

REGISTRAR OF COMPANIES

The Dunraven Educational Trust

Annual Report and Financial Statements

For the period 1 September 2012 to
31 August 2013

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*
	S Hearne	2
	N Ivey	4
	M Love	4
	P MacMahon	1
	C McLeod (resigned December 2012)	2
	M Nieuwenhuys	2
	J Pick	1
	N Salt	1
	G Taylor	2
	A Waterman (resigned November 2012)	2
	Mr D Boyle (Principal and accounting officer)	Ex-officio
Key	1 Community Governor, 1* Community Governor elected by parents, 2 Parent Governor, 3 LA Governor, 4 Staff Governor	
Associate Governors	C Plume	
Company Secretary	M Metcalfe	
Senior Team:		
Principal	D Boyle	
Head of Primary Phase	M Christian	
Deputy Principal	R Lewis	
Deputy Principal	J West	
Director of Finance and Business	M Metcalfe	
Registered address	Dunraven School Leigham Court Road Streatham London SW16 2QB	
Company registration number	07700362 (England and Wales)	

Reference and administrative information

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 31 August 2013

The governors of The Dunraven Educational Trust ('the School') present their statutory report together with the financial statements of the charitable company for the year ended 31 August 2013

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 29 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 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 2013 and served throughout the year except where shown. All governors are appointed by The Dunraven Educational Trust.

Governor/Trustees	Appointed	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
C Harvey	December 2012	November 2016
S Hearne	22 March 2012	March 2016
N Ivey	22 March 2012	March 2016
M Love	22 March 2012	March 2016
P MacMahon	11 June 2011	March 2015
C McLeod	12 October 2011	December 2012
M Nieuwenhuys	12 October 2011	April 2015
J Pick	12 October 2011	December 2014
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.

In 29 November 2012, the Governing Board resolved to defer the elections of new parent governors whilst representation of Primary phase parents was considered. It was further resolved that one parent governor appointment would be reserved for a Primary phase parent.

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 Intranet. 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, three Deputy Principals (one of whom left in August 2013) and a Director of Finance and Business. A Head of Primary Phase was appointed in April 2013. The second tier of leadership consisted of four Assistant Principals, and a Director of Inclusion. The aim of the leadership 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 well as setting up and managing the annual development priorities.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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.

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.

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 4 and 19. The age range the school caters for was changed in 27 June 2013 by the amended funding agreement.

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 student to the School and that the curriculum should be broad and balanced.

The main objectives of the School during the period ended 31 August 2013 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:

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

- ◆ A broad, balanced and stimulating curriculum
- ◆ The development of a primary curriculum
- ◆ Learning and teaching opportunities to ensure that all students attain appropriate academic qualifications
- ◆ 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 in the Secondary Phase (fair banding) and is heavily over-subscribed. There is no banding in the Primary Phase. 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 2013 prioritised whole school literacy, outcomes and progress between Key Stage 2-4, including closing the gap between Pupil Premium eligible students and non-Pupil Premium students at 5A*-C. The target for the proportion of teaching to be good or better was 95% by Spring 2014 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 96% and reducing persistent absence to below 3%. A key leadership and management priority was to ensure the quality of provision was maintained through the Building Schools for the Future Programme and to develop the Primary Provision.

REVIEW OF ACTIVITIES (continued)

The whole school performance for 2013 were

GCSE: 5A*-C	98%	5A*-C (E/M)	77%
5A*-G	99%	EBACC	47%
A Level: A*-E	99%	A*-C	82%
A*-B	57%		
Attendance	95%		

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 2012/2013 fell just short of the 96% target (95.5%) 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 excellent teaching, including a focus on challenging the most able, with a whole school CPD day in June 2013. The observation programme for the year indicated that the quality of teaching in the School was strong with 94% of lessons graded at good or better (91% in 2012). 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 a number undertaking in-house and external Masters Programmes.

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 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 two refurbished buildings and part of one new building at different times during the course of the year. Delays to target dates for hand-over of buildings meant that un-planned closures, including an early end to the summer term occurred. 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. The school took beneficial occupation of all new and refurbished buildings in July 2013, however practical completion has yet to be achieved.

The plans for the Primary Phase were developed throughout the year with planning permission being granted for the refurbishment of buildings on the North Site being granted in May 2013 and the works to provide a temporary reception class completed with handover achieved on 30 August 2013. A Primary Phase Head was appointed from April 2013 and all other posts required for the September start were filled with post-holders commencing on September 2013.

REVIEW OF ACTIVITIES (continued)

Recruitment to both Year 7 and Year 12 remained strong, with 1,500 applications for 218 places in September 2012 and over 120 students admitted to Year 12, taking the Sixth Form role to over 220. There were almost 3,000 visitors to the school in September 2012 for 2013 entry and a similar number of applicants, despite the building works. There was strong interest in the Primary Phase and the school received over 130 1st and 2nd preferences and was 4 times oversubscribed at all preferences. The school will admit 218 students in Year 7 in September 2013 and 56 children in Reception.

Examination and assessment results for 2012/13 were as follows

Key Stage 3 (level 5+)	2013
-------------------------------	-------------

English	95%
---------	-----

Maths	85%
-------	-----

Science	94%
---------	-----

GCSE

5A*-C	98%
-------	-----

5A*-C (E/M)	77%
-------------	-----

5A*-G	99%
-------	-----

English Baccalaureate	47%
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A Level

A*-B	57%
------	-----

A*-C	82%
------	-----

A*-E	99%
------	-----

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 achievement of students entitled to Free School Meals improved with 65% achieving 5 A*-C Grades with English and Maths (61% in 2012) which is above national outcomes for all children.

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.

REVIEW OF ACTIVITIES (continued)

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 2013.

FINANCIAL REVIEW

Financial report for the year

In its second period of operation as an Academy, an in-year surplus of £80,183 was achieved. After transfers between funds and recognised losses on the defined benefit pension scheme, the unrestricted general fund shows a total surplus of £1,628,526 (2012 - £1,454,895) and the restricted fund £2,131,584 (2012 - £2,215,032).

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 2012/13 and the associated expenditure are shown as restricted funds in the SOFA. The income received from the DfE totalled £9,089,590 revenue and £24,204 capital. Total revenue expenditure from EFA funding was £9,099,994.

The financial position of the School at the year ended 31 August 2013 was a surplus of £3,760,110 (2012 - £3,669,927).

The results for the year are shown on page 23.

Financial and risk management objectives and policies

Risks are defined as uncertain future events that might prevent the school from achieving its objectives. The governors therefore ensure that it has in place the means to identify, analyse, control and monitor the strategic and operational risks it faces through its Fraud Policy, Risk Register and Critical Incident Plan. Governors have also resolved to form an Audit Committee to have oversight of this area.

Principal risks and uncertainties

The School has developed a Fraud Policy, Risk Register and Critical Incident Plan which are regularly reviewed by Governors. These provide a formal process to assess financial and 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 major redevelopment under Building Schools for the Future

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

- ◆ The risks associated with opening a new phase
- ◆ Risk to building and property during the Building works

The governors are aware of the current uncertainty around school funding as a new formula for school finance was introduced in 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 and primary phase 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. Governors have continued this active involvement as the Primary Phase building continues.

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.

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.

FINANCIAL REVIEW (continued)

Investment policy (continued)

- ♦ 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 at the General Purposes Committee

The governors have implemented the above approach, which is subject to ongoing review

FUTURE ACTIVITIES AND PLANS

In addition to the 218 students the school will admit to Year 7 each year (previously 192), the school will admit 56 Reception children in September 2013 and each year thereafter. The change of age range and Primary Published Admissions Number (PAN) was consulted on in January 2013 and the Funding Agreement amended by the Secretary of State in 27 June 2013.

During 2013 the building works for the Primary Phase will be completed at the school will admit 2 forms of entry at Reception level year on year, becoming 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.

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

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



J MACINNES
Chair of the Governing Body

Date

5/12/13

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 4 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)	3	4
M Bennett	0	4
D Bryan	3	4
S Cuffy	3	4
G Dawson	3	4
M Forbes	3	4
H George	3	4
C Harvey	4	4
S Hearne	3	4
N Ivey	4	4
M Love	4	4
P MacMahon	4	4
C McLeod	0	2
M Nieuwenhuys	4	4
J Pick	3	4
N Salt	4	4
G Taylor	2	4
A Waterman	0	2
D Boyle (Principal and Accounting Officer)	4	4

Associate Governor	Number of meetings attended	Out of a possible
P Dunipace	0	2
C Plume	0	4
T Rayner	0	4

Governance statement 31 August 2013

Governance (continued)

During the year to 31 August 2013, two parent governor terms of office ended. One was re-appointed as a community governor. The vacancy for community governor had been held vacant as a sabbatical had been agreed with a governor of the predecessor school. That person indicated they would not take up role as governor of The Dunraven Educational Trust in September 2012. A further parent governor resigned during the course of the academic year as well as two associate governors.

Three parent governor vacancies were held whilst the Trust discussed and agreed representation for parents in the Primary Phase, due to open in September 2013. Elections will take place in the Autumn Term 2013.

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)	2	4
C Harvey	3	4
P MacMahon	3	4
J MacInnes	4	4
D Boyle	3	4
H George	3	4
G Dawson	1	4
N Salt	3	4
M Nieuwenhuys	4	4
P Dunipace	1	2
C Plume	2	4

Governors resolved to set up an Audit Committee which will be a committee of the main board of trustees. It will meet for the first time in Spring 2014 and its purpose will be to consider particular financial risks and review internal control systems in more detail.

Governance statement 31 August 2013

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 2013 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 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The risk and control framework

The 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

Governance statement 31 August 2013

The risk and control framework (continued)

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 is assisted in this work by an externally appointed expert. 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 auditor. On a periodic basis the external auditor reports 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

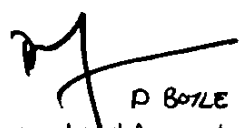
- ♦ the work of the responsible officer,
- ♦ the work of the external auditor,
- ♦ the financial management and governance self assessment process,
- ♦ the work of the Senior Leadership Team within the School who have responsibility for the development and maintenance of the internal control framework

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

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


J MACINNES
(Chair of Governing Body)

Approved on 5/12/13


D BOYLE
(Principal and Accounting Officer)

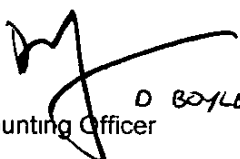
5.12.13

Statement on regularity, propriety and compliance 31 August 2013

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.


D. BOYLE
Accounting Officer
Date 5.12.13

Statement of governors' responsibilities 31 August 2013

The governors (who act as trustees of the Academy and are also the directors of the Academy 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 Academy 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 Academy will continue in operation

The governors are responsible for keeping proper accounting records that are sufficient to show and explain the Academy's transactions and 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 Academy 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 Academy 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 Academy's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of trustees and signed on its behalf by


J MACINNES
Chair of the Governing Body

Date 5/12/13

Independent auditor's reports 31 August 2013

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

We have audited the financial statements of The Dunraven Educational Trust for the year ended 31 August 2013 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 2012/13 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 charitable company'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 charitable company and the charitable company'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 charitable company'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 2013

Opinion

In our opinion

- ◆ the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- ◆ 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 Academies Accounts Direction 2013 issued by the Education Funding Agency

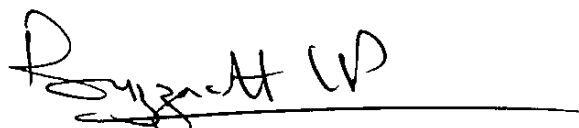
Opinion on other matter prescribed by the Companies Act 2006

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

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 2013

Independent auditor's reports 31 August 2013

Independent reporting auditor's assurance report on regularity to 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) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Dunraven Educational Trust during the period from 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

Respective responsibilities of The Dunraven Educational Trust's accounting officer and the reporting auditor

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

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

Approach

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

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

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

Independent auditor's reports 31 August 2013

Approach (continued)

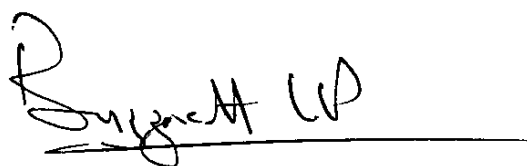
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure

The work undertaken to draw to our conclusion includes

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities,
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary, and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion

Conclusion

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



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

19 December 2013

Statement of financial activities 31 August 2013

		Un- restricted general fund £	Restricted funds			Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
Notes		£	EFA £	Other £	Fixed assets fund £	£	£
Incoming resources							
Incoming resources from generated funds							
	1	72,149	—	145,518	—	217,667	207,505
		—	—	—	—	—	2,665,287
	2	18,010	—	—	—	18,010	30,959
	3	26,457	7,000	—	—	33,457	26,788
Incoming resources from charitable activities							
	4	166,693	9,089,590	372,545	49,963	9,678,791	11,010,159
Total incoming resources		283,309	9,096,590	518,063	49,963	9,947,925	13,940,698
Resources expended							
Cost of generating funds							
		9,291	—	147,408	—	156,699	185,427
Charitable activities							
	6	100,387	9,070,330	372,545	138,117	9,681,379	9,559,910
	7	—	29,664	—	—	29,664	22,434
Total resources expended		109,678	9,099,994	519,953	138,117	9,867,742	9,767,771
Net incoming (outgoing) resources before transfers							
		173,631	(3,404)	(1,890)	(88,154)	80,183	4,172,927
Gross transfers between funds							
	14	—	—	—	—	—	—
Net income (expenditure) for the year		173,631	(3,404)	(1,890)	(88,154)	80,183	4,172,927
Other recognised gains and losses							
	22	—	10,000	—	—	10,000	(503,000)
Net movement in funds		173,631	6,596	(1,890)	(88,154)	90,183	3,669,927
Reconciliation of funds							
		1,454,895	(601,935)	275,059	2,541,908	3,669,927	—
Fund balances carried forward at 31 August 2013		1,628,526	(595,339)	273,169	2,453,754	3,760,110	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 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible fixed assets	11		1,639,432		1,626,908
Current assets					
Debtors	12	288,978		150,309	
Cash at bank and in hand		3,056,231		3,196,446	
		3,345,209		3,346,755	
Creditors amounts falling due within one year	13	(264,531)		(406,736)	
Net current assets			3,080,678		2,940,019
Total assets less current liabilities			4,720,110		4,566,927
Net assets excluding pension scheme liability					
Pension scheme liability	22		(960,000)		(897,000)
Net assets including pension scheme liability			3,760,110		3,669,927
Funds of the School					
Restricted funds					
Fixed assets fund	14		2,453,754		2,541,908
EFA fund	14		364,661		295,065
Pension reserve			(960,000)		(897,000)
Other funds			273,169		275,059
			2,131,584		2,215,032
Unrestricted funds					
General fund			1,628,526		1,454,895
Total funds			3,760,110		3,669,927

The financial statements on page 23 to 44 were approved by the Governors, and authorised for issue on (DATE) and are signed on their behalf by


J. MACLENNAN
 Chair of Governors

5/12/13

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

Cash flow statement 31 August 2013

	Notes	Year to 31 August 2013 £	Period to 31 August 2012 £
Net cash (outflow) inflow from operating activities	17	(72,994)	2,290,247
Returns on investment and servicing of finance	18	33,457	1,788
Capital expenditure	19	(100,678)	904,411
(Decrease) increase in cash in the period		(140,215)	3,196,446
Reconciliation of net cash flow to movement in net funds			
Net funds at 31 August 2012		3,196,446	—
Net funds at 31 August 2013		3,056,231	3,196,446

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

Principal accounting policies 31 August 2013

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.

The comparative figures cover the period from incorporation on 11 July 2011 to 31 August 2012.

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.

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.

Principal accounting policies 31 August 2013

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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Donations

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.

Principal accounting policies 31 August 2013

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.

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

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.

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 22, 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 31 August 2013

1 Voluntary income

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
Other Donations	72,149	—	72,149	70,478
South Lambeth School's Partnership	—	145,518	145,518	137,027
	72,149	145,518	217,667	207,505

2 Activities for Generating Funds

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
Hire of facilities	889	—	889	22,209
Other income	17,121	—	17,121	8,750
	18,010	—	18,010	30,959

3 Investment Income

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
Interest receivable	26,457	7,000	33,457	26,778

Notes to the Financial Statements 31 August 2013

4 Funding for the School's educational operations

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
DfE / EFA revenue grant				
General Annual Grant (GAG)	—	8,690,493	8,690,493	9,476,650
Other DfE / EFA	—	399,097	399,097	163,458
	—	9,089,590	9,089,590	9,640,108
Other government grants				
Local authority grants	—	372,545	372,545	275,059
Special educational projects (Formula and BSF ICT Capital)	—	49,963	49,963	925,076
	—	422,508	422,508	1,200,135
Other				
Income for Music and Visits	21,630	—	21,630	59,156
Income for charitable activities	145,063	—	145,063	110,760
	166,693	—	166,693	169,916
	166,693	9,512,098	9,678,791	11,010,159

5 Resources expended

	Staff costs £	Non pay expenditure		Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
		Premises £	Other costs £		
Cost of generating funds					
Cost of generating voluntary income	105,524	—	51,175	156,699	185,427
Charitable activities					
School's educational operations					
Direct costs	6,051,136	—	1,067,992	7,119,128	7,031,415
Allocated support costs	880,938	833,113	848,200	2,562,251	2,528,495
	6,932,074	833,113	1,916,192	9,681,379	9,559,910
Governance costs	9,000	—	20,664	29,664	22,434
	7,046,598	833,113	1,988,031	9,867,742	9,767,771
Net incoming resources for the period include				Year to 31 August 2013 £	Period to 31 August 2012 £
Operating leases				124,344	88,284
Fees payable to auditor					
Statutory audit				9,200	9,000
Other services				3,350	3,000

Notes to the Financial Statements 31 August 2013

6 Charitable activities - School's educational operations

	Unrestricted funds	Restricted funds	Year to 31 August 2013 Total funds	Period to 31 August 2012 Total funds
	£	£	£	£
Direct costs				
Teaching and educational support staff costs	—	6,051,136	6,051,136	5,974,809
Agency teaching and educational support supply costs	—	197,367	197,367	288,433
Educational supplies	—	651,969	651,969	526,132
Examination fees	—	120,449	120,449	135,621
Staff development	—	40,781	40,781	36,535
Other direct costs	57,426	—	57,426	69,885
	<u>57,426</u>	<u>7,061,702</u>	<u>7,119,128</u>	<u>7,031,415</u>
Allocated support costs				
Support staff costs	—	880,938	880,938	808,691
Depreciation	—	134,127	134,127	139,181
Recruitment and support	—	91,345	91,345	159,019
Maintenance of premises and equipment	—	474,219	474,219	452,111
Cleaning	—	303,655	303,655	328,295
Rent and rates	—	55,239	55,239	27,373
Insurance	—	54,526	54,526	72,403
Security and transport	—	153,665	153,665	135,041
Catering	42,961	177,716	220,677	204,069
Bank interest and charges	—	1,598	1,598	3,119
Administrative costs	—	44,211	44,211	95,572
Support service costs	—	110,724	110,724	63,360
Other support costs	—	37,327	37,327	40,261
	<u>42,961</u>	<u>2,519,290</u>	<u>2,562,251</u>	<u>2,528,495</u>
	<u>100,387</u>	<u>9,580,992</u>	<u>9,681,379</u>	<u>9,559,910</u>

7 Governance costs

	Unrestricted funds	Restricted funds	Year to 31 August 2013 Total funds	Period to 31 August 2012 Total funds
	£	£	£	£
Legal and professional fees	—	8,114	8,114	1,811
Auditor's remuneration				
Audit of financial statements	—	9,200	9,200	9,000
TPS audit	—	800	800	750
Responsible officer audit	—	2,550	2,550	2,250
Support staff costs	—	9,000	9,000	8,623
	—	<u>29,664</u>	<u>29,664</u>	<u>22,434</u>

Notes to the Financial Statements 31 August 2013

8 Staff costs

Staff costs during the period were

	Unrestricted funds	Restricted funds	Year to 31 August 2013 Total funds	Period to 31 August 2012 Total funds
	£	£	£	£
Wages and salaries	—	5,819,139	5,819,139	5,692,151
Social security costs	—	474,894	474,894	487,833
Pension costs	—	752,565	752,565	714,194
	—	7,046,598	7,046,598	6,894,178
Agency teaching and educational support costs	—	197,367	197,367	288,433
Compensation payments	—	15,605	15,605	19,014
	—	7,259,570	7,259,570	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	2013 No	2012 No
Teachers	82	80
Administration and support	61	60
Management	12	9
Agency teaching and educational support	4	8
	159	157

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

	2013 No	2012 No
£60,001 - £70,000	4	5
£70,001 - £80,000	4	2
£100,001 - £110,000	—	1
£110,001 - £120,000	1	—

Nine (2012 – seven) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013 pension contributions for these staff amounted to £84,468, (2012 - £78,340). The other employee (2012 – one) participated in the Local Government Pension Scheme and pension contributions amounted to £8,859 (2012 - £9,618). The comparative figures are for a 13 month period.

Notes to the Financial Statements 31 August 2013

9 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:

	2013 £	2012 £
D Boyle, Principal and trustee	115,001 – 120,000	105,001 – 110,000
S Cuffy, Staff governor and trustee	60,001 – 65,000	50,001 – 55,000
M Love, Staff governor and trustee	50,001 – 55,000	50,001 – 55,000
N Ivey, Staff governor and trustee	15,001 – 20,000	15,001 – 20,000

The pension contributions for the Principal were £16,783 for the 12 month period.

During the year ended 31 August 2013, no travel and subsistence expenses were reimbursed to governors.

Other related party transactions involving the trustees are set out in note 23.

10 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 2013 was £1,776 (2012 - £1,701).

11 Tangible fixed assets

	Freehold buildings £	Furniture and equipment £	Total funds £
Cost/valuation			
At 31 August 2012	1,745,424	20,665	1,766,089
Additions	—	150,641	150,641
Disposals	—	(3,990)	(3,990)
At 31 August 2013	1,745,424	167,316	1,912,740
Depreciation			
At 31 August 2012	135,048	4,133	139,181
Charge in period	124,660	9,467	134,127
At 31 August 2013	259,708	13,600	273,308
Net book value			
At 31 August 2013	1,485,716	153,716	1,639,432
At 31 August 2012	1,610,376	16,532	1,626,908

Notes to the Financial Statements 31 August 2013

11 Tangible fixed assets (continued)

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

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 and brought into the accounts at its fair value at that date. 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.

12 Debtors

	2013 £	2012 £
Trade debtors	67,980	53,962
Prepayments	81,885	22,925
VAT Debtor	134,595	70,059
Other debtors and accrued income	4,518	3,363
	288,978	150,309

13 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	67,944	44,141
Other taxation and social security	150,963	230,339
Accruals and deferred income	45,624	132,256
	264,531	406,736

Notes to the Financial Statements 31 August 2013

14 Funds

	Balance at 31 August 2012 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2013 £
EFA revenue grant fund					
General Annual Grant (GAG)	142,064	8,690,493	(8,620,897)	—	211,660
Other EFA grants	153,001	399,097	(399,097)	—	153,001
Pension reserve	(897,000)	7,000	(80,000)	10,000	(960,000)
	<u>(601,935)</u>	<u>9,096,590</u>	<u>(9,099,994)</u>	<u>10,000</u>	<u>(595,339)</u>
Fixed assets fund					
EFA capital grants	5,943	24,204	(4,133)	—	26,014
Capital grants from Local Authority	915,000	25,759	(9,324)	—	931,435
Capital expenditure from GAG	10,589	—	—	—	10,589
Academy building and furniture and equipment	1,610,376	—	(124,660)	—	1,485,716
	<u>2,541,908</u>	<u>49,963</u>	<u>(138,117)</u>	<u>—</u>	<u>2,453,754</u>
Other funds					
Local Authority grants	275,059	372,545	(372,545)	—	275,059
South Lambeth School Partnership	—	145,518	(147,408)	—	(1,890)
	<u>275,059</u>	<u>518,063</u>	<u>(519,953)</u>	<u>—</u>	<u>273,169</u>
Total restricted funds	<u>2,215,032</u>	<u>9,664,616</u>	<u>(9,758,064)</u>	<u>10,000</u>	<u>2,131,584</u>
Unrestricted funds					
Unrestricted funds	1,454,895	283,309	(109,678)	—	1,628,526
Total unrestricted funds	<u>1,454,895</u>	<u>283,309</u>	<u>(109,678)</u>	<u>—</u>	<u>1,628,526</u>
Total funds	<u>3,669,927</u>	<u>9,947,925</u>	<u>(9,867,742)</u>	<u>10,000</u>	<u>3,760,110</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.

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

General Annual Grant (GAG)

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

Notes to the Financial Statements 31 August 2013

14 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 holds BSF ICT capital funding in cash for future ICT provision. The fund also includes capitalised assets purchased by the School and the value of capital assets inherited by or donated to 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 2013.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2013 £
Fund balances at 31 August 2013 are represented by				
Tangible fixed assets	—	—	1,639,432	1,639,432
Current assets	1,628,526	902,361	814,322	3,345,209
Current liabilities	—	(264,531)	—	(264,531)
Pension scheme liability	—	(960,000)	—	(960,000)
Total net assets	1,628,526	(322,170)	2,453,754	3,760,110

16 Financial Commitments

Operating Leases

As at 31 August 2013 the School had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
<u>Other</u>		
Expiring within one year	—	93,231
Expiring within two and five years	18,442	4,060
	18,442	97,291

The school signed new 3-year operating leases during the period for photocopiers. The Lambeth Connected Learning Project (managed ICT service) ceased on 31 July 2013. The School agreed an increased charge for the year to 31 July 2013 in line with the additional BSF service. The school now has an annual service agreement for IT provision for 2013/14.

Notes to the Financial Statements 31 August 2013

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

	Year to 31 August 2013 £	Period to 31 August 2012 £
Net income	80,183	4,172,927
Inherited pension deficit	—	377,000
Inherited tangible fixed assets on conversion	—	(1,745,424)
Depreciation (note 11)	134,127	139,181
Loss on disposal of tangible fixed assets	3,990	—
Capital grants from DfE and other capital income	(49,963)	(925,076)
Interest receivable (note 3)	(33,457)	(1,788)
FRS 17 pension cost less contributions payable (note 22)	80,000	42,000
FRS 17 pension finance income (note 22)	(7,000)	(25,000)
Increase in debtors	(138,669)	(150,309)
(Decrease)/Increase in creditors	(142,205)	406,736
Net cash (outflow)/inflow from operating activities	(72,994)	2,290,247

18 Returns on investment and servicing of finance

	Year to 31 August 2013 £	Period to 31 August 2012 £
Interest received	33,457	1,788
Net cash inflow from returns on investment and servicing of finance	33,457	1,788

19 Capital expenditure and financial investment

	Year to 31 August 2013 £	Period to 31 August 2012 £
Capital grants from DfE / EFA	24,204	10,076
Capital funding received from sponsors and others	25,759	915,000
Purchase of Tangible Fixed Assets	(150,641)	(20,665)
Net cash (outflow)/inflow from capital expenditure and financial investments	(100,678)	904,411

20 Analysis of changes in net funds

	At 11 July 2012 £	Cashflows £	At 31 August 2013 £
Cash in hand and at bank	3,196,446	(140,215)	3,056,231

21 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she 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

22 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

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

Teachers' Pension Scheme (TPS)

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

22 Pension and similar obligations (continued)

Teachers' Pension Scheme (TPS) (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

Teachers' Pension Scheme Changes

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

22 Pension and similar obligations (continued)

Teachers' Pension Scheme (TPS) (continued)

Teachers' Pension Scheme Changes (continued)

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The 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.

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 2013 was £191,023, of which employer's contributions totalled £125,959 and employees' contributions totalled £65,064.

Principal Actuarial Assumptions	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	4.6%	3.6%
Rate of increase for pensions in payment / inflation	2.9%	1.9%
Discount rate for scheme liabilities	4.7%	3.9%
Inflation assumption (CPI)	2.9%	1.9%
Inflation assumption (RPI)	3.7%	2.7%

Notes to the Financial Statements 31 August 2013

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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 2013	At 31 August 2012
<i>Retiring today</i>		
Males	19.6	19.5
Females	24.0	23.9
<i>Retiring in 20 years</i>		
Males	21.7	21.6
Females	25.9	25.8

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

	Expected return at 31 August 2013	Fair value at 31 August 2013 £	Expected return at 31 August 2012	Fair value at 31 August 2012 £
Equities	6.5%	1,665,000	5.8%	2,077,000
Target Return Portfolio	5.0%	1,006,000	4.4%	293,000
Alternative Assets	5.5%	520,000	4.8%	468,000
Cash	0.5%	35,000	0.5%	88,000
Cashflow matching	3.5%	243,000	—	—
Total market value of assets	5.6%	3,469,000	5.3%	2,926,000
Present value of scheme liabilities		(4,405,000)		(3,798,000)
Present value of Unfunded Obligation		(24,000)		(25,000)
(Deficit) in the scheme		(960,000)		(897,000)

The actual return on scheme assets was £409,000 (2012 - £101,000)

Amounts recognised in statement of financial activities	2013 £	2012 £
Current service costs (net of employee contributions)	209,000	172,000
Total operating charge	209,000	172,000

Analysis of pension finance income

Expected return on pension scheme assets	160,000	203,000
Interest on pension liabilities	(153,000)	(178,000)
Pension finance income	7,000	25,000

Notes to the Financial Statements 31 August 2013

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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 £493,000 (2012 £563,000 loss)

Movements in the overall deficit were as follows:

	2013 £	2012 £
Deficit at 31 August 2012	(897,000)	(377,000)
Current service cost	(209,000)	(172,000)
Employer contributions	129,000	130,000
Net finance income	7,000	25,000
Actuarial gains/(loss)	10,000	(503,000)
At 31 August 2013	(960,000)	(897,000)

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

	2013 £	2012 £
Defined benefit obligations at 31 August 2012	3,823,000	3,079,000
Current service costs	209,000	172,000
Interest costs	153,000	178,000
Employee contributions	66,000	59,000
Estimated benefits paid	(59,000)	(65,000)
Unfunded pension payments	(2,000)	(2,000)
Actuarial loss	239,000	402,000
At 31 August 2013	4,429,000	3,823,000

Movements in the fair value of School's share of scheme assets.

	2013 £	2012 £
At 31 August 2012	2,926,000	2,702,000
Expected return on assets	160,000	203,000
Actuarial gain (loss)	249,000	(101,000)
Employer contributions	129,000	130,000
Employee contributions	66,000	59,000
Estimated benefits paid (net of transfers in and including unfunded)	(61,000)	(67,000)
At 31 August 2013	3,469,000	2,926,000

The estimated value of the employer contributions for the year ended 31 August 2014 is £116,000

Notes to the Financial Statements 31 August 2013

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The experience adjustments are as follows

	2013 £	2012 £
Present value of defined benefit obligations	(4,429,000)	(3,823,000)
Fair value of share scheme assets	3,469,000	2,926,000
Deficit on the scheme	(960,000)	(897,000)
Experience adjustments on share of scheme assets		
Amount	249,000	(101,000)

23 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.