

# REGISTRAR OF COMPANIES

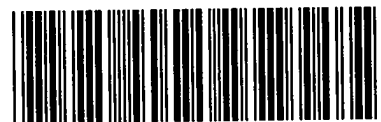
## The Dunraven Educational Trust

### Annual Report and Financial Statements

31 August 2014

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

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## Reference and administrative information

<b>Members</b>	D Bryan C Harvey J MacInnes P MacMahon	
<b>Governors (trustees)</b>	J MacInnes G Aumeer R Brar D Bryan G Dawson M Forbes H George C Harvey S Hearne M Love P MacMahon M Nieuwenhuys J Pick N Salt P Thomas D Boyle (Principal and accounting officer)	1 2 2 1 2 1 1 1 2 4 1 2 1 1 2  Ex-officio
<b>Key</b>	1 Community Governor, 1* Community Governor elected by parents, 2 Parent Governor, 3 LA Governor, 4 Staff Governor	
<b>Associate Governors</b>	C Plume	
<b>Company Secretary</b>	M Metcalfe	
<b>Senior Team:</b>		
<b>Principal</b>	D Boyle	
<b>Head of Primary Phase</b>	M Christian	
<b>Deputy Principal</b>	L Kamala	
<b>Deputy Principal</b>	J West	
<b>Director of Finance and Business</b>	M Metcalfe	
<b>Registered address</b>	Dunraven School Leigham Court Road Streatham London SW16 2QB	

## 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 31 August 2014**

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 2014. The annual report serves the purposes of both a trustee' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 30 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 disclosed on page 4. Details of the Governors in office at the time of approval of the annual report and financial statements are included 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 2014 and served throughout the year except where shown. All governors are appointed by The Dunraven Educational Trust.

<b>Governor/Trustees</b>	<b>Appointed</b>	<b>Appointment Expires/Expired</b>
J MacInnes (Chair of Governors)	12 October 2011	December 2015
G Aumeer	5 December 2013	December 2017
M Bennett	12 October 2011	February 2014
R Brar	5 December 2013	December 2017
D Bryan	11 June 2011	March 2015
S Cuffy	12 October 2011	October 2014
G Dawson	12 October 2011 re-elected November 2013	November 2017
M Forbes	12 October 2011	March 2015
H George	12 October 2011	December 2015
C Harvey	December 2012	November 2016
S Hearne	22 March 2012	March 2016
N Ivey	22 March 2012	March 2014
M Love	22 March 2012	March 2016
P MacMahon	11 June 2011	March 2015
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	September 2013
P Thomas	5 December 2013	December 2017
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.

Parent Governor Elections were held in November 2013.

In March 2014, Governors resolved to review the size and structure of the Board and the review is currently on-going. Any outcomes from the review will be implemented during 2014/15.

### **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 and a programme of induction is offered. 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, two Deputy Principals (one of whom is the Head of Primary) and a Director of Finance and Business. An additional interim Deputy Principal was appointed for the Spring Term. 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 while setting up and managing the annual development priorities.

## **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 employs its staff. This is considered to be a charitable activity and the member schools pay an annual subscription to the school towards the services provided for the educational benefit of students of all ages and the wider community. Dunraven School is also the lead in a School Direct (Initial Teacher Training) partnership and received grants from the DfE for this purpose.

## **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.

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 year ended 31 August 2014 are summarised below:

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



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

### **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.
- ◆ 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 to ensure effective teaching and learning.
- ◆ 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.

The South Lambeth Schools' Partnership provides educational services to students of all ages and the wider community for the public benefit.

## **STRATEGIC REPORT**

### **Review of activities**

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

- ◆ Extend and build of students' independent learning skills.

**STRATEGIC REPORT** (continued)

**Review of activities** (continued)

The School Excellence Plan for the year to 31 August 2014 prioritised whole school literacy, academic outcomes, progress between Key Stage 2-4, including further closing the gap between Pupil Premium eligible and non-Pupil Premium students at 5A\*-C, outcomes for the most able and outcomes in the Early Years and Foundation Stage (EYFS). The priorities for Teaching and Learning were increased challenge and the development of 'Growth Mindset' and the development of successful teaching practice in the EYFS. The focus on attendance and punctuality was to maintain attendance at 96% and further reduce the number of students who are persistently absent. A key leadership and management priority was to maintain the quality of provision as the 11-16 phase moved fully into the new buildings and to develop the Primary provision, including completing the permanent buildings.

The development of teaching focused on a continued development on excellence including challenging the most able and developing qualities of character and resilience in students. The observation programme for the year indicated that the quality of teaching in the School was strong with 93% of lessons graded good or better (94% in 2013). The professional development of all staff remained a key priority and a large number are supported in following post graduate programmes of study.

The school's first School Direct Trainees completed their school based Initial Teacher Training. The development and training of new and early career teachers is a priority for the school as it expands over time. There were 7 trainees across the School Direct Partnership with 2 partner schools. All trainees completed their training successfully and three out of four based at Dunraven secured full time substantive positions at Dunraven, with the fourth securing a post at another London school.

A comprehensive self-evaluation process is in place in the School, supported by an independent School Improvement Partner who visits the school at least every term and reported to Governors. This was further supplemented by work with other schools and Ofsted Registered HMI or Additional Inspectors to gain a broad independent evaluation of the school's performance. All the information pointed to the quality of provision in the school being good with outstanding features and progress being made towards excellent provision.

The school took beneficial occupation of all buildings being built or refurbished under the Building Schools for the Future (BSF) programme in July 2013. Whilst staff and students were all in their permanent accommodation from September, the school continued to be disrupted by a significant number of snags and defects, including difficulties with services, problems with the heating and lighting and, most significantly, roof leaks affecting many buildings. Practical Completion was achieved in January 2014 and there are still a number of major snags or defects to be resolved.

**STRATEGIC REPORT** (continued)

**Review of activities** (continued)

The Primary Phase opened to its first reception pupils in September 2013 in temporary classrooms and the refurbishment of the North Site began in October 2013. The target completion date of May 2014 was delayed slightly but the school took possession of the buildings in June 2014 and practical completion of the full project in August 2014. The Reception children moved into their new Year 1 classrooms in June 2014.

The school was oversubscribed at first and second preference for the September 2013 intake to reception and all 56 places were filled. There was no pupil movement throughout the year. Recruitment to both Year 7 and Year 12 remained strong with almost 1,500 applications for 218 places in September 2014 and 120 students admitted to the sixth form. The Reception intake was again oversubscribed with approximately 300 applications and all places filled.

Like many schools nationally, the School experienced some turbulence in examination outcomes for 2013/14. There has been considerable change to the examination system and the GCSE results for 2014 are therefore not directly comparable with 2013.

Examination results for 2013/14 were as follows:

<b>Key Stage 3 (level 5+)</b>	<b>2014</b>
English	96%
Maths	86%
Science	88%
 <b>GCSE</b>	
5A*-C	87%
5A*-C (E/M)	63%
5 A*-G	99%
English Baccalaureate	38%
 <b>A Level</b>	
A*-B	48%
A*-C	80%
A*-E	98%

## **STRATEGIC REPORT (continued)**

### **Review of activities (continued)**

Whilst disappointing given the School's high expectations, outcomes remain significantly above national averages and progress in English and maths places Dunraven in the top 20% of schools nationally. The A Level results represent good progress following the AS results for 2013 and in line with the ALIS predictions. All GCSE and A Level students went on to further study, training or work. All sixth form students who applied for Higher Education gained places, the majority at their first choice universities and destinations included a range of Russell Group and top 20 ranked institutions.

The Reception children made progress which was above the national average. They entered school with skills broadly in line with expectations however those achieving a good level of development (GLD) at the end of the year were above the national and local averages.

The School continued to focus on closing the achievement gap between pupils eligible for the Pupil Premium (PP) and those that are not. PP eligible students achieved significantly above the national average for the group and are anticipated to be in line with national averages for all pupils.

### **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 Principal 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, or small deficit as budgeted. The financial performance is covered in detail under the Financial Review, however this key indicator was not fully met in the year to 31 August 2014. The School knew that the financial position was challenging and that there were a number of uncertainties around staffing and upkeep of the new buildings.

### **Financial review**

#### ***Financial report for the year***

In its third period of operation as an Academy, an in-year surplus of £24,485,352 (2013 - £80,183) was achieved. Excluding movements on the fixed assets fund and the LGPS costs there was an in-year revenue year deficit of £224,703 (2013 - £241,337 surplus). After transfers between funds and actuarial losses on the defined benefit pension scheme, the unrestricted general fund shows a cumulative balance carried forward of £1,626,636 (2013 - £1,628,526) and the restricted fund £26,084,826 (2013 - £2,131,584).

**STRATEGIC REPORT** (continued)

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 2013/14 and the associated expenditure are shown as restricted funds in the SOFA. The income received from the DfE totalled £9,235,372 (2013 - £9,089,590) revenue and £24,303 (2013 - £24,204) capital. Total revenue expenditure from EFA funding was £9,560,075 (2013 - £9,099,994), however the school retains reserves of £139,958 in the EFA fund as at 31 August 2014.

Governors had budgeted for an in-year revenue deficit although the uncertainties over staffing the new provision and the unknown costs associated with the new building meant revenue expenditure was 1.9% higher than the original budget and revenue income 1.6% higher.

The School held net assets at the year end of £27,711,462 (2013 - £3,760,110).

The results for the year are shown on page 24.

***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. The Audit Committee was set up and met twice throughout the year.

***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. In particular the school has resolved to use revenue reserves whilst the primary phase (which has lagged funding) is established.

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.

**STRATEGIC REPORT** (continued)

**Financial review** (continued)

***Investment policy*** (continued)

- ◆ 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 at the General Purposes Committee.

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

**Principal risks and uncertainties**

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.

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:

- ◆ Reduction in funding through policy and formula changes. For example High Needs Funding.
- ◆ The risks associated with opening a new phase, including lagged funding during the expansion.
- ◆ Continuing to raise standards and maintain reputation throughout major redevelopment and reorganisation.

**STRATEGIC REPORT** (continued)

**Principal risks and uncertainties** (continued)

- ♦ The risks associated with changes to assessment, specifically at GCSE and A level.

The governors are aware of the current uncertainty around school funding as the new formulae including Post 16 funding and SEN funding take effect. They aim to set in-year balanced budgets in as far as is possible. Where an in-year deficit budget is set, governors look at the 3-year projections in order to ascertain overall sustainability.

**FUTURE ACTIVITIES AND PLANS**

The school will continue to grow by one form of entry for Year 7 and 2 forms of entry for reception until it is fully all-through in 2020. The focus will be on developing excellent 4-19 provision, whilst ensuring that resources are carefully planned and used. The Local Authority has also commissioned primary places in the school's specialist high needs speech and language resource centre from September 2014.

The school will continue to develop its partnerships with other schools through the work of the SLSP, SL6 and the School Direct Training partnership.

In the short-term, the school has been approached by the Local Authority to help one of the SLSP schools during delays to their building programme. Julian's Streatham School (Years 1-6) will be based with Dunraven in the North Site primary building until at least Christmas 2014.

The school was visited by Ofsted on 14 and 15 October 2014 and was judged to be outstanding in all categories.

**AUDITOR**

Insofar 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.

Governors' report, incorporating a strategic report, approved by order of the members of the Governing Body and signed on their behalf by:



J MacInnes  
Chair of the Governing Body

Date: 4 December 2014

### 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)	4	4
G Aumeer	3	3
M Bennett*	0	2
R Brar	2	3
D Bryan	3	4
S Cuffy	4	4
G Dawson	3	4
M Forbes	3	4
H George	2	4
C Harvey	3	4
S Hearne	4	4
N Ivey	0	2
M Love	4	4
P MacMahon	3	4
M Nieuwenhuys	4	4
J Pick**	2	4
N Salt	4	4
P Thomas	2	3
D Boyle (Principal and Accounting Officer)	4	4
*died Feb 2014		
** medical treatment during academic year		
Associate Governor	Number of meetings attended	Out of a possible
C Plume	4	4



## Governance statement 31 August 2014

### Governance (continued)

During the year to 31 August 2014, one parent governor term of office ended and one resigned. One staff governor also resigned. The Trust discussed and agreed representation for parents in the Primary Phase, and elections for Parent Governors took place in November 2014. Six parents were elected, however one stood down before becoming a Director. There is currently one vacancy for parent governor and one vacancy for staff governor which will not be filled until the review of governance is complete.

The General Purposes Committee is a committee of the main governing body. Its purpose is to act on behalf of the full Governing Body 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)	1	2
D Boyle	4	4
G Dawson	3	4
H George	2	4
C Harvey	4	4
J MacInnes (Acting Chair)	3	4
P MacMahon	3	4
M Nieuwenhuys	4	4
N Salt	4	4

An Audit Committee was formed during the year and it met twice. Attendance at the Committee was as follows:

Committee member	Number of meetings attended	Out of a possible
Helen George (Chair)	1	2
C Harvey (substitute)	1	1
J MacInnes	2	2
J Pick	0	2
N Salt	2	2

**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 2014 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 2014 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 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 formed an Audit Committee one member of which is the named Responsible Officer (RO). The Audit Committee and RO have engaged the external auditors to undertake a series of checks on a termly basis. This role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a periodic basis, the appointed expert will report to the audit committee on the operation of the systems of control and on the discharge of the governing body'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.

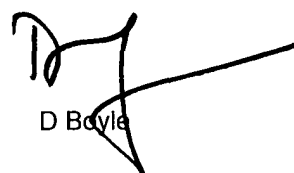
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the General Purposes Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Governing Body and signed on their behalf by:



J MacInnes

(Chair of Governing Body)



D Boyle

(Principal and Accounting Officer)

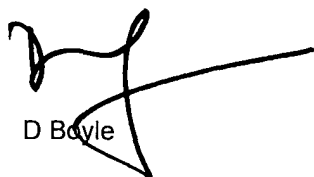
Approved on: 4 December 2014

**Statement on regularity, propriety and compliance 31 August 2014**

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. If any instances are identified after the date of this statement, these will be notified to the Governing Body and EFA.

A handwritten signature in black ink, appearing to be 'D Boyle', with a long horizontal stroke extending to the right.

D Boyle

Accounting Officer

Date:

4 December 2014

## Statement of governors' responsibilities 31 August 2014

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 Governing Body and signed on their behalf by:

J MacInnes  
Chair of the Governing Body

Date: 4 December 2014



**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 2014 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 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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, including the strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Independent auditor's report on the financial statements 31 August 2014

### 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 2014 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 to 2014 issued by the Education Funding Agency.

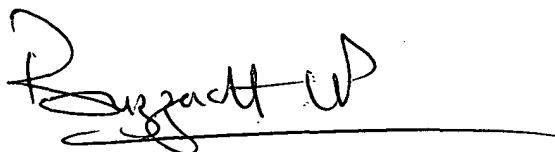
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the governors' report, including the strategic 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

10 December 2014

**Independent reporting accountant'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 to 2014, 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 2013 to 31 August 2014 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 accountant**

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 2013, 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 to 2014. 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 2013 to 31 August 2014 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 to 2014 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.



**Approach** (continued)

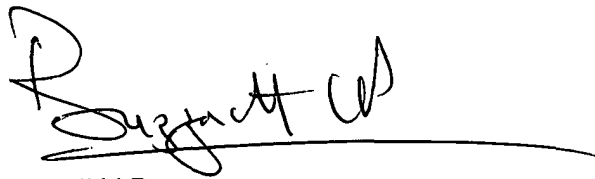
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the School'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 2013 to 31 August 2014 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

10 December 2014

# Statement of financial activities 31 August 2014

		Un- restricted general fund £	Restricted funds			Year to 31 August 2014 Total funds £	Year to 31 August 2013 Total funds £
	Notes		EFA £	Other £	Fixed assets fund £		
<b>Incoming resources</b>							
Incoming resources from generated funds							
Voluntary income	1	126,701	—	—	25,962,740	26,089,441	217,667
Activities for generating funds	2	7,891				7,891	18,010
Investment income	3	24,074	(15,000)	—	—	9,074	33,457
Incoming resources from charitable activities							
Funding for the School's educational operations	4	168,234	9,235,372	462,254	161,998	10,027,858	9,678,791
<b>Total incoming resources</b>		<b>326,900</b>	<b>9,220,372</b>	<b>462,254</b>	<b>26,124,738</b>	<b>36,134,264</b>	<b>9,947,925</b>
<b>Resources expended</b>							
Cost of generating funds:							
Cost of generating voluntary income		1,550	—	—	—	1,550	156,699
Charitable activities							
School's educational operations	6	325,350	9,528,254	462,254	1,299,683	11,615,541	9,681,379
Governance costs	7	—	31,821	—	—	31,821	29,664
<b>Total resources expended</b>	5	<b>326,900</b>	<b>9,560,075</b>	<b>462,254</b>	<b>1,299,683</b>	<b>11,648,912</b>	<b>9,867,742</b>
Net (outgoing) incoming resources before transfers							
		—	(339,703)	—	24,825,055	24,485,352	80,183
Gross transfers between funds	14	(1,890)	—	1,890	—	—	—
<b>Net (expenditure) income for the year</b>		<b>(1,890)</b>	<b>(339,703)</b>	<b>1,890</b>	<b>24,825,055</b>	<b>24,485,352</b>	<b>80,183</b>
<b>Other recognised gains and losses</b>							
Actuarial (losses) gains on defined benefit pension scheme	22	—	(534,000)	—	—	(534,000)	10,000
<b>Net movement in funds</b>		<b>(1,890)</b>	<b>(873,703)</b>	<b>1,890</b>	<b>24,825,055</b>	<b>23,951,352</b>	<b>90,183</b>
<b>Reconciliation of funds</b>							
Fund balances brought forward at 1 September 2013		1,628,526	(595,339)	273,169	2,453,754	3,760,110	3,669,927
<b>Fund balances carried forward at 31 August 2014</b>		<b>1,626,636</b>	<b>(1,469,042)</b>	<b>275,059</b>	<b>27,278,809</b>	<b>27,711,462</b>	<b>3,760,110</b>

All of the School's activities derive from continuing operations in the above two financial periods.

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 2014

	Notes	2014 £	2014 £	2013 £	2013 £
<b>Fixed assets</b>					
Tangible fixed assets	11		26,467,102		1,639,432
<b>Current assets</b>					
Debtors	12	635,208		288,978	
Short term deposits		415,119		812,844	
Cash at bank and in hand		2,073,985		2,243,387	
		<u>3,124,312</u>		<u>3,345,209</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(270,952)</u>		<u>(264,531)</u>	
<b>Net current assets</b>			<u>2,853,360</u>		<u>3,080,678</u>
<b>Total assets less current liabilities</b>			<u>29,320,462</u>		<u>4,720,110</u>
<b>Net assets excluding pension scheme liability</b>					
Pension scheme liability	22		<u>(1,609,000)</u>		<u>(960,000)</u>
<b>Net assets including pension scheme liability</b>			<u>27,711,462</u>		<u>3,760,110</u>
<b>Funds of the School</b>					
<b>Restricted funds</b>					
. Fixed assets fund	14		27,278,809		2,453,754
. EFA fund	14		139,958		364,661
. Pension reserve			(1,609,000)		(960,000)
. Other funds			275,059		273,169
			<u>26,084,826</u>		<u>2,131,584</u>
<b>Unrestricted funds</b>					
. General fund			1,626,636		1,628,526
<b>Total funds</b>			<u>27,711,462</u>		<u>3,760,110</u>

The financial statements on page 24 to 45 were approved by the Governors, and authorised for issue on [ 4 December 2014 ] and are signed on their behalf by:



J MacInnes  
Chair of Governors

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

## Cash flow statement 31 August 2014

	Notes	Year to 31 August 2014 £	Year to 31 August 2013 £
<b>Net cash (outflow) inflow from operating activities</b>	17	<b>(573,586)</b>	<b>(72,994)</b>
Returns on investment and servicing of finance	18	9,074	33,457
Capital expenditure	19	(2,615)	(100,678)
<b>Decrease in cash in the period</b>		<b>(567,127)</b>	<b>(140,215)</b>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Net funds at 31 August 2013		3,056,231	3,196,446
<b>Net funds at 31 August 2014</b>		<b>2,489,104</b>	<b>3,056,231</b>

All of the cash flows derived from continuing operations in the above two financial periods.

### **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 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### **Going Concern**

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

### **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 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.

### **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.

**Tangible Fixed Assets** (continued)

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

The cost of buildings constructed and other assets acquired under the UK Government's Building Schools for the Future Scheme funded through the local authority are recognised in the statement of financial activities as voluntary income in the period in which practical completion is achieved. No value is brought into the financial statements before this time.

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.

**Pensions Benefits (continued)**

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/Department for Education.

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



**1 Voluntary income**

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Capital donations (see below)	—	25,962,740	25,962,740	—
Other donations	126,701	—	126,701	72,149
South Lambeth School's Partnership	—	—	—	145,518
	126,701	25,962,740	26,089,441	217,667

Capital donations represent the value of the buildings and other assets capitalised during the financial year, the cost of which has been financed by the local authority.

**2 Activities for generating funds**

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Hire of facilities	5,080	—	5,080	889
Other income	2,811	—	2,811	17,121
	7,891	—	7,891	18,010

**3 Investment income**

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Interest receivable	24,074	—	24,074	33,457
Net pension finance (charge) income	—	(15,000)	(15,000)	7,000
	24,074	(15,000)	9,074	33,457

**4 Funding for the School's educational operations**

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
<b>DfE / EFA revenue grant</b>				
. General Annual Grant (GAG)	—	8,563,077	<b>8,563,077</b>	8,690,493
. Other DfE / EFA	—	672,295	<b>672,295</b>	399,097
	—	9,235,372	<b>9,235,372</b>	9,089,590
<b>Other government grants</b>				
. Local authority grants	—	462,254	<b>462,254</b>	372,545
. Special educational projects (Devolved Capital and LA Capital - basic need)	—	161,998	<b>161,998</b>	49,963
	—	624,252	<b>624,252</b>	422,508
<b>Other</b>				
. Income for Music and Visits	23,774	—	<b>23,774</b>	21,630
. Income for charitable activities	107,713	—	<b>107,713</b>	145,063
. South Lambeth School's Partnership	36,747	—	<b>36,747</b>	—
	168,234	—	<b>168,234</b>	166,693
	168,234	9,859,624	<b>10,027,858</b>	9,678,791

## 5 Resources expended

	Staff costs £	Non pay expenditure		2014 Total funds £	2013 Total funds £
		Premises £	Other costs £		
Cost of generating funds					
. Cost of generating voluntary income	—	—	1,550	1,550	156,699
Charitable activities					
. School's educational operations					
.. Direct costs	6,397,783	—	1,279,145	7,676,928	7,119,128
.. Allocated support costs	1,024,343	830,376	2,083,894	3,938,613	2,562,251
	<u>7,422,126</u>	<u>830,376</u>	<u>3,364,589</u>	<u>11,617,091</u>	<u>9,681,379</u>
Governance costs	9,000	—	22,821	31,821	29,664
	<u>7,431,126</u>	<u>830,376</u>	<u>3,387,410</u>	<u>11,648,912</u>	<u>9,867,742</u>
				Year to 31 August 2014 £	Year to 31 August 2013 £
<b>Net incoming resources for the year include:</b>					
Operating lease rentals				17,083	124,344
Fees payable to auditor					
. Statutory audit				9,500	9,200
. Other services				3,470	3,350

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items above £5,000	
		Amount £	Reason
Unrecoverable debts	1,250	n/a	n/a

**6 Charitable activities - School's educational operations**

	2014 Total funds £	2013 Total funds £
<b>Direct costs</b>		
Teaching and educational support staff costs	6,397,783	6,051,136
Agency teaching and educational support supply costs	207,819	197,367
Educational supplies	784,205	651,969
Examination fees	142,302	120,449
Staff development	73,601	40,781
Other direct costs	71,218	57,426
	<u>7,676,928</u>	<u>7,119,128</u>
<b>Allocated support costs</b>		
Support staff costs	1,024,343	880,938
Depreciation	1,299,683	134,127
Recruitment and support	105,939	91,345
Maintenance of premises and equipment	410,000	474,219
Cleaning	302,496	303,655
Rent and rates	56,347	55,239
Insurance	61,725	54,526
Security and transport	115,937	153,665
Catering	221,491	220,677
Bank interest and charges	1,520	1,598
Administrative costs	74,566	44,211
Support service costs	111,324	110,724
Other support costs	153,242	37,327
	<u>3,938,613</u>	<u>2,562,251</u>
	<u>11,615,541</u>	<u>9,681,379</u>

**7 Governance costs**

	2014 Total funds £	2013 Total funds £
Legal and professional fees	9,851	8,114
Auditor's remuneration:		
Audit of financial statements	9,500	9,200
TPS audit	850	800
Regularity and accounts return assurance	2,620	2,550
Support staff costs	9,000	9,000
	<u>31,821</u>	<u>29,664</u>

## 8 Staff

### (a) Staff costs

Staff costs during the period were:

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Wages and salaries	—	6,113,207	6,113,207	5,819,139
Social security costs	—	488,967	488,967	474,894
Pension costs	—	828,952	828,952	752,565
	—	7,431,126	7,431,126	7,046,598
Agency teaching and educational support costs	—	207,819	207,819	197,367
Staff severance payments	—	23,223	23,223	15,605
	—	7,662,168	7,662,168	7,259,570

### (b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £11,431 (2013 £4,231). One of the non-statutory/non-contractual payments exceeded £5,000 individually, and this was for £7,500.

### (c) Staff numbers

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:

	2014 No	2013 No
<b>Charitable activities</b>		
Teachers	89	82
Administration and support	65	61
Management	10	12
Agency teaching and educational support	3	4
	167	159

### (d) Higher paid staff

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

	2014 No	2013 No
£60,001 - £70,000	5	4
£70,001 - £80,000	3	4
£110,001 - £120,000	—	1
£120,001 - £130,000	1	—

Eight (2013 – nine) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 pension contributions for these staff amounted to £84,095 (2013 - £84,468). The other employee (2013 – one) participated in the Local Government Pension Scheme and pension contributions amounted to £9,548 (2013 - £8,859).

## 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:

	2014 £	2013 £
D. Boyle, Principal and trustee	120,000 – 125,000	115,001 – 120,000
S. Cuffy, Staff governor and trustee	60,001 – 65,000	60,001 – 65,000
M. Love, Staff governor and trustee	50,001 – 55,000	50,001 – 55,000
N. Ivey, Staff governor and trustee	20,000 – 25,000	15,001 – 20,000

The pension contributions for the Principal were £17,543 for the 12 month period.

During the year ended 31 August 2014, travel and subsistence expenses were reimbursed to one governor amounting to £39 (2013 – £nil).

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 2014 was £1,535. (2013 – £1,776).

## 11 Tangible fixed assets

	Freehold buildings £	Furniture and equipment £	Total funds £
<b>Cost/valuation</b>			
At 31 August 2013	1,745,424	167,316	1,912,740
Additions	24,405,206	1,722,147	26,127,353
At 31 August 2014	26,150,630	1,889,463	28,040,093
<b>Depreciation</b>			
At 31 August 2013	259,708	13,600	273,308
Charge in period	909,069	390,614	1,299,683
At 31 August 2014	1,168,777	404,214	1,572,991
<b>Net book value</b>			
At 31 August 2014	24,981,853	1,485,248	26,467,102
At 31 August 2013	1,485,716	153,716	1,639,432

**11 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 and brought into the accounts at its fair value at that date. No value was attributed to the parts of the school property which were either under development or about to be under development under the Government's Building Schools for the Future (BSF) Programme. The remaining buildings that were transferred on conversion that remained in use at the School were recognised as tangible fixed assets at a depreciated insurance valuation.

The BSF programme and the development of the North site as a primary phase building (funded under Basic Need funding) were completed during the reporting period. Consequently they have been recognised at contract value and depreciated in line with the School's policies. There are no longer any temporary buildings on the School site.

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

**12 Debtors**

	2014 £	2013 £
Trade debtors	40,710	67,980
Prepayments	84,854	81,885
VAT Debtor	130,741	134,595
Other debtors and accrued income	378,903	4,518
	<u>635,208</u>	<u>288,978</u>

**13 Creditors: amounts falling due within one year**

	2014 £	2013 £
Trade creditors	33,295	67,944
Other taxation and social security	168,149	150,963
Accruals and deferred income	69,508	45,624
	<u>270,952</u>	<u>264,531</u>

**Deferred Income**

	2014 £
Deferred Income at 1 September 2013	14,126
Resources deferred in the year	23,771
Amounts released from previous years	14,126
Deferred income at 31 August 2014	<u>23,771</u>

At the balance sheet date the school was holding funds received in advance for Academy Devolved Capital and Universal Infant Free School Meals.

## Notes to the Financial Statements 31 August 2014

### 14 Funds

	Balance at 31 August 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
<b>EFA revenue grant fund</b>					
· General Annual Grant (GAG)	211,660	8,563,077	(8,634,779)	—	139,958
· Other EFA grants	153,001	672,295	(825,296)	—	—
· Pension reserve	(960,000)	(15,000)	(100,000)	(534,000)	(1,609,000)
	<u>(595,339)</u>	<u>9,220,372</u>	<u>(9,560,075)</u>	<u>(534,000)</u>	<u>(1,469,042)</u>
<b>Fixed assets fund</b>					
· EFA capital grants	26,014	24,303	(5,326)	—	44,991
· Capital grants from Local Authority	931,435	137,695	(48,471)	—	1,020,659
· Capital expenditure from GAG	10,589	—	—	—	10,589
· Academy building and furniture and equipment	1,485,716	25,962,740	(1,245,886)	—	26,202,570
	<u>2,453,754</u>	<u>26,124,738</u>	<u>(1,299,683)</u>	<u>—</u>	<u>27,278,809</u>
<b>Other funds</b>					
· Local Authority grants	275,059	462,254	(462,254)	—	275,059
· South Lambeth School Partnership	(1,890)	—	—	1,890	—
	<u>273,169</u>	<u>462,254</u>	<u>(462,254)</u>	<u>1,890</u>	<u>275,059</u>
<b>Total restricted funds</b>	<u>2,131,584</u>	<u>35,807,364</u>	<u>(11,322,012)</u>	<u>(532,110)</u>	<u>26,084,826</u>
<b>Unrestricted funds</b>					
· Unrestricted funds	1,628,526	326,900	(326,900)	(1,890)	1,626,636
<b>Total unrestricted funds</b>	<u>1,628,526</u>	<u>326,900</u>	<u>(326,900)</u>	<u>(1,890)</u>	<u>1,626,636</u>
<b>Total funds</b>	<u>3,760,110</u>	<u>36,134,264</u>	<u>(11,648,912)</u>	<u>(534,000)</u>	<u>27,711,462</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. A transfer from unrestricted funds has been made to cover the deficit on the fund.

#### *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 2014.



## Notes to the Financial Statements 31 August 2014

### 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 2014.

### 15 Analysis of net assets between funds

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2014 £
<b>Fund balances at 31 August 2014 are represented by:</b>				
Tangible fixed assets			26,467,102	26,467,102
Current assets	1,626,636	685,969	811,707	3,124,312
Current liabilities	—	(270,952)	—	(270,952)
Pension scheme liability	—	(1,609,000)	—	(1,609,000)
<b>Total net assets</b>	<b>1,626,636</b>	<b>(1,193,983)</b>	<b>27,278,809</b>	<b>27,711,462</b>

### 16 Financial Commitments

#### *Operating Leases*

As at 31 August 2014 the School had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<b>Other</b>		
Expiring within one year	—	—
Expiring within two and five years	22,655	18,442
	<b>22,655</b>	<b>18,442</b>

The school signed new 3-year operating leases during the period for photocopiers for the primary provision.

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

	Year to 31 August 2014 £	Year to 31 August 2013 £
Net income	24,485,352	80,183
Depreciation (note 11)	1,299,683	134,127
Loss on disposal of tangible fixed assets	—	3,990
Capital grants from DfE and other capital income	(26,124,738)	(49,963)
Interest receivable (note 3)	(9,074)	(33,457)
FRS 17 pension cost less contributions payable (note 23)	100,000	80,000
FRS 17 pension finance income (note 23)	15,000	(7,000)
Increase in debtors	(346,230)	(138,669)
Increase/(Decrease) in creditors	6,421	(142,205)
<b>Net cash outflow from operating activities</b>	<b>(573,586)</b>	<b>(72,994)</b>

**18 Returns on investment and servicing of finance**

	Year to 31 August 2014 £	Year to 31 August 2013 £
Interest received	9,074	33,457
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>9,074</b>	<b>33,457</b>

**19 Capital expenditure and financial investment**

	Year to 31 August 2014 £	Year to 31 August 2013 £
Capital grants from DfE / EFA	24,303	24,204
Capital funding received from sponsors and others	137,695	25,759
Purchase of Tangible Fixed Assets	(164,613)	(150,641)
<b>Net cash (outflow)/inflow from capital expenditure and financial investments</b>	<b>(2,615)</b>	<b>(100,678)</b>

**20 Analysis of changes in net funds**

	At 1 September 2013 £	Cashflows £	At 31 August 2014 £
Cash in hand and at bank	3,056,231	567,127	2,489,104

**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 2012 and of the LGPS 31 March 2013.

### *Teachers' Pension Scheme*

#### *Introduction*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual 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.

#### *Valuation of the Teachers' Pension Scheme*

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ♦ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- ♦ total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- ♦ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

## 22 Pension and similar obligations (continued)

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

#### *Valuation of the Teachers' Pension Scheme (continued)*

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

#### *Teachers' Pension Scheme Changes*

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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.

## 22 Pension and similar obligations (continued)

### *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 2014 was £226,767 of which employer's contributions totalled £152,503 and employees' contributions totalled £74,264.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	4.4%	4.6%
Rate of increase for pensions in payment / inflation	2.6%	2.9%
Discount rate for scheme liabilities	3.9%	4.7%
Inflation assumption (CPI)	2.6%	2.9%
Inflation assumption (RPI)	3.4%	3.7%

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 2014	At 31 August 2013
<i>Retiring today</i>		
Males	21.0	19.6
Females	25.1	24.0
<i>Retiring in 20 years</i>		
Males	23.3	21.7
Females	27.4	25.9

## 22 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 2014	Fair value at 31 August 2014 £	Expected return at 31 August 2013	Fair value at 31 August 2013 £
Equities	6.6%	1,672,000	6.5%	1,665,000
Target Return Portfolio	5.8%	1,056,000	5.0%	1,006,000
Alternative Assets	n/a	n/a	5.5%	520,000
Cash	2.9%	506,000	0.5%	35,000
Infrastructure	5.9%	132,000	n/a	n/a
Commodities	5.8%	40,000	n/a	n/a
Property	5.8%	101,000	n/a	n/a
Cashflow matching	3.0%	245,000	3.5%	243,000
Total market value of assets	5.5%	3,725,000	5.6%	3,469,000
Present value of scheme liabilities		(5,320,000)		(4,405,000)
Present value of Unfunded Obligation		(41,000)		(24,000)
(Deficit) in the scheme		(1,609,000)		(960,000)

The actual return on scheme assets was £232,000 (2013 - £409,000).

Amounts recognised in statement of financial activities	2014 £	2013 £
Current service costs (net of employee contributions)	252,000	209,000
Total operating charge	252,000	209,000

### Analysis of pension finance income

Expected return on pension scheme assets	197,000	160,000
Interest on pension liabilities	(212,000)	(153,000)
Pension finance (charge) income	(15,000)	7,000

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 £1,027,000 (2013 £493,000 loss).

Movements in the overall deficit were as follows:	2014 £	2013 £
Deficit at 31 August 2013	(960,000)	(897,000)
Current service cost	(252,000)	(209,000)
Employer contributions	152,000	129,000
Net finance income	(15,000)	7,000
Actuarial gains/(loss)	(534,000)	10,000
At 31 August 2014	(1,609,000)	(960,000)

## 22 Pension and similar obligations (continued)

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

Movements in the present value of defined benefit obligations were as follows:	2014 £	2013 £
At 31 August 2013	4,429,000	3,823,000
Current service costs	252,000	209,000
Interest costs	212,000	153,000
Employee contributions	75,000	66,000
Estimated benefits paid	(168,000)	(59,000)
Unfunded pension payments	(2,000)	(2,000)
Actuarial loss	563,000	239,000
<b>At 31 August 2014</b>	<b>5,361,000</b>	<b>4,429,000</b>

Movements in the fair value of School's share of scheme assets:	2014 £	2013 £
At 31 August 2013	3,469,000	2,926,000
Expected return on assets	197,000	160,000
Actuarial gain	29,000	249,000
Employer contributions	152,000	129,000
Employee contributions	75,000	66,000
Estimated benefits paid (net of transfers in and including unfunded)	(170,000)	(61,000)
<b>At 31 August 2014</b>	<b>3,752,000</b>	<b>3,469,000</b>

The estimated value of the employer contributions for the year ended 31 August 2015 is £152,000.

The experience adjustments are as follows:

	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(5,361,000)	(4,429,000)	(3,823,000)
Fair value of share scheme assets	3,752,000	3,469,000	2,926,000
<b>Deficit on the scheme</b>	<b>(1,609,000)</b>	<b>(960,000)</b>	<b>(897,000)</b>
<b>Experience adjustments on share of scheme assets</b>			
Amount	29,000	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.

**23 Related party transactions (continued)**

The following staff members were employed under the School's normal recruitment procedures and their remuneration is in line with normal pay scales applicable to all staff. In addition, the employees/governors in question have abstained from any decision regarding their remuneration.

D Boyle is the Principal of the School. J Clipsham is the wife of D Boyle and is employed as the School Direct Co-ordinator.

R Lewis was a Deputy Principal of the School to 31 August 2014. T Lewis is the wife of R Lewis and is employed as a Finance Officer.

M Love is a staff Trustee of the School. C Boyle is the partner of M Love and is employed as the Director of Inclusion.

H George is a Trustee of the School. J George-Turner is the son of H George and is employed as an IT Technician.

All the above were employees of the predecessor school and were not previously disclosed as related party transactions as they were not considered material. Following the updated guidance in the Academies Account Direction 2013 to 2014 they are now disclosed in the interests of transparency.