming resources £	Resources expended £	Actuarial losses £	Transfers £	At 31 August 2009 £
Revenue funds						
DCSF grants						
General Annual Grant	970,167	8,681,829	(8,373,595)	—	(273,317)	<b>1,005,084</b>
Other funds	265,440	693,106	(658,219)	—	—	<b>300,327</b>
	<u>1,235,607</u>	<u>9,374,935</u>	<u>(9,031,814)</u>	<u>—</u>	<u>(273,317)</u>	<u><b>1,305,411</b></u>
Pension reserve	(532,000)	—	(10,000)	(410,000)	—	<b>(952,000)</b>
	<u>703,607</u>	<u>9,374,935</u>	<u>(9,041,814)</u>	<u>(410,000)</u>	<u>(273,317)</u>	<u><b>353,411</b></u>
Other funds	221,385	772,773	(872,278)	—	—	<b>121,880</b>
Fixed assets funds	32,578,564	18,547	(825,179)	—	273,317	<b>32,045,249</b>
	<u>33,503,556</u>	<u>10,166,255</u>	<u>(10,739,271)</u>	<u>(410,000)</u>	<u>—</u>	<u><b>32,520,540</b></u>

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

#### *Revenue funds*

##### ◆ DCSF grants funds

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% of the GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

##### ◆ Other funds

Other grants include funding received from the London Borough of Barnet for specific purposes.

#### *Fixed assets funds*

The fixed assets fund includes grants received from the DCSF and other sources to finance the development and building of the academy and the other tangible fixed assets. Further details about the sources of funding of assets are given in note 13 to the accounts.

## Notes to the financial statements 31 August 2009

### 17 Analysis of net assets between funds

	General fund £	DCSF £	Other £	Fixed assets £	2009 Total £
<b>Fund balances at 31 August 2008 are represented by.</b>					
Tangible fixed assets	—	—	—	32,045,249	<b>32,045,249</b>
Current assets	695,711	2,211,131	165,881	—	<b>3,072,723</b>
Current liabilities	(10,743)	(905,720)	(44,001)	—	<b>(960,464)</b>
Pension scheme liability	—	(952,000)	—	—	<b>(952,000)</b>
<b>Total net assets</b>	<b>684,968</b>	<b>353,411</b>	<b>121,880</b>	<b>32,045,249</b>	<b>33,205,508</b>

### 18 Related party transactions

In accordance with the funding agreement with the DCSF, £15 million of the costs of construction of the Academy is to be provided by the sponsor and other donors. The total donations received by the Academy from the Peter Shalson Family Charitable Trust to 31 August 2009 were £1,212,650. Total donations received to date from other donors were £207,618.

There were no other related party transactions.

### 19 Lease commitments

#### Operating Leases

At 31 August 2009 the Academy had annual commitments (excluding VAT) under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2009 £	2008 £	2009 £	2008 £
Operating leases which expire				
Within two to five years	—	—	<b>168,204</b>	10,838

### 20 Pension commitments

There are two pension schemes available to employees of the Academy. These are the Teachers' Superannuation Scheme (TPS) and the London Borough of Barnet Pension Fund.

The total pension cost to the Academy during the year ended 31 August 2009, excluding FRS17 costs, was £675,356 (2008 - £650,891) of which £509,323 (2008 - £494,991) relates to the TPS and £166,033 (2008 - £155,900) relates to the London Borough of Barnet Pension Fund.



**20 Pension commitments (continued)**

**Teachers' Pension Scheme (TPS)**

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS scheme is classed as 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 was a defined contribution scheme. The Academy has set out below the latest information available for the scheme.

**Teachers' Pension Scheme (TPS) (continued)**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

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 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.

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review 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.

**20 Pension commitments (continued)**

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.

**Teachers' Pension Scheme (TPS) (continued)**

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

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

A copy of the GA's 2004 valuation report can be found on the TeacherNet website at [www.teachernet.gov.uk/pensions](http://www.teachernet.gov.uk/pensions).

**Non-teachers**

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

**FRS 17**

The following information is based upon a full actuarial valuation of the fund at 31 March 2007 updated to 31 August 2008 by a qualified independent actuary.

	<b>At 31 August 2009</b>	<b>At 31 August 2008</b>
Price increase	<b>3.4%</b>	4.0%
Rate of increase in salaries	<b>4.9%</b>	5.5%
Rate of increase for pensions	<b>3.4%</b>	4.0%
Discount rate for liabilities	<b>5.4%</b>	6.4%

## Notes to the financial statements 31 August 2009

### 20 Pension commitments (continued)

Non-teachers (continued)

FRS 17 (continued)

The mortality assumptions used were as follows

	2009 years	2008 years
Longevity at ages 65 for current pensioners		
Men	19.6	19.6
Women	22.5	22.5
Longevity at ages 65 for future pensioners		
Men	20.7	20.7
Women	23.6	23.6

Assets of the scheme and the expected rates of return were:

	Long - term rate of return expected at 31 August 2009	Value at 31 August 2009 £000	% of the total scheme assets 2009 %	Long - term rate of return expected at 31 August 2008	Value at 31 August 2008 £000	% of the total scheme assets 2008 %
Equities	7.5%	1,039	65.9	7.7%	865	58
Gifts	4.0%	195	12.4	—	—	0
Bonds	5.4%	100	6.3	6.3%	236	16
Property	5.4%	76	4.8	7.2%	81	6
Cash	3.0%	167	10.6	5.0%	301	20
Total market value of assets at bid value		1,577	100		1,483	100

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2008 for the year to 31 August 2009). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

## Notes to the financial statements 31 August 2009

### 20 Pension commitments (continued)

The amounts recognised in the statement of financial activities (SOFA)/ income and expenditure (I & E) accounts are as follows

	2009 £'000	2008 £'000
Current service cost	144	142
Past service cost	—	32
Interest cost	134	114
Expected return on employer assets	(102)	(146)
<b>Total expenditure recognised in SOFA/I&amp;E</b>	<b>176</b>	<b>142</b>
The actual return on the scheme assets	(89)	(14)

### Amount recognised in the statement of total recognised gains and losses (STRGL)

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses is a loss of £847,000 (2008 loss £437,000)

### Reconciliation of opening and closing balances of the present value of the Academy's share of scheme liabilities

	2009 £'000	2008 £'000
Scheme liabilities at 1 September 2008	2,015	1,884
Current service cost	144	142
Past service cost	—	32
Interest cost	134	114
Contributions by scheme participants	47	49
Actuarial losses (gains)	219	(156)
Benefits paid	(30)	(50)
<b>Scheme liabilities at 31 August 2009</b>	<b>2,529</b>	<b>2,015</b>

### Reconciliation of opening and closing balances of the fair value of the Academy's share of the scheme assets

	2009 £'000	2008 £'000
Fair value of scheme assets at 1 September 2008	1,483	1,964
Expected return on Scheme assets	102	146
Actuarial gains and (losses)	(191)	(794)
Contributions by employer	166	168
Contributions by Scheme participants	47	49
Estimated benefits paid	(30)	(50)
<b>Fair value of scheme assets at 31 August 2009</b>	<b>1,577</b>	<b>1,483</b>

**20 Pension commitments (continued)**

**Reconciliation of opening and closing balances of the fair value of the Academy's share of the net scheme (liabilities) assets**

	2009 £'000	2008 £'000
Fair value of scheme (liabilities) assets at 1 September 2008	(532)	80
Past service costs	—	(32)
Service costs	(144)	(142)
Contributions by employer	166	168
Other finance income	(32)	32
Actuarial losses	(410)	(638)
<b>Fair value of scheme liabilities at 31 August 2009</b>	<b>(952)</b>	<b>(532)</b>

The actuarial loss recognised above includes an adjustment in the amount of assets allocated to the Academy

The Academy joined the LGPS in 2004. As agreed by the actuary with the administering authority at that time, its initial contribution rate assumed that a share of deficit approach was taken. That is, the Academy's rate consisted of the future service rate and past service deficit adjustment. As the Academy joined shortly after the 2004 valuation of the Fund this past service adjustment was calculated on the basis that assets equal to 66% of the value of the transferring liabilities were allocated to the Academy (based on the 66% funding level for London Borough of Barnet at the 31 March 2004 valuation).

The FRS17 reports for the 2005, 2006 and 2007 year ends for the Academy were however based on a 100% funded starting point and in effect, the asset figures were overstated by around 34% each year.

The FRS17 figures at 31 July 2008 are the first to be based on the 2007 formal valuation of the Scheme and in adjusting the calculations to take account of the new valuation the actuary identified the inconsistency above. The 31 August 2008 FRS17 report resolves the issue of the initial funding position, hence the reduction in the asset value compared to last year.

**History of experience gains and losses**

	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Total present value of liabilities	(2,529)	(2,015)	(1,884)	(1,737)
Total present value of assets	1,577	1,483	1,964	1,528
Surplus (deficit)	(952)	(532)	80	(209)
Experience adjustment on scheme assets	(191)	(794)	89	68
Experience adjustment on scheme liabilities	—	222	(1)	1

## Notes to the financial statements 31 August 2009

### 20 Pension commitments (continued)

The levels of contribution were reviewed as a result of the triennial valuation of the scheme as at 31 March 2007

#### Projected pension expense for the year to 31 August 2010

	£'000
Service cost	172
Interest cost	141
Return on assets	(106)
Total	207
Employer contributions	185

### 21 Liability of members

The Academy is a company limited by guarantee, without share capital. Every member of the 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 an amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

### 22 Contingent liabilities

In the event, during the period of the Funding Agreement, of the sale or disposal by other means, of any asset for which a capital grant was received, the company shall if it does not reinvest the proceeds, repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the company serving notice, the company shall repay to the Secretary of State sums determined by reference to

- (a) The value at that time of the Academy's site and premises and other assets held for the purpose of the company, and
- (b) The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.