

REGISTRAR OF COMPANIES

The Dunraven Educational Trust

Annual Report and Financial Statements

For the period from 11 July 2011
to 31 August 2012

Company Limited by Guarantee
Registration Number
07700362 (England and Wales)

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Reference and administrative information

Governors (trustees)	J MacInnes	1
	M Bennett	3
	D Bryan	1
	S Cuffy	4
	G Dawson	2
	M Forbes	1
	H George	1
	C Harvey	1*
	N Ivey	4
	M Love	4
	P MacMahon	1
	C McLeod	2
	M Nieuwenhuys	2
	J Pick	1
	T Rayner	2
	N Salt	1
	A Waterman	2
	G Taylor	2
	S Hearne	2
	Mr D Boyle (Principal and accounting officer)	Ex-officio
Associate Governors	P Dunipace	
	C Plume	
	T Rayner (served as a Trustee between October and December 2011)	
Company Secretary	M Metcalfe	
Senior Team:		
Principal	D Boyle	
Deputy Principal	R Lewis	
Deputy Principal	S Parsons	
Deputy Principal	J West	
Director of Finance and Business	M Metcalfe	
Registered address	Dunraven School	
	Leigham Court Road	
	Streatham	
	London	
	SW16 2QB	
Key	1 Community Governor, 1* Community Governor elected by parents 2 Parent Governor, 3 LA governor, 4 Staff Governor	

Reference and administrative information

Company registration number 07700362 (England and Wales)

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers HSBC
103 Streatham Hill
London
SW2 4UE

Solicitors Anthony Gold
Lloyds Bank Chambers
186 Streatham High Road
London
SW16 1BG

Governors' report Period from 11 July 2011 to 31 August 2012

The governors of The Dunraven Educational Trust ('the School') present their statutory report together with the financial statements of the charitable company for the period from 11 July 2011 to 31 August 2012

The financial statements have been prepared in accordance with the accounting policies set out on pages 25 to 28 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005')

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School 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 School.

The governors act as the trustees for the charitable activities of The Dunraven Educational Trust Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Dunraven 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

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

Governors' indemnities

In accordance with normal commercial practice the School has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance cover is up to £5,000,000 on any one claim.

Principal activities

The School was set up on 11 July 2011 to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, operating and developing a secondary school offering a broad and balanced curriculum.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors

The governors are directors of the charitable company for the purposes of the Companies Act 2006. The following trustees were in office at 31 August 2012 and served throughout the year except where shown. All governors are appointed by The Dunraven Educational Trust.

Governor/Trustees	Appointed/Resigned	Appointment Expires/Expired
J MacInnes (Chair of Governors)	12 October 2011	December 2015
M Bennett	12 October 2011	September 2014
D Bryan	11 June 2011	March 2015
S Cuffy	12 October 2011	October 2014
G Dawson	12 October 2011	November 2013
M Forbes	12 October 2011	March 2015
H George	12 October 2011	December 2015
C Harvey	11 June 2011	November 2012
S Hearne	22 March 2012	March 2016
N Ivey	22 March 2012	March 2016
M Love	22 March 2012	March 2016
P Mac Mahon	11 June 2011	March 2015
C McLeod	12 October 2011	April 2015
M Nieuwenhuys	12 October 2011	April 2015
J Pick	12 October 2011	December 2014
T Rayner	12 October 2011	December 2011
N Salt	12 October 2011	October 2015
G Taylor	12 October 2011	April 2015
A Waterman	12 October 2011	November 2012
D Boyle (Principal and Accounting Officer)	Ex-Officio	

Method of recruitment and appointment or election of governors

The method of recruitment or election of governors is detailed in the School's Funding Agreement. All serving governors of the predecessor school were given the opportunity to become Trustees and therefore governors of the Charitable Company, with their terms of office expiring in line with those of the predecessor school. Sixteen of the previous twenty governors became Trustees.

The Governing Board comprises of up to 20 governors (trustees) who are appointed as follows:

- ◆ 8 Community Governors – who are appointed following agreement of the Governing Board
- ◆ 1 Community Governor – who may be elected by the parents of the School
- ◆ 6 Parent Governors – who are elected by the parents of the School
- ◆ 4 Staff Governors – one space is reserved for the Principal (ex-officio). The remaining spaces are filled by an election of all staff. One vacancy is reserved for a member of the non-teaching staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of governors (continued)

- ◆ 1 Local Authority Governor – who may be nominated by the Local Authority

There can also be up to 3 Associate Governors appointed by the Governing Board. Associate Governors contribute to meetings but are non-voting members.

All Governors serve a term of office of 4 years, save as varied by the initial resolution detailed above.

Policies and procedures adopted for the induction and training of governors

The Chair of Governors meets all newly appointed governors prior to their first meeting. All new governors are given access to on-line support materials on the School's Learning Platform. Governor training and development is a standing item on Full Governing Board agendas and governors may attend the SL6 Programme of CPD courses or the Governor Training Programme administered by the London Borough of Lambeth. The School has National Governors' Association Gold Membership and governors can access training through this route.

Organisational structure

The structure is the Governing Board, Principal and Senior Team of Dunraven School. The Governors have strategic oversight and the Principal, along with his Senior Team, is responsible for the strategic and operational leadership and management of the School.

The senior leadership structure in place for the year consisted of a Principal, two Deputy Principals and a Director of Finance and Business. The second tier of leadership consisted of four Assistant Principals, and a Director of Inclusion. The aim of the leaderships structure was to devolve responsibility, increase accountability and encourage decision making at all levels. The Principal is the Chief Accounting Officer. The Senior Team is responsible for delivering the approved strategic actions in the Excellence Plan as while setting up and managing the annual development priorities.

Risk management

Governors have assessed the key risks to which the School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the School and its finances. Governors have implemented a number of systems to assess risks, especially those relating to teaching, health and safety and school visits and in relation to the control of finance. Governors have introduced a range of policies and procedures, such as vetting new employees and volunteers, security of the School site, visitor control and internal financial controls in order to minimise risk. Governors have also ensured that they have adequate insurance cover and are satisfied that the systems in place are consistent with Charities Commission and EFA guidelines. The systems for adequate financial controls are covered in detail in the Financial Review.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships

There are no organisations that directly sponsor The Dunraven Educational Trust. The School is a member of the South Lambeth Schools' Partnership (SLSP) and administers the collective funds of SLSP and directly employs its staff.

Auditor

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.

OBJECTIVES AND ACTIVITIES

Objects and aims

The main object and activity of the charitable company is the operation of Dunraven School to advance, for the public benefit, education for students of different abilities between the ages of 11 and 19.

In accordance with the articles of association and the funding agreement the charitable company has a scheme of government consisting of a funding agreement and articles of association approved by the Secretary of State for Education. The scheme of government specifies, amongst other things, the basis for admitting students to the School and that the curriculum should be broad and balanced.

The main objectives of the School during the period ended 31 August 2012 are summarised below:

- ◆ Excellence for All
- ◆ To move from very good to outstanding
- ◆ Commitment to the safety and protection of students

Objectives, strategies and activities

The School's stated objective is Excellence for All and to this end the activities provided include:

- ◆ A broad, balanced and stimulating curriculum
- ◆ Learning and teaching opportunities to ensure that all students attain appropriate academic qualifications

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

- ◆ Professional Development opportunities for all staff
- ◆ A range of extra-curricular opportunities available to all students in the Creative and Performing Arts, Sports, Culture as well as leisure and recreational activities
- ◆ Advice and guidance to students in appropriate pathways at 16+ and 19+, including advice about further and higher education and employment opportunities

Public Benefit

In setting the School's objectives and planning its activities, the Governing Body have given careful consideration to the Charity Commission's general guidance on public benefit. The key public benefit delivered by the School is the provision of high quality education to its students. The School is a comprehensive school and offers places equally in five ability bands (fair banding) and is heavily over-subscribed. The main oversubscription criteria relate to children looked after, those with a brother or sister in the school or expected to be on the School roll at the time of admission, exceptional social or medical need and those living closest to the School measured by the shortest lit walking route.

REVIEW OF ACTIVITIES

The Ofsted Inspection of the predecessor school identified the following area for improvement in May 2009:

- ◆ Extend and build on strategies to improve students' independent learning skills

The School Excellence Plan for the year to 31 August 2012 prioritised whole school literacy, outcomes and progress between Key Stage 2-4, including narrowing the gap between Free School Meal and non-Free School Meal students at 5A*-C. The target for the proportion of teaching to be good or better was 90% by August 2012 with a focus on inclusion, the most able, assessment for learning and whole school literacy. The focus on attendance and punctuality included raising attendance to 95% and reducing persistent absence to below 5%. A key leadership and management priority was to ensure the quality of provision was maintained through the Building Schools for the Future Programme.

The whole school performance for 2012 were:

GCSE 5A*-C	87%	5A*-C (E/M)	71%
5A*-G	100%	EBACC	30%
A Level A*-E	100%	A*-C	75%
A*-B	55%		
Attendance	95%		

Governors' report Period from 11 July 2011 to 31 August 2012

REVIEW OF ACTIVITIES (continued)

The School leadership and management structures were organised in such a way as to closely monitor and track progress towards these targets. Attendance for the academic year 2011/12 fell just short of the 95% target (94.5%) however the number of students recorded as Persistent Absentees (PAs) was just 3.8%, even though the threshold has increased from 80% to 85% attendance.

The development of teaching focused on developing 'outstanding' teaching with a whole school CPD day in June 2012. The observation programme for the year indicated that the quality of teaching in the School was strong with 91% of lessons graded at good or better (2011 – 90%). The professional development of all staff remained a key priority and a large number of staff are supported in following post-graduate programmes of study, including 12 who are taking part in an in-house Masters in Education, in conjunction with London South Bank University.

A comprehensive self-evaluation process is in place at the School, supported by an independent School Improvement Partner who visited the School regularly and attended and reported to Governors' meetings. This was further supported by an HMI who visited the School during the year to observe and assess progress towards 'outstanding'.

This confirmed the School's own evaluation that the quality of provision remains very good with outstanding features and that progress is being made towards 'outstanding'.

The Building Schools for the Future (BSF) programme continued and the School took beneficial occupation of one refurbished and part of one new block during the course of the year. Delays to target dates for hand-over of blocks meant that the start of term had to be delayed on two occasions. Despite this and the restricted accommodation until the end of the programme, the School has been able to keep disruption to students, staff and parents to a minimum.

Recruitment to both Year 7 and Year 12 remained strong, with 1500 applications for 192 places in September 2011 and over 120 students admitted to Year 12, taking the Sixth Form role to over 220. There were over 3,000 visitors to the School in September 2011 for 2012 entry and a similar number of applicants, despite the building works. The School will admit 218 students in Year 7 from September 2012 onwards.

Examination and assessment results for 2011/12 were as follows

Key Stage 3 (level 5+)	2012
English	95%
Maths	85%
Science	92%

REVIEW OF ACTIVITIES (continued)

GCSE	2012
5A*-C	98%
5A*-C (E/M)	73%
5A*-G	99%
English Baccalaureate	31%

A Level

A*-B	57%
A*-C	83%
A*-E	98%

The results are above and often significantly above national and local averages and place the School in the top 10% of similar schools nationally (Fischer Family Trust) at GCSE and A level value added is rated 'outstanding' by the ALPs analysis. Over 90% of Sixth Form students applied to university and almost all of these were successful in securing a place at their first choice Higher Education Institution. 25% gained places at Russell Group or top 20 ranked universities. The progress of students entitled to Free School Meals improved further as they closed the gap at 5A*-C (E/M) to just 1%.

Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the School 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.

Key financial performance indicators

The key financial performance indicator for the School was to maintain the current level of educational provision whilst maintaining an in-year operating surplus. The financial performance is covered in detail under the Financial Review, however this key indicator was met in the year to 31 August 2012.

FINANCIAL REVIEW

Financial report for the year

Income of £1,296,863 was recognised as a result of transfers on conversion to Academy Status and this is shown as unrestricted funds in the Statement of Financial Activities (SOFA). Tangible Assets of £1,745,424 were recognised and a deficit of £377,000 in the School's inherited Local Government Pension Scheme obligation. These are shown in the relevant restricted funds in the SOFA. Aside from this, most of the School's income is obtained for the Department for Education in the form of recurrent grants the use of which is restricted to particular charitable purposes. The grants received during 2011/12 and the associated expenditure are shown as restricted funds in the SOFA. The income received from the DfE totalled £9,640,108 revenue and £10,076 capital. Total expenditure was £9,767,771.

The financial position of the School at the year ended 31 August 2012 was a surplus of £3,669,927.

The results for the year are shown on page 22.

Principal risks and uncertainties

The School has developed a Risk Register which is regularly reviewed by Governors. This provides a formal process to assess business risks and implement risk management strategies. This has involved identifying the types of risks the School faces, scoring and prioritising them in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying ways to mitigate risks. The School's main risks are:

- ◆ Loss of funding through budget uncertainties
- ◆ Continuing to raise standards and maintain reputation throughout the two-year major redevelopment under Building Schools for the Future

The governors are aware of the current uncertainty around school funding as a new formula for school finance is consulted on and introduced by April 2013. They aim to set in-year balanced budgets in as far as is possible and model the implications of any proposed significant expenditure carefully.

Three governors are active participants in monthly BSF progress meetings and receive regular reports on progress and site issues from the School's leadership team to ensure that students', employees' and parents' are not unduly impacted by the works.

FINANCIAL REVIEW (continued)

Reserves policy

The policy of the School is to carry forward a prudent level of resources designed to meet the long term cyclical needs (including ICT procurement) and other unforeseen contingencies.

Governors are aware of a number of future financial uncertainties including national funding levels (including SEN), additional resources required during a major redevelopment and the unknown running costs for the new and refurbished buildings. They believe that a cautious approach to reserves is currently required subject to the constraint that the level of GAG reserves do not breach the EFA limits.

Governors regularly review the reserves of the School and consider them to be sufficient for the future needs of the School.

Investment policy

Governors discussed and agreed an approach to investment at the General Purposes Committee Meeting of 27 June 2012.

- ◆ Governors will regularly monitor the cash flow and current account balances to ensure that immediate financial commitments can be met.
- ◆ Engage the services of Buzzacott Financial Management Ltd to advise on investment.
- ◆ Identify funds surplus to immediate cash requirements and seek deposit accounts which bear a higher interest rate than the Business Money Manager Account.
- ◆ Use a variety of cash deposits, some with immediate access to spread the investment and ensure that interest returns are maximised.
- ◆ To take further independent financial advice with a view to investing the BSF ICT Capital funding for longer term use.
- ◆ To review the approach regularly at the General Purposes Committee.

FUTURE ACTIVITIES AND PLANS

The School will admit 218 students to Year 7 each year (previously 192) with effect from September 2012. The increase to the Published Admissions Number (PAN) was consulted on and agreed prior to the start of the BSF programme, however this is the earliest opportunity from which it could be implemented.

Governors' report Period from 11 July 2011 to 31 August 2012

FUTURE ACTIVITIES AND PLANS (continued)

The School was approached by the Local Authority in January 2012 because of the acute shortage of primary places in the local area. Following a feasibility study, plans are already well advanced for the development of the portion of the buildings on the Mount Nod Road site which will be vacated on completion of the BSF programme. Subject to a formal consultation, this will see the school expand to admit 2 forms of entry at Reception level in September 2013 and subsequent years until the School is fully all-through in September 2020.

The governors believe that this will have be of significant benefit to the educational standards and outcomes of all its students as well as meeting the needs of the wider community in the provision of primary phase education.

Approved by order of the members of the Governing Body on 29 November 2012 and signed on its behalf by



Joel MacInnes
Chair of the Governing Body

Date 29 November 2012

Governance statement 31 August 2012

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that the Dunraven Education Trust 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 have delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the School and the Secretary of State for Education. The Principal is 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 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Number of meetings attended	Out of a possible
J MacInnes (Chair of Governors)	4	5
M Bennett	4	5
D Bryan	5	5
S Cuffy	4	5
G Dawson	4	5
M Forbes	2	5
H George	3	5
C Harvey	5	5
S Hearne	3	3
N Ivey	2	3
M Love	3	3
P Mac Mahon	4	5
C McLeod	5	5
M Nieuwenhuys	5	5
J Pick	5	5
T Rayner (term of office ended December 2012)	2	2
N Salt	5	5
G Taylor	3	5
A Waterman	2	5
D Boyle (Principal and Accounting Officer)	5	5

Associate Governor	Number of meetings attended	Out of a possible
P Dunipace	3	5
C Plume	3	5
T Rayner	3	3

Governance statement 31 August 2012

Governance (continued)

During the year to 31 August 2012, sixteen governors from the predecessor school became Trustees of the Dunraven Educational Trust. Three Associate Governors were also appointed.

Once vacancy was not filled as a sabbatical had been agreed with the governor concerned and three were filled during the course of the year as follows:

1 Community Governor: A long-standing Associate Governor was appointed by the Board of Governors.

2 Staff Governors were elected by the staff of the School.

During the year one Parent Governor's term of office ended and a new member was elected by the parents of the School.

The General Purposes Committee is a committee of the main governing body. Its purpose is to act on behalf of the full Governing Board and make decisions on its behalf in order to ensure the effective and efficient use of financial and physical resources and services that underpin achievement and standards. In addition to regular financial monitoring, the committee reviewed systems in place for academy status and responded to government consultations on school funding.

Attendance at meetings in the year was as follows:

Committee member	Number of meetings attended	Out of a possible
M Bennett (Chair)	3	5
C Harvey	5	5
P MacMahon	4	5
J MacInnes	5	5
D Boyle	4	5
H George	2	5
G Dawson	3	5
N Salt	5	5
M Nieuwenhuys	4	5
T Rayner	2	5
P Dunipace	3	5
C Plume	2	5

The purpose of the system of internal control

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

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- ◆ regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- ◆ setting targets to measure financial and other performance,
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines,
- ◆ delegation of authority and segregation of duties,
- ◆ 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 J Pick as a Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a periodic basis, the RO will report to the governors on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. As permitted by the Financial Handbook for Academies, this task has been outsourced to the external auditors. On a periodic basis the external auditors report to the RO on the operation of the systems of control and on the discharge of the RO's financial responsibilities.

Review of effectiveness

As Accounting Officer, the Principal 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,

Governance statement 31 August 2012

Review of effectiveness (continued)

- ♦ the financial management and governance self assessment process,
- ♦ the work of the Senior Leadership Team within the School who have responsibility for the development and maintenance of the internal control framework

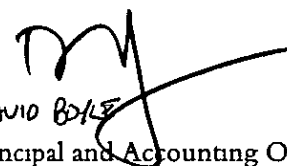
The Accounting Officer has advised the finance committee of the implications of his/her review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the governing body and signed on their behalf by



JOEL MACINNES

(Chair of Governing Body)



DAVID BOYLE
(Principal and Accounting Officer)

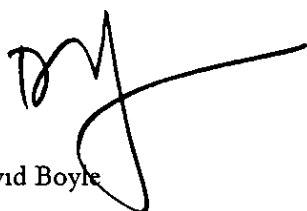
Approved on 29 November 2012

Statement on regularity, propriety and compliance 31 August 2012

As accounting officer of The Dunraven Educational Trust, I have considered my responsibility to notify the School 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 School 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 School governing body are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School'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 be 'David Boyle', with a long horizontal stroke extending to the right.

David Boyle

Accounting Officer

Date 29 November 2012

Statement of governors' responsibilities 31 August 2012

The governors (who act as trustees for charitable activities of the Dunraven Educational Trust and are also the directors of the School 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 School 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' Statement of Recommended Practice (the Charities' SORP),
- ♦ make judgments and estimates that are reasonable and prudent,
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation

The governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the School 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 have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 29 November 2012 and signed on its behalf by


JOEL MacINNES
Chair of the Governing Body

Date 29 November 2012

Independent auditor's report to the members of The Dunraven Educational Trust

We have audited the financial statements of The Dunraven Educational Trust for the period ended 31 August 2012 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

The governors act as trustees for the charitable activities of The Dunraven Educational Trust and are also the directors of the charity for the purpose of company law.

As explained more fully in the statement of governors' responsibilities set out in the Governors' report, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Independent auditor's reports 31 August 2012

Opinion

In our opinion

- ◆ the financial statements give a true and fair view of the state of the charity'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,
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006, and
- ◆ the financial statements have been prepared in accordance with the Annual Accounts Direction 2011/12 issued by the Education Funding Agency

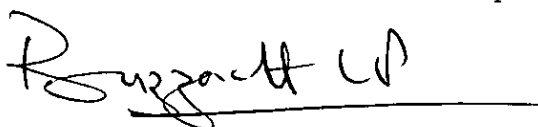
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- ◆ the financial statements are not in agreement with the accounting records and returns, or
- ◆ certain disclosures of governors' remuneration specified by law are not made, or
- ◆ we have not received all the information and explanations we require for our audit



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

19 December 2012

Independent auditor's report on regularity to the governing body of The Dunraven Educational Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 2 October 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 School during the period from 11 July 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 auditor

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 or income received during the period from 11 July 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

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 11 July 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

Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities Period from 11 July 2011 to 31 August 2012

		Unrestricted general fund £	Restricted funds			2012 Total funds £
	Notes		EFA £	Other £	Fixed assets fund £	
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	70,478	—	137,027	—	207,505
Voluntary income - transfer from Local Authority on conversion	25	1,296,863	(377,000)	—	1,745,424	2,665,287
Activities for generating funds	3	30,959	—	—	—	30,959
Investment income	4	1,788	25,000	—	—	26,788
Incoming resources from charitable activities						
Funding for the School's educational operations	5	169,916	9,640,108	275,059	925,076	11,010,159
Total incoming resources		1,570,004	9,288,108	412,086	2,670,500	13,940,698
Resources expended						
Cost of generating funds						
Cost of generating voluntary income		48,400	—	137,027	—	185,427
Charitable activities						
School's educational operations	7	66,709	9,354,020	—	139,181	9,559,910
Governance costs	8	—	22,434	—	—	22,434
Total resources expended	6	115,109	9,376,454	137,027	139,181	9,767,771
Net incoming (outgoing) resources before transfers		1,454,895	(88,346)	275,059	2,531,319	4,172,927
Gross transfers between funds		—	(10,589)	—	10,589	—
Net incoming (expenditure) for the year		1,454,895	(98,935)	275,059	2,541,908	4,172,927
Other recognised gains and losses						
Actuarial losses on defined benefit pension scheme	23	—	(503,000)	—	—	(503,000)
Net movement in funds		1,454,895	(601,935)	275,059	2,541,908	3,669,927
Reconciliation of funds						
Fund balances brought forward at 11 July 2011		—	—	—	—	—
Fund balances carried forward at 31 August 2012		1,454,895	(601,935)	275,059	2,541,908	3,669,927

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

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

Balance sheet 31 August 2012

	Notes	2012 £	2012 £
Fixed assets			
Tangible fixed assets	12		1,626,908
Current assets			
Debtors	13	150,309	
Cash at bank and in hand		3,196,446	
		3,346,755	
Creditors amounts falling due within one year	14	(406,736)	
Net current assets			2,940,019
Total assets less current liabilities			4,566,927
Net assets excluding pension scheme liability			
Pension scheme liability	23		(897,000)
Net assets including pension scheme liability			3,669,927
Funds of the School			
Restricted funds			
Fixed assets fund	15		2,541,908
EFA fund	15		295,065
Pension reserve			(897,000)
Other funds			275,059
			2,215,032
Unrestricted funds			
General fund			1,454,895
Total funds			3,669,927

The financial statements on page 22 to 44 were approved by the Governors, and authorised for issue on 29 November 2012 and are signed on their behalf by



Joel MacInnes
Chair of Governors

The Dunraven Educational Trust
Company Limited by Guarantee
Registration Number 07700362 (England and Wales)

Cash flow statement Period from 11 July 2011 to 31 August 2012

	Notes	2012 £
Net cash inflow from operating activities	18	2,290,247
Returns on investment and servicing of finance	19	1,788
Capital expenditure	20	904,411
Increase in cash in the period		3,196,446
Reconciliation of net cash flow to movement in net funds.		
Net funds at 11 July 2011		—
Net funds at 31 August 2012		3,196,446

All of the cash flows derived from acquisitions in the current financial period

Principal accounting policies 31 August 2012

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.

Conversion to an academy trust

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 Dunraven School (a Foundation School) to an academy trust 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 The Dunraven Educational Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. On conversion a net operating balance of £1,278,308 was transferred to the School. The School is undergoing substantial rebuilding and refurbishment under the Building Schools for the Future (BSF) contract and at conversion no new areas had been completed. All fixtures and fittings were considered to be fully depreciated and transferred at £nil value. The buildings under construction will be recognised when the BSF programme is complete and a Deed of Novation is signed between the Local Authority and the Board of Governors. Further details of the transaction are set out in note 25 of the financial statements.

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.

Incoming Resources

All incoming resources are recognised when the School 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 is recognised in the period it is receivable.

Gifts in kind

The value of gifts in kind provided to the School are recognised at a valuation attributed by the governors in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income.

Charitable activities

These are costs incurred on the School's educational operations.

Governance Costs

These include the costs attributable to the School'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 £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and 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 School's depreciation policy.

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

Freehold buildings	4% per annum
Fixtures, fittings and equipment	20% per annum
Computers	33% per annum

Depreciation is charged in full for the year of acquisition and is not charged in the year of disposal.

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.

Taxation

The School 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 School 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.

Pensions Benefits

Retirement benefits to employees of the School 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 School.

Pensions Benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School 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 23, the TPS is a multi employer scheme and the School 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 School in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs 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 School at the discretion of the governors.

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

Restricted EFA funds comprise all other grants received from the Education Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Lambeth Council.

Notes to the Financial Statements Period from 11 July 2011 to 31 August 2012

1 General Annual Grant (GAG)

	2012 £
a Results and Carry Forward for the period	
GAG allocation for current period	9,476,650
Total GAG available to spend	9,476,650
Recurrent expenditure from GAG	(9,323,997)
Capital expenditure from GAG	(10,589)
GAG carried forward to next year	142,064
Maximum permitted GAG carry forward at end of current year (12% of allocation for current period)	(1,137,198)
GAG to surrender to DfE (12% rule breach if result is positive)	(995,134)
	No Breach

2 Voluntary income

	Unrestricted funds £	Restricted funds £	2012 Total funds £
Other Donations	70,478	137,027	207,505

3 Activities for Generating Funds

	Unrestricted funds £	Restricted funds £	2012 Total funds £
Hire of facilities	22,209	—	22,209
Other income	8,750	—	8,750
	30,959	—	30,959

4 Investment Income

	Unrestricted funds £	Restricted funds £	2012 Total funds £
Interest receivable	1,788	25,000	26,778

Notes to the Financial Statements Period from 11 July 2011 to 31 August 2012

5 Funding for the School's educational operations

	Unrestricted funds £	Restricted funds £	2012 Total funds £
DfE / EFA revenue grant			
General Annual Grant (GAG) (note 1)	—	9,476,650	9,476,650
Other DfE / EFA	—	163,458	163,458
	—	9,640,108	9,640,108
Other government grants			
Local authority grants	—	275,059	275,059
Special educational projects (Formula and BSF ICT Capital)	—	925,076	925,076
	—	1,200,135	1,200,135
Other			
Income for Music and Visits	59,156	—	59,156
Income for charitable activities	110,760	—	110,760
	169,916	—	169,916
	169,916	10,840,243	11,010,159

6 Resources expended

	Staff costs £	Non pay expenditure		2012 Total funds £
		Premises £	Other costs £	
Cost of generating funds				
Cost of generating voluntary income	102,055	—	83,372	185,427
Charitable activities				
School's educational operations				
Direct costs	5,974,809	—	1,056,606	7,031,415
Allocated support costs	808,691	880,182	839,622	2,528,495
	6,783,500	880,182	1,896,228	9,559,910
Governance costs	8,623	—	13,811	22,434
	6,894,178	880,182	1,993,411	9,767,771

Net incoming resources for the period include	2012 £
Operating leases	88,284
Fees payable to auditor	
Statutory audit	9,000
Other services	3,000

Notes to the Financial Statements Period from 11 July 2011 to 31 August 2012

7 Charitable activities - School's educational operations

	Unrestricted funds £	Restricted funds £	2012 Total funds £
Direct costs			
Teaching and educational support staff costs	—	5,974,809	5,974,809
Agency teaching and educational support supply costs	—	288,433	288,433
Educational supplies	—	526,132	526,132
Examination fees	—	135,621	135,621
Staff development	—	36,535	36,535
Other direct costs	66,709	3,176	69,885
	<u>66,709</u>	<u>6,964,706</u>	<u>7,031,415</u>
Allocated support costs			
Support staff costs	—	808,691	808,691
Depreciation	—	139,181	139,181
Recruitment and support	—	159,019	159,019
Maintenance of premises and equipment	—	452,111	452,111
Cleaning	—	328,295	328,295
Rent and rates	—	27,373	27,373
Insurance	—	72,403	72,403
Security and transport	—	135,041	135,041
Catering	—	204,069	204,069
Bank interest and charges	—	3,119	3,119
Administrative costs	—	95,572	95,572
Support service costs	—	63,360	63,360
Other support costs	—	40,261	40,261
	<u>—</u>	<u>2,528,495</u>	<u>2,528,495</u>
	<u>66,709</u>	<u>9,493,201</u>	<u>9,559,910</u>

8 Governance costs

	Unrestricted funds £	Restricted funds £	2012 Total funds £
Legal and professional fees	—	1,811	1,811
Auditor's remuneration			
Audit of financial statements	—	9,000	9,000
TPS audit	—	750	750
Responsible officer audit	—	2,250	2,250
Support staff costs	—	8,623	8,623
	<u>—</u>	<u>22,434</u>	<u>22,434</u>

Notes to the Financial Statements Period from 11 July 2011 to 31 August 2012

9 Staff costs

Staff costs during the period were

	Unrestricted funds £	Restricted funds £	2012 Total funds £
Wages and salaries	—	5,692,151	5,692,151
Social security costs	—	487,833	487,833
Pension costs	—	714,194	714,194
	—	6,894,178	6,894,178
Agency teaching and educational support costs	—	288,433	288,433
Compensation payments	—	19,014	19,014
	—	7,201,625	7,201,625

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

Charitable activities	2012 No
Teachers	80
Administration and support	60
Management	9
Agency teaching and educational support	8
	157

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

	2012 No
£60,001 - £70,000	5
£70,001 - £80,000	2
£100,001 - £110,000	1

Seven of the above employees participated in the Teachers' Pension Scheme During the 13-month period ended 31 August 2012 pension contributions for these staff amounted to £78,340 The other employee participated in the Local Government Pension Scheme and pension contributions amounted to £9,618

Notes to the Financial Statements Period from 11 July 2011 to 31 August 2012

10 Governors' remuneration and expenses

The Principal is a governor of the Dunraven Educational Trust. Elected staff governors are Trustees and only receive remuneration in respect of services they provide undertaking their roles as 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 annual value of governors' remuneration was as follows:

	2012 £
D. Boyle, Principal and trustee	105,001 – 110,000
S. Cuffy, Staff governor and trustee	50,001 – 55,000
M. Love, Staff governor and trustee	50,001 – 55,000
N. Ivey, Staff governor and trustee	15,001 – 20,000

The pension contributions for the Principal were £15,104 for the 13 month period.

During the year ended 31 August 2012, no travel and subsistence expenses were reimbursed to governors.

Other related party transactions involving the trustees are set out in note 24.

11 Governors' and Officers' insurance

In accordance with normal commercial practice the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1,701.

12 Tangible fixed assets

	Freehold buildings £	Furniture and equipment £	Total funds £
Cost/valuation			
Transfer on conversion	1,745,424	—	1,745,424
Additions	—	20,665	20,665
At 31 August 2012	1,745,424	20,665	1,766,089
Depreciation			
Charge in period	135,048	4,133	139,181
At 31 August 2012	135,048	4,133	139,181
Net book value			
At 31 August 2012	1,610,376	16,532	1,626,908
At 11 July 2011	—	—	—

For the purposes of these financial statements, the land is deemed to have no commercial value.

Notes to the Financial Statements Period from 11 July 2011 to 31 August 2012

12 Tangible fixed assets (continued)

On conversion to an academy trust on 1 August 2011, the School's buildings were transferred from Dunraven School (a Foundation School) to The Dunraven Educational Trust (see note 25 for further details) A Building Schools for the Future (BSF) project is in progress at the School Following completion of the BSF project, the School will take ownership of the new buildings and they will be recognised as tangible fixed assets in the financial statements No asset has been recognised whilst the buildings are under construction

Certain other buildings at the School are temporary or will be demolished following completion of the BSF project These buildings have not been recognised as tangible fixed assets

The remaining buildings that were transferred on conversion that will remain in use at the School were recognised as tangible fixed assets at a depreciated insurance valuation

13 Debtors

	2012 £
Trade debtors	53,962
Prepayments	22,925
VAT Debtor	70,059
Other debtors and accrued income	3,363
	150,309

Notes to the Financial Statements Period from 11 July 2011 to 31 August 2012

14 Creditors: amounts falling due within one year

	2012 £
Trade creditors	44,141
Other taxation and social security	230,339
Accruals and deferred income	132,256
	406,736

£87,840 of the deferred income relates to the South Lambeth School's Partnership for the period to 31 March 2013. Dunraven School is the lead school and as such receives and holds the income for the 12 member schools. Dunraven directly employs the staff and the costs for the period to 31 August 2012 are included in note 9. Income and expenditure for 2012 is detailed below.

	SLSP £	Other £	2012 £
Income			
Income	224,867	45,113	269,980
Income deferred to 2012/13	(87,840)	(32,416)	(120,256)
Total Income	137,027	12,697	149,724
Expenditure			
Employee costs	102,055	—	102,055
Other costs	34,972	—	34,972
Total expenditure	137,027	—	137,027
Deferred Income	87,840	32,416	120,256

Notes to the Financial Statements Period from 11 July 2011 to 31 August 2012

15 Funds

	Balance at 11 July 2011 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2012 £
EFA revenue grant fund					
General Annual Grant (GAG)	—	9,476,650	(9,323,997)	(10,589)	142,064
Other EFA grants	—	163,458	(10,457)	—	153,001
Pension reserve	—	(352,000)	(42,000)	(503,000)	(897,000)
	—	<u>9,288,108</u>	<u>(9,376,454)</u>	<u>(513,589)</u>	<u>(601,935)</u>
Fixed assets fund					
EFA capital grants	—	10,076	(4,133)	—	5,943
Capital grants from Local Authority	—	915,000	—	—	915,000
Capital expenditure from GAG	—	—	—	10,589	10,589
Academy building and furniture and equipment transferred from Local Authority	—	<u>1,745,424</u>	<u>(135,048)</u>	—	<u>1,610,376</u>
	—	<u>2,670,500</u>	<u>(139,181)</u>	<u>10,589</u>	<u>2,541,908</u>
Other funds					
Local Authority grants	—	275,059	—	—	275,059
South Lambeth School Partnership	—	<u>137,027</u>	<u>(137,027)</u>	—	<u>—</u>
	—	<u>412,086</u>	<u>(137,027)</u>	—	<u>275,059</u>
Total restricted funds	—	<u>12,370,694</u>	<u>(9,652,662)</u>	<u>(503,000)</u>	<u>2,215,032</u>
Unrestricted funds					
Unrestricted funds	—	<u>1,570,004</u>	<u>(115,109)</u>	—	<u>1,454,895</u>
Total unrestricted funds	—	<u>1,570,004</u>	<u>(115,109)</u>	—	<u>1,454,895</u>
Total funds	—	<u>13,940,698</u>	<u>(9,767,771)</u>	<u>(503,000)</u>	<u>3,669,927</u>

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

EFA revenue grant fund and other restricted funds

The General Annual Grant (GAG) has been provided by the EFA in order to fund the normal running costs of the School. Other funding received from the EFA included the Pupil Premium, 16-19 Bursary, and a grant for insurance and the sports partnership grant.

The Local Authority provided SEN funding and the balance of funds owing to the School at conversion. The relevant costs were allocated against GAG for this period and this fund will be utilised in a future accounting period.

Other restricted funds relate to the South Lambeth School's Partnership.

Notes to the Financial Statements Period from 11 July 2011 to 31 August 2012

15 Funds (continued)

Fixed asset fund

Restricted fixed asset funds include devolved formula capital grants provided by the EFA for the cost of minor works and ICT and capital replacement. The School also received £915,000 of BSF ICT capital funding in cash for future ICT provision. This is currently held as cash in hand. It also includes capitalised assets purchased by the School and the value of capital assets inherited by the School.

Pension reserve

The restricted Pension reserve represents the deficit on the School's share of the Local Government Pension Scheme as at 31 August 2012.

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2012 £
Fund balances at 31 August 2012 are represented by				
Tangible fixed assets	—	—	1,626,908	1,626,908
Current assets	1,454,895	976,860	915,000	3,346,755
Current liabilities	—	(406,736)	—	(406,736)
Pension scheme liability	—	(897,000)	—	(897,000)
Total net assets	1,454,895	(326,876)	2,541,908	3,669,927

17 Financial Commitments

Operating Leases

As at 31 August 2012 the School had annual commitments under non-cancellable operating leases as follows:

	2012 £
<u>Other</u>	
Expiring within one year	93,231
Expiring within two and five years	4,060
	97,291

Over the next financial year £13,231 relates to photocopier operating leases and the balance of £79,910 relates to the indexed charge for the Lambeth Connected Learning Project (managed ICT service) which runs until 31 July 2013. Lambeth Local Authority is currently in negotiation with the School to increase the charge for the period 1 September 2012 - 31 July 2013 to £128,000.

Notes to the Financial Statements Period from 11 July 2011 to 31 August 2012

18 Reconciliation of net income to net cash inflow from operating activities

	2012 £
Net income	4,172,927
Inherited pension deficit	377,000
Inherited tangible fixed assets on conversion (note 25)	(1,745,424)
Depreciation (note 12)	139,181
Capital grants from DfE and other capital income	(925,076)
Interest receivable (note 4)	(1,788)
FRS 17 pension cost less contributions payable (note 23)	42,000
FRS 17 pension finance income (note 23)	(25,000)
Increase in debtors	(150,309)
Increase in creditors	406,736
Net cash inflow from operating activities	2,290,247

19 Returns on investment and servicing of finance

	2012 £
Interest received	1,788
Net cash inflow from returns on investment and servicing of finance	1,788

20 Capital expenditure and financial investment

	2012 £
Capital grants from DfE / EFA	10,076
Capital funding received from sponsors and others	915,000
Purchase of Tangible Fixed Assets	(20,665)
Net cash inflow from capital expenditure and financial investments	904,411

21 Analysis of changes in net funds

	At 11 July 2011 £	Cashflows £	At 31 August 2012 £
Cash in hand and at bank	—	3,196,446	3,196,446

22 Members' Liability

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

23 Pension and similar obligations

The School'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 Pension Fund Authority Both are defined-benefit schemes

As described below, the LGPS obligation relates to the employees of the School, 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 August 2011

Contributions amounting to £80,414 were payable to the schemes at 31 August and are included within creditors

Teachers' Pension Scheme (TPS)

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the 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



23 Pension and similar obligations (continued)

Teachers' Pension Scheme (TPS) (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.

23 Pension and similar obligations (continued)

Teachers' Pension Scheme (TPS) (continued)

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £186,506, of which employer's contributions totalled £129,497 and employees' contributions totalled £59,009.

Principal Actuarial Assumptions	At 31 August 2012
Rate of increase in salaries	3.6%
Rate of increase for pensions in payment / inflation	1.9%
Discount rate for scheme liabilities	3.9%
Inflation assumption (CPI)	1.9%
Inflation assumption (RPI)	2.7%

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

	At 31 August 2012
<i>Retiring today</i>	
Males	19.5
Females	23.9
<i>Retiring in 20 years</i>	
Males	21.6
Females	25.8

Notes to the Financial Statements Period from 11 July 2011 to 31 August 2012

23 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2012	Fair value at 31 August 2012 £
Equities	5.8%	2,077,000
Target Return Portfolio	4.4%	293,000
Alternative Assets	4.8%	468,000
Cash	0.5%	88,000
Total market value of assets	5.3%	2,926,000
Present value of scheme liabilities		(3,798,000)
Present value of Unfunded Obligation		(25,000)
(Deficit) in the scheme		(897,000)

The actual return on scheme assets was £101,000

	2012 £
Amounts recognised in statement of financial activities	
Current service costs (net of employee contributions)	172,000
Total operating charge	172,000

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(203,000)
Interest on pension liabilities	178,000
Pension finance	(25,000)

The actuarial gains and losses for the current period 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 loss of £897,000.

	2012 £
Movements in the overall deficit were as follows:	
Deficit at 11 July 2011	(377,000)
Current service cost	(172,000)
Employer contributions	130,000
Net finance interest	25,000
Actuarial gains/(loss)	(503,000)
At 31 August 2012	(897,000)

23 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Movements in the present value of defined benefit obligations were as follows	2012 £
Defined benefit obligations at 11 July 2011	3,079,000
Current service costs	172,000
Interest costs	178,000
Employee contributions	59,000
Estimated benefits paid	(65,000)
Unfunded pension payments	(2,000)
Actuarial loss	402,000
At 31 August 2012	3,823,000

Movements in the fair value of School's share of scheme assets	2012 £
At 11 July 2011	2,702,000
Expected return on assets	203,000
Actuarial loss	(101,000)
Employer contributions	130,000
Employee contributions	59,000
Estimated benefits paid (net of transfers in and including unfunded)	(67,000)
At 31 August 2012	2,926,000

The estimated value of the employer contributions for the year ended 31 August 2013 is £105,000

The experience adjustments are as follows

	2012 £
Present value of defined benefit obligations	(3,823,000)
Fair value of share scheme assets	2,926,000
Deficit on the scheme	(897,000)
Experience adjustments on share of scheme assets	
Amount	(101,000)
Experience adjustments on scheme liabilities	
Amount	—

24 Related party transactions

Owing to the nature of the School'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 School's financial regulations and normal procurement procedures.

Notes to the Financial Statements Period from 11 July 2011 to 31 August 2012

25 Conversion to an academy trust

On 1 August 2011 Dunraven School converted to academy trust status under the Academies Act 2010 and all operations and assets and liabilities were transferred to The Dunraven Educational Trust for the London Borough of Lambeth for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £	Total £'000
Tangible fixed assets				
Freehold/leasehold land and buildings	—	—	1,745,424	1,745,424
Budget surplus on LA funds	1,278,308			1,278,308
Budget surplus on other School funds	18,555	—	—	18,555
LGPS pension surplus (deficit)	—	(377,000)	—	(377,000)
Net assets (liabilities)	1,296,863	(377,000)	1,745,424	2,665,287

The above net assets include £1,669,365 transferred as cash

