

St Luke's Church of England School

Annual Report and Financial Statements

31 August 2013

Company Limited by Guarantee Registration Number
07451568 (England and Wales)

Contents

Reports

Reference and administrative information	1
Governors' report	3
Governance statement	15
Statement of regularity, propriety and compliance	19
Statement of governors' responsibilities	20
Independent auditor's reports	21

Financial statements

Statement of financial activities	25
Balance sheet	26
Cash flow statement	27
Principal accounting policies	28
Notes to the financial statements	32

Reference and administrative information

Governors	Mrs Penny C Roberts (Chair) Mr Adrian R Barrett (Vice-Chair) Mrs Tanya Berridge-Burley Mr Phillip Taylor Mrs Gail Cawthorne Ms Monica Duncan Mr Timothy J Fairbairn Mr Oliver Hughes Mrs Gillian Tyler Mr Assaf Lennon Mr Ian Mackie Mrs Jana Mercereau Rev Alistair C Tresidder Mr Inigo R Woolf
Company Secretary	Mrs Samantha Beschizza
Members of the company	Mr Adrian R Barrett Mrs Jana Mercereau Mrs Penny C Roberts Mrs Maya Woghiren Mr Inigo R Woolf London Diocesan Board for Schools
Senior Leadership Team	
Headteacher	Mrs Gillian Tyler
Bursar	Mrs Jane Gibson (from September 2013) Mrs Samantha Beschizza (until August 2013)
Registered office	12 Kidderpore Avenue London NW3 7SU
Company registration number	07451568 (England & Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	CAF Bank Limited 25 Kings Hill Avenue West Malling Kent ME19 4JQ

Reference and administrative information

Solicitors Winckworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

Governors' report Year to 31 August 2013

The governors of St Luke's Church of England School ("the School") present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2013.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 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) (the Charities SORP) issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School is a company limited by guarantee with no share capital (Company Registration No. 07451568) and was incorporated on 25 November 2010. It became an exempt charity from 1 August 2011. The charitable company's articles of association is the primary governing document of the School.

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 cease to be a member.

Principal activities

The principle activities in the year ended 31 August 2013 were to ensure a good education for the children already on-roll and to securely establish the Key Stage 1 classroom as a productive learning environment. Significant actions and milestones were:

- ◆ The School received a very positive report from OFSTED who visited in July 2013. The School was rated 'good' overall with inspectors commenting that 'The Headteacher and governors are working effectively to drive improvement';
- ◆ The School successfully inducted five new members of staff who all made a significant contribution to the ongoing development of the School over the year;
- ◆ Year 1 pupils achieved well above local and national rates in their Year 1 Phonics Screening Test. The Early Years Foundation Stage children progressed from below average starting points to the third highest Early Years Foundation Stage scores in the borough;
- ◆ The School was more than six-times oversubscribed for September 2013 entry; and
- ◆ The School and Parents Friends Association worked together to make significant improvements to the outdoor area including a gazebo to support outdoor learning and quiet lunchtime play activities.

Governors' report Year to 31 August 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors

The governors are directors of the charitable company for the purposes of the Companies Act. Fourteen governors were in office at 31 August 2013, eleven of whom served throughout the year. The other governors have been appointed with effect from the dates shown below.

Governor	Appointed/Resigned
Mrs Penny C Roberts (Chair)	
Mr Adrian R Barrett (Vice-Chair)	
Mrs Tanya Berridge-Burley	Elected November 2012
Mrs Gail Cawthorne	Appointed 24 September 2012
Ms Monica Duncan	
Mr Timothy J Fairbairn	
Mrs Sarah K Hannan	Resigned 6 December 2012
Mr Oliver Hughes	
Mr Assaf Lennon	
Mr Ian Mackie	Appointed January 2013
Mrs Jana Mercereau	
Mr Phillip Taylor	
Rev Alistair C Tresidder	
Mrs Gillian Tyler (ex officio)	
Mr Inigo Woolf	

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 provided cover up to £5m for fraud and dishonesty and £5m for employment practices on any one claim and the cost for the period ended 31 August 2013 was £316 (2012 - £265).

Method of recruiting and appointing governors

The articles of association provide for the appointment or election of governors as follows:

- ◆ 7 'community governors', nominated by The Parochial Church Council of the Parish of St Luke West Hampstead, including the Vicar;
- ◆ 1 LDBS representative;
- ◆ 2 elected parent governors;
- ◆ the Headteacher;
- ◆ 1 elected staff representative; and
- ◆ up to 3 co-opted governors.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruiting and appointing governors (continued)

The Parochial Church Council of the Parish of St Luke West Hampstead nominated 7 Community Governors, including the Vicar. The London Diocesan Board for Schools (LDBS) nominated a representative. Now that the School is established, two elected parents and one elected staff representative have also joined the Governing Body.

Policies and procedures adopted for the induction and training of governors

Together the governors are a committed group that bring a wide range of skills including legal, financial, buildings and previous school governance and senior leadership experience.

Many governors were involved in developing the original vision for the School and helped in a range of practical ways before the governing body was constituted, and so have a very good understanding of the vision and aims for the School. Governors have all taken on particular individual focus areas (e.g. safeguarding, inclusion, finance) and further ongoing training is planned, dependent on the needs of the role and the skills and background of each individual. An element of training is often included in full Governing Body meetings.

The School is accessing governor training via the Camden Local Authority Training and Development Centre which includes courses and on-line modules. Governors have also attended training courses run by the LDBS e.g. the role of the Chair and Safer Recruitment training. All new governors undertake induction training.

Organisational structure

The governing body met four times in the year to 31 August 2013. The Resources Committee meets termly and leads on issues related to the buildings, finances and health and safety. The School Improvement Committee meets termly and leads on issues related to teaching and learning, staff performance management and School ethos. A Standing Committee has also been formed to make urgent decisions if needed between full governing body meetings. All governors are on one of two committees.

Risk management

A risk register is maintained by the governing body who continue to update, monitor and manage the ongoing risks.

Risk assessment and management are being embedded into the school culture because major risks are also noted on the School Evaluation and Development Record which is maintained by the Headteacher and presented termly to the Governing Body.

Connected organisations, including related party relationships

In order to pursue its objects, the School has entered into a formal agreement with the Secretary of State for Education regarding the funding of the School and the management of affairs of the School.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships (continued)

The School and St Luke's Church have signed a Licence under Faculty which sets out the parameters for the use of the School and that which is still a Church-owned building.

The School will purchase some Service Level Agreement (SLA) support from LDBS where that represents best value.

The School retains a close relationship with both the LDBS and St Luke's Church.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The School's object is to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character. This includes offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England, having regard to the advice of the LDBS.

In September 2010, the DfE gave permission for St Luke's Church of England School to be set up. In November 2010, the charitable company was incorporated and in April 2011, a 25 year funding agreement with the DfE was signed, following which a governing body was set up.

The Chair of Governors wrote to the parents of the School in July 2013 to summarise the active role that the governors had played over the year and to capture some of the key elements of the 'journey so far'. The letter is repeated here because it gives a good flavour of the range and nature of activities undertaken by governors at St Luke's School.

Dear Parents

Sometimes it's hard to believe that St Luke's School is already nearing the end of its second year, but at other times the school feels so securely established it's hard to believe it hasn't existed forever!

It is my pleasure to write to you on behalf of the Governing Body to share some of the ways that Governors have been involved in school life this year and some of the highlights of the year from our perspective, and to thank you for sharing another exceptional year with us.

OFSTED

In the light of our recent OFSTED inspection, Governors would like to thank the staff for their tremendous hard work and parents who supported the school throughout.

OBJECTIVES AND ACTIVITIES (continued)

Objects, aims and objectives (continued)

OFSTED (continued)

OFSTED has recently reissued its inspection framework and it has been made clear to us that it isn't realistic for new schools to be judged as outstanding after just two years, because of an emphasis on sustained improvement and progress. Mrs Tyler, Mrs Berridge-Burley and I attended a conference last month and, when asked precisely this question, Lord Nash, schools minister, said that for this reason he did not expect any new schools to be judged outstanding under the current framework at their first inspection.

In this context, we are very pleased with the way the inspection went. The inspector was very complimentary about Mrs Tyler's leadership, the hard work of the staff and the way the children love coming to school and love learning. We will make the report available to all parents once we receive it ourselves.

Our partnership

One of our aims for this year was to keep developing the partnership between parents, staff and the wider community. We were pleased when a visiting Educational Psychologist from Camden wrote that: "Visiting professionals have been made to feel very welcome, and it feels there is a genuine partnership between home, school, and involved professionals."

Governors have enjoyed attending school social events and curriculum evenings and we want to thank all the parents who have given practical support to the school, from taking photographs for the prospectus to providing feedback on our new website to visiting school every week to hear children read.

Thanks especially to Jo Malloy for agreeing to be the first Chair of our Friends Association and for the significant contribution that the Friends have already made to the school. Over the year you have raised nearly £3,000 and added to the school experience through your donations and the social and fundraising events.

Thanks also to parents who made such generous comments to governors during the Spring Term parents' evening and for the thoughtful questions that were raised. We hope you have had a chance to read the responses from governors which are displayed in the school entrance.

As a result of your feedback about the garden, a group of parents have joined a working group to lead this project: their input has been a real help. Thank you in advance to those who are able to help with the work party later this month. We also appreciate the useful feedback about the school website. The new website is (finally!) up and running and we welcome any further comments that will help us make sure that all the information you need is available in an easy format.

OBJECTIVES AND ACTIVITIES (continued)

Objects, aims and objectives (continued)

Our partnership (continued)

We appreciate that many parents have spoken to friends and neighbours about St Luke's School. The reputation of the school is growing, with places in next year's Reception class almost seven times oversubscribed. 100% of you who responded to 'parent view' said you would recommend SLS to others – thank you!

Governors always welcome comments and suggestions from parents and you can leave a message via Mrs Mortimer at the school office. We would also appreciate suggestions you may wish to make via our annual parents' questionnaire, which you will receive before the end of term.

Children's Progress

The School Improvement Committee has monitored children's progress very carefully this year and we are delighted with the progress that children at St Luke's School continue to make. Well done to all of the children for an excellent year, and of course to their teachers for making lessons interesting and helping children to achieve their best.

Year 1 deserve a special well done for fantastic results in the national phonics screening tests, with thanks to parents and Church members who have given time every week to hear children read and to those who have supported children's reading at home on a daily basis. Five minutes each day really does make a difference!

Quality of Teaching

The staff doubled in size at the start of this academic year and Governors have enjoyed getting to know the whole team. Staff have worked incredibly hard to make sure your children get the best possible teaching, always delivered with a warm smile. An advisor who visited the school this year wrote that 'teachers have excellent knowledge of the children in their classes', and it is clear that the children's excellent progress is a tribute to their teachers' hard work.

The school has benefited from input from visiting professionals who often observe classes along with Mrs Tyler. Their feedback on the quality of teaching has been very pleasing which is a tremendous achievement for a staff team that have been working together for such a short period of time, and a credit to the way Mrs Tyler is leading her staff to establish high standards and solid routines.

OBJECTIVES AND ACTIVITIES (continued)

Objects, aims and objectives (continued)

Quality of Teaching (continued)

Governors need to make sure the school is properly resourced to support the ongoing development of excellent practice, especially in areas that have been identified as a priority. One of our aims for this year was to develop the maths provision and staff have participated in an 'NRich' maths programme which has transformed our approach to maths. Lots of children now say that maths is their favourite subject and we hope that parents enjoyed the maths curriculum evening and that families have had fun using the resources packs.

Attendance and Punctuality

You will know that governors have worked together with staff and parents on attendance and punctuality over this academic year. There is so much evidence about the negative impact of days off not only for the child but for the whole class, and we really appreciate the efforts that parents have made to make sure children are at school on time every day.

Attendance and punctuality levels have improved significantly over the year and attendance this term to date is a very impressive 97.8%. This has undoubtedly contributed to the progress the children have made. We realise that there is usually less illness in the summer term than at other times of the year, but nevertheless we look forward to working with parents next year to sustain high levels of attendance and punctuality.

School Leadership

It seems a long time since our Statutory Inspection of Anglican and Methodist Schools (SIAMS) inspection in September 2012. Every Church of England school is inspected by SIAMS and the judgements are about the impact of the school ethos. We were delighted that the inspectors recognised the very strong leadership provided by Mrs Tyler: 'the effectiveness of the leadership and management of the school as a church school is outstanding' and 'High staff morale, team work and excellent relationships between all groups exemplify the strong Christian foundation.'

I know you will join me in thanking Mrs Tyler who not only sets high standards but who has led the development of St Luke's as a welcoming, happy and safe place for children to start their formal education.

OBJECTIVES AND ACTIVITIES (continued)

Objects, aims and objectives (continued)

Priorities for next year

All staff, especially Mrs Tyler, Miss Milne and Mrs Cawthorne, have worked hard to make sure an exciting curriculum is planned for the Key Stage 1 class next year to meet the needs of all the children in the class, to provide stretch and challenge and plenty of 'high ceiling' opportunities along with additional support and more structured activities where needed. The initial priority is to help every child to make this transition, to keep making good progress, and to make the most of the opportunities that a mixed age class brings for the development of social skills and mature behaviour.

May we wish you a happy and relaxing summer and we look forward to welcoming you and your child back to St Luke's School in September.

Public Benefit

The governors have considered the advice published by the Charity Commission in relation to Public Benefit and are satisfied that the School meets the requirements through the provision of state-funded education for local children.

ACHIEVEMENTS AND PERFORMANCE

Reception Year - Early Years Foundation Stage Profile

Since September 2012, children in Reception have followed the new Early Years Foundation Stage and are assessed against the Early Learning Goals (ELGs) as emerging, expected or exceeding.

Progress over the Reception Year

The children have made very good progress during their first year at school. The vast majority have made more progress than would usually be expected during the Reception year.

Areas of development	% making expected progress	% making more than expected progress
Communication & Language	93	87
Physical Development	87	73
Personal, Social & Emotional	93	87
Literacy	93	80
Mathematics	100	87
Understanding the World	93	87
Expressive Arts and Design	100	100

ACHIEVEMENTS AND PERFORMANCE (continued)

Reception Year - Early Years Foundation Stage Profile (continued)

Attainment at the end of the Reception Year

Children are deemed to have achieved a "good level of development" if by the end of Reception they are assessed as "expected" against the ELGs across all of the following areas: Communication & Language, Physical Development, Personal, Social & Emotional Development, Literacy and Mathematics. *Please note, as this is the first year of the new Early Years Foundation Stage Profiles, there is no national data for comparison.*

Areas of development	% ELGs Expected	% ELGs Exceeded	Total % of ELGs Expected +
Communication & Language	58	22	80
Physical Development	70	20	90
Personal, Social & Emotional	69	18	87
Literacy	60	17	77
Mathematics	57	23	80
Understanding the World	62	22	84
Expressive Arts and Design	83	7	90

	SLS 2012/13	National Pilot 2011/12
% reaching a "good level of development"	73%	41%

The recently published Early Years Foundation Stage (EYFS) profile results, show that St Luke's School have the third highest EYFS score in the borough.

Year 1

Progress over the year in Year 1

The children in Year 1 have had another excellent year! The national expectation is that each child will make 3 sublevels of progress each year in Key Stage 1 (1 sublevel of progress is, for example, from 1c to 1b) and many of the class have made more progress than would be expected.

Subject	% making expected progress	% making more than expected progress
Reading	93	60
Writing	93	47
Mathematics	100	53

Attainment at the end of Year 1

Year 1 Phonics Screening Check - June 2013

This is a statutory test required by the government to measure one of the skills that children need in order to become fluent readers.

	SLS 2012/13	National average 2011/12
Working at "required standard"	87%*	58%

Governors' report Year to 31 August 2013

ACHIEVEMENTS AND PERFORMANCE (continued)

Year 1 (continued)

Attainment at the end of Year 1 (continued)

Year 1 Phonics Screening Check - June 2013 (continued)

*Of those children meeting the "required standard", half achieved full marks in the screening test.

The children in Year 1 have made better than expected progress for two years in a row and as a result there are already some children who are working at the level that would usually be expected by the end of Year 2.

Subject	% working at expected level at the end of Year 1	% working above expected level at the end of Year 1	Total % of expected and above levels of attainment
Reading	33	67	100
Writing	47	47	93
Mathematics	40	60	100

FINANCIAL REVIEW

Financial report for the period

A summary of the results for the period are included on page 25.

The School's income in the year ended 31 August 2013 was obtained from the EFA and the DfE in the form of revenue, capital and other grants. The grants received during the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

Total income for the year was £426,540 (2012 - £969,364), which included £20,631 (2012 - £638,972) in capital grant funding and £416,196 (2012 - £322,953) in revenue grants.

Total expenditure for the year was £452,477 (2012 - £370,971), of which £438,482 (2012 - £362,971) of educational operation expenditure and £13,995 (2012 - £8,000) to governance costs.

The net movement in funds, was a reduction of £28,937 (2012 – an increase of £598,393).

Principal risks and uncertainties

The principal risks and uncertainties that governors will monitor in 2013/14 include:

- ◆ staffing;
- ◆ budget;
- ◆ pupil applications;
- ◆ pupil progress;

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

- ◆ contingency planning; and
- ◆ embedding policies, procedures and practices.

Reserves policy

The reserves policy is monitored by the Resources Committee and in particular the lead governor for finance and her deputy.

A sensible approach to contingencies led to a modest budget being set for the 2012/13 academic year. The 7-year revenue budget that was drawn up in 2010/11 has been developed into a 3-year budget that governors will monitor annually. This budget includes a modest annual reserve. The Governors were very mindful that a new building and a new school would bring with it a good deal of uncertainty.

As at 31 August 2013, the School's revenue reserves comprised £16,243 of unrestricted funds, £26,036 of restricted EFA funds and £1,141,422 of other restricted general funds. The Trustees believe that these reserves are adequate, but not excessive, in the above context.

Investment policy

The governors' investment powers are governed by the articles of association, which permits the School's funds, not immediately required, to be invested in furtherance of its objects after obtaining expert financial advice. The School did not engage in any investment of surplus funds during the year under review.

Going concern

The 7-year revenue budget is set on the basis of income that is anticipated under the funding agreement and using the 'income calculator' provided by the DfE for this purpose. 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.

FUTURE ACTIVITIES AND PLANS

The School's future activities and plans from 1 September 2013 include the following:

- ◆ Formal opening by Ewan McGregor of the Gazebo in November 2013;
- ◆ Inducting Y1 and Y2 children into a single KS1 class of 30 pupils;
- ◆ Developing the Reception class outdoor area;
- ◆ Developing provision for children with English as an Additional Language;

Governors' report Year to 31 August 2013

FUTURE ACTIVITIES AND PLANS (continued)

- ◆ Employing Business Manager to oversee development of school office function and to support the school in managing procedural and systems risks; and
- ◆ Review of school MIS to ensure fit for purpose and best-value.

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:

Penny Roberts
Chair
Date: 18 December 2013

Governance statement 31 August 2013

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that the St Luke's Church of England School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body 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 Academy and the Secretary of State for Education. The Headteacher 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 four 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
Mrs Penny C Roberts (Chair)	4	4
Mr Adrian R Barrett (Vice-Chair)	4	4
Mrs Tanya Berridge-Burley	2	2
Mrs Gail Cawthorne	4	4
Ms Monica Duncan	2	4
Mr Timothy J Fairbairn	2	4
Mrs Sarah K Hannan	0	2
Mr Oliver Hughes	4	4
Mr Assaf Lennon	4	4
Mr Ian Mackie	1	1
Mrs Jana Mercereau	4	4
Mr Phillip Taylor	3	4
Rev Alistair C Tresidder	2	4
Mrs Gill Tyler (ex officio)	4	4
Mr Inigo Woolf	0	4

The governing body has benefited from stability over the year. Overall attendance has been close to 80% with a similar pattern at committee meetings. Governors have been very active in between meetings, visiting school and actively supporting strategic planning and policy review.

Governance statement 31 August 2013

Governance (continued)

1. The Resources Committee is a Committee of the main governing body. Its purpose is to exercise responsibility for and oversight over the following:
 - (a) The overall finances of St Luke's Church of England School, including:
 - ◆ The annual budget (for recommendation to the governing body) and monitoring of that budget
 - ◆ Governors Fund (if any)
 - ◆ Charging policy; income generation policy; lettings policy
 - ◆ Financial procedures (including compliance with the DfE Guidance); delegation of spending authority and virement policies
 - ◆ Policy and decisions regarding contracts and service level agreements
 - ◆ Insurance arrangements
 - ◆ Governors expenses policy
 - (b) The Premises of the St Luke's Church of England School, including:
 - ◆ Annual Maintenance and Improvement programme
 - ◆ Any further capital projects
 - ◆ Health & Safety in relation to premises, including site security
 - ◆ Access
 - ◆ Premises Insurance
 - ◆ Issues relating to the co-location with St Luke's Church
 - ◆ Issues relating to the licence between St Luke's School and St Luke's Church
 - (c) The Personnel of St Luke's Church of England School, including:
 - ◆ Staff recruitment procedures
 - ◆ Staff Appointments procedures
 - ◆ Equal Opportunities
 - ◆ Employment contractual matters
 - ◆ Pay policy
 - ◆ Staff well-being
 - (d) Key Targets agreed by the governing body for St Luke's Church of England School in respect of any of the above areas
 - (e) Any other matters referred to it by the governing body

Governance (continued)

The Resources Committee membership and attendance was as follows:

Governor	Number of meetings attended	Out of a possible
Phillip Taylor (Chair)	3	3
Gail Cawthorne	3	3
Tim Fairbairn	3	3
Oliver Hughes	2	3
Assaf Lennon	3	3
Jana Mercereau	3	3
Gillian Tyler	3	3

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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;

Governance statement 31 August 2013

The risk and control framework (continued)

- ◆ delegation of authority and segregation of duties;

- ◆ identification and management of risks.

The governing body has recognised the need for an independent oversight of the school's financial affairs, to support the external auditors as well as the bursar. To fulfil this role in the past, the governors appointed Sophie Barker, a chartered accountant. In 2013, Sophie resigned in order to pursue other opportunities and as an interim measure, the Resource Committee fulfilled these duties on a rotation basis. The new Business Manager will review this role to ensure that the future RO has the necessary financial interest and skills to be able to perform the role competently and have sufficient understanding to recognise any irregularities which may arise with sufficient authority to ensure they are addressed.

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 resources committee and a plan to address recommendations and ensure continuous improvement of the system is in place.

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

P Roberts
(Chair of Governing Body)

G Tyler
(Principal and Accounting Officer)

Approved on: 18 December 2013

Statement on regularity, propriety and compliance 31 August 2013

As Accounting Officer of St Luke's Church of England School, I have considered my responsibility to notify the School governing body and the EFA 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.

G Tyler

Accounting Officer

Date: 18 December 2013

Statement of governors' responsibilities 31 August 2013

The governors (who act as trustees of the School 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 School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

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

The governors are responsible for ensuring that in its conduct and operation the School applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA have been applied for the purposes intended.

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

Approved by order of the members of the Board of governors on 18 December 2013 and signed on its behalf by:

P Roberts
Chair of the Governing Body

Independent auditor's report Year to 31 August 2013

Independent auditor's report on the financial statements to the members of St Luke's Church of England School

We have audited the financial statements of St Luke's Church of England School 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 School'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 School'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 School and the School'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 St Luke's Church of England School and are also the directors of the School for the purpose of company law.

As explained more fully in the statement of governors' responsibilities, 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 School's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report Year to 31 August 2013

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the School'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
- ◆ 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

20 December 2013

Independent auditor's report Year to 31 August 2013

Independent reporting auditor's assurance report on regularity to St Luke's Church of England School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 28 November 2013 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 St Luke's Church of England School 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 St Luke's Church of England School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Luke's Church of England School 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 St Luke's Church of England School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Luke's Church of England School's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of St Luke's Church of England School's funding agreement with the Secretary of State for Education dated 7 April 2011 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.

Independent auditor's report Year to 31 August 2013

Approach (continued)

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.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the School'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 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.

Statutory Auditor
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

20 December 2013

Statement of financial activities Year to 31 August 2013
(including the income and expenditure account)

	Notes	Restricted funds			2013 Total funds £	2012 Total funds £
		Unrestricted general funds £	Restricted general funds £	Fixed assets fund £		
Incoming resources						
Incoming resources from generated funds						
. Activities for generating funds		9,243	—	—	9,243	6,852
. Investment income		101	1,000	—	1,101	47
Incoming resources from charitable activities						
. Funding for the School's educational operations	1	—	395,565	20,631	416,196	322,953
. Funding for the School's development	2	—	—	—	—	638,972
Other income		—	—	—	—	540
Total incoming resources		9,344	396,565	20,631	426,540	969,364
Resources expended						
Charitable activities						
. School's educational operations	4	—	365,026	73,456	438,482	362,971
Governance costs	5	—	13,995	—	13,995	8,000
Total resources expended	3	—	379,021	73,456	452,477	370,971
Net incoming resources before transfers		9,344	17,544	(52,825)	(25,937)	598,393
Transfers between funds	13	—	(11,987)	11,987	—	—
Net (expenditure) income for the year		9,344	5,557	(40,838)	(25,937)	598,393
Other recognised gains or losses						
Actuarial loss	21	—	(3,000)	—	(3,000)	—
Net movement in funds		9,344	2,557	(40,838)	(28,937)	598,393
Fund balances brought forward at 1 September 2012		6,899	23,479	1,182,260	1,212,638	614,245
Fund balances carried forward at 31 August 2013		16,243	26,036	1,141,422	1,183,701	1,212,638

All of the School's activities derived from continuing operations.

A separate statement of recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

Balance sheet 31 August 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	10		1,141,422		1,182,260
Current assets					
Debtors	11	49,128		286,533	
Cash at bank		74,658		56,831	
		123,786		343,364	
Creditors: amounts falling due within one year	12	(81,507)		(312,986)	
Net current assets			42,279		30,378
Total net assets			1,183,701		1,212,638
Represented by:					
Funds and reserves					
Unrestricted funds					
. General funds	14		16,243		6,899
Restricted funds					
. Restricted general funds	14		26,036		23,479
. Fixed assets fund	14		1,141,422		1,182,260
Total funds	16		1,183,701		1,212,638

Approved by the governors of St Luke's Church of England School (Company Registration No. 07451568) (England and Wales) and signed on their behalf by:

P Roberts
Governor

Approved on: 18 December 2013

Cash flow statement Year to 31 August 2013

	Notes	2013 £	2012 £
Net cash inflow from operating activities	16	29,713	100,370
Return on investment and servicing of finance	17	101	—
Capital expenditure	18	(11,987)	(17,050)
Increase in cash in the period	19	17,827	83,320
Reconciliation of net cash flow to movement in net funds			
Net funds (debt) at 1 September 2012	19	56,831	(26,489)
Net funds at 31 August 2013	19	74,658	56,831

Principal accounting policies Year to 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) (the Charities SORP), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School 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 (SOFA) on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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.

Principal accounting policies Year to 31 August 2013

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

All assets costing more than £1,000, and with an expected useful economic life exceeding one year, are capitalised as fixed assets and are carried at cost net of depreciation. All professional fees and other associated costs incurred as part of the capital development works have been capitalised during the period.

Where tangible fixed assets have been acquired with the aid of specific grants, the related grants are credited to the restricted fixed assets fund in SOFA and are carried forward in the balance sheet. Depreciation on these assets are charged to the restricted fixed assets fund in the SOFA 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 charged in the year in which the asset is brought into use at the following annual rates:

- ◆ School buildings 25 years on a straight line basis over the length of the lease
- ◆ Computer equipment 3 years on a straight line basis

Assets under construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Principal accounting policies Year to 31 August 2013

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.

Fund accounting

Unrestricted funds represent monies which may be used towards meeting any of the charitable objects of the School at the discretion of the governors.

The restricted fixed assets fund is for resources which are to be applied to specific capital purposes with conditions imposed by the providers.

The restricted general funds comprise all other restricted funds received and include grants from the DfE and the EFA.

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 School also contributes to defined contribution personal pension schemes. Contributions in respect of these pension schemes are recognised in the statement of financial activities in the year in which they are payable to the relevant scheme.

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Local Government Pension Scheme

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

Principal accounting policies Year to 31 August 2013

Pensions benefits (continued)

Local Government Pension Scheme (continued)

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

Notes to the financial statements Year to 31 August 2013

1 Funding for School's educational operations	Unrestricted funds £	Restricted funds £	31 August 2013 £	31 August 2012 £
DfE/EFA grants				
. General Annual Grant (GAG) (note 13)	—	247,664	247,664	191,523
. Start Up Grants	—	109,525	109,525	131,430
. Other grants	—	38,376	38,376	—
. DfE capital grant	—	20,631	20,631	—
	—	416,196	416,196	322,953

2 Funding for the School's development	Unrestricted funds £	Restricted funds £	31 August 2013 £	31 August 2012 £
DfE Capital grant	—	—	—	638,972

3 Resources expended	Staff costs (note 6) £	Non pay expenditure		31 August 2013 £	31 August 2012 £
		Premises £	Other costs £		
Charitable activities					
. School's educational operations					
.. Direct costs	167,770	73,456	27,602	268,828	172,271
.. Allocated support costs	94,914	58,743	15,997	169,654	190,700
	262,684	132,199	43,599	438,482	362,971
Governance costs	—	—	13,995	13,995	8,000
	262,684	132,199	57,594	452,477	370,971
Resources expended for the year include:					
Operating leases				22,300	23,909
Fees payable to auditor					
. Statutory audit				7,650	7,500
. Non statutory audit				1,315	500
. Other compliance				3,230	—

Notes to the financial statements Year to 31 August 2013

4 School's educational operations

	2013 Total funds £	2012 Total funds £
Direct costs		
Teaching and educational support staff	167,770	73,590
Depreciation	73,456	67,253
Educational supplies	19,237	18,766
Staff development	2,594	2,825
Educational consultancy	5,435	3,217
Other direct costs	336	6,620
	268,828	172,271
Allocated support staff costs		
Support staff costs	94,914	109,037
Catering	8,230	647
Recruitment and support	650	4,695
Maintenance of premises and equipment	4,149	19,045
Cleaning	816	1,378
Rent and rates	40,893	37,670
Insurance	4,214	3,513
Telephone and broadband	5,360	1,317
Bank interest and charges	57	112
Other support costs	10,371	13,286
	169,654	190,700
	438,482	362,971

5 Governance costs

	Unrestricted funds £	Restricted general funds £	31 August 2013 £	31 August 2012 £
Audit fees				
. Statutory audit	—	7,650	7,650	7,500
. Other services	—	4,545	4,545	500
Professional fees	—	1,800	1,800	—
	—	13,995	13,995	8,000

Notes to the financial statements Year to 31 August 2013

6 Staff costs

Staff costs during the year were:

	Unrestricted funds £	Restricted funds £	31 August 2013 £	31 August 2012 £
Wages and salaries	—	224,942	224,942	126,832
Social security costs	—	15,553	15,553	7,791
Pension costs	—	22,189	22,189	15,693
	—	262,684	262,684	150,316
Invoiced staff costs	—	—	—	32,311
	—	162,684	262,684	182,627

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

Charitable activities	31 August 2013 £	31 August 2012 £
Teachers	2	1
Administration and support	5	3
Management	1	1
	8	5

There were no employees whose emoluments were above £60,000 during the year or the prior year.

7 Governors' remuneration and expenses

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the School in respect of their role as governors. The value of governors' remuneration whilst in office was as follows:

	31 August 2013 £	31 August 2012 £
G Tyler, Headteacher and governor	45,000-50,000	15,000-20,000
G Cawthorne, Staff and governor	20,000-25,000	—

During the year ended 31 August 2013, no travel and subsistence expenses were reimbursed to the governors (2012 – none).

Other related party transactions involving the governors are set out in note 15.

8 Governors' indemnities

In accordance with normal commercial practice, the School purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provided cover up to £5m for fraud and dishonesty and £5m for employment practices on any one claim and the cost for the year was £265 (2012 – £265).

Notes to the financial statements Year to 31 August 2013

9 Taxation

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

10 Tangible fixed assets

	Leasehold improvements £	Furniture, fixtures and fittings £	ICT equipment £	Total £
Cost				
At 1 September 2012	1,183,858	14,899	50,756	1,249,513
Additions	—	20,347	12,271	32,618
At 31 August 2013	1,183,858	35,246	63,027	1,282,131
Depreciation				
At 1 September 2012	47,354	2,980	16,919	67,253
Charge for the year	47,823	4,624	21,009	73,456
At 31 August 2013	95,177	7,604	37,928	140,709
Net book value				
At 31 August 2013	1,088,681	27,642	25,099	1,141,422
At 31 August 2012	1,136,504	11,919	33,837	1,182,260

11 Debtors

	Total 2013 £	Total 2012 £
Accrued income and prepayments	3,669	2,469
Due from London Diocesan Board for Schools	42,693	280,720
VAT recoverable	2,766	3,344
	49,128	286,533

12 Creditors: amounts falling due within one year

	Total 2013 £	Total 2012 £
Trade creditors	3,842	13,405
Taxes and social security	4,471	7,810
Capital works creditor*	42,693	152,700
Due to EFA	—	128,020
Accruals	30,501	11,051
	81,507	312,986

* The capital works creditor relates to the claim for capital works payable to the contractors (this will be settled by London Diocesan Board for Schools on behalf of the School).

Notes to the financial statements Year to 31 August 2013

13 Funds

The income funds of the School include restricted funds comprising the following balances of grants held for specific purposes:

	At 1 September 2012 £	Incoming resources £	Resources expended £	Transfers and losses £	At 31 August 2013 £
Restricted general funds					
. General Annual Grant	—	247,664	(247,664)	—	—
. Start Up Grants	23,479	109,525	(94,981)	(11,987)	26,036
. SEN grant	—	14,876	(14,876)	—	—
. Other	—	23,500	(23,500)	—	—
	<u>23,479</u>	<u>395,565</u>	<u>(381,021)</u>	<u>(11,987)</u>	<u>26,036</u>
Pension reserve	—	1,000	2,000	(3,000)	—
Restricted fixed assets fund					
. DfE capital grant	1,182,260	20,631	(73,456)	11,987	1,141,422
Total restricted funds	<u>1,205,739</u>	<u>417,196</u>	<u>(452,477)</u>	<u>(3,000)</u>	<u>1,167,458</u>
Unrestricted funds					
. General funds	6,899	9,344	—	—	16,243
Total unrestricted funds	<u>6,899</u>	<u>9,344</u>	<u>—</u>	<u>—</u>	<u>16,243</u>
Total funds	<u>1,212,638</u>	<u>426,540</u>	<u>(452,477)</u>	<u>(3,000)</u>	<u>1,183,701</u>

General Annual Grant and Start Up Grants

These funds represent grants received for the Academy's operation activities and development.

Under the funding agreement with the Secretary of State, the School was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The School has not exceeded these limits during the year ended 31 August 2013.

Since the year end the School has signed an updated funding agreement with the Secretary of State, the School is now not currently subject to a limit on the amount of GAG that it can carry forward.

SEN grant

These funds are to be spent on special education needs support services.

DfE capital grant

This fund includes the DfE grant used for the building works and the purchase of ICT equipment.

Notes to the financial statements Year to 31 August 2013

14 Analysis of net assets between funds

	Restricted funds			Total 2013 £
	General funds £	Restricted general funds £	Fixed assets fund £	
Fund balances at 31 August 2013 are represented by:				
Tangible fixed assets	—	—	1,141,422	1,141,422
Current assets	97,750	26,036	—	123,786
Creditors: amounts falling due within one year within one year	(81,507)	—	—	(81,507)
Total net assets	16,243	26,036	1,141,422	1,183,701

15 Related party transactions

Several of the governors are also members of The Parochial Church Council of the Parish of St Luke's West Hampstead, with whom the School transacts. A 25 year licence agreement with the Church was signed in April 2011 and amounts totalling £22,300 (2012 - £23,909) were paid in rental expenses during the year, with £1,609 (2012 - £1,609) included as a prepayment.

16 Reconciliation of net (expenditure) income to net cash inflow (outflow) from operating activities

	2013 £	2012 £
Net (expenditure) income	(25,937)	598,393
Depreciation (note 10)	73,456	67,253
Capital grants from the DfE	(20,631)	(638,972)
Interest	(101)	—
FRS 17 pension costs less contributions payable (note 21)	(2,000)	—
FRS 17 finance income (note 21)	(1,000)	—
Decrease (increase) in debtors	237,405	(45,694)
Increase in creditors	(231,479)	(28,002)
Net cash inflow (outflow) from operating activities	29,713	(100,370)

17 Return on investment and servicing of finance

	2013 £	2012 £
Interest received	101	—

18 Capital expenditure and financial investment

	2013 £	2012 £
Capital expenditure		
Payments to acquire tangible fixed assets	(32,618)	(656,022)
Capital grants from the DfE	20,631	638,972
	(11,987)	(17,050)

Notes to the financial statements Year to 31 August 2013

19 Analysis of changes net funds

	At 1 September 2012 £	Cash flows £	At 31 August 2013 £
Cash at bank and in hand	56,831	17,827	74,658

20 Financial commitments

Operating leases

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

	2013 £	2012 £
Land and buildings		
Expiring in over five years	22,300	22,300

21 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 Borough of Camden. 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 March 2010.

The total pension cost to the Academy during the year ended 31 August 2013 was £22,189 (2012 - £16,000) of which £17,586 relates to the TPS, £1,475 relates to LGPS and £3,128 related to personal pension schemes.

Contributions amounting to £nil (2012 – £4,000) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

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.

21 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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.

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.

21 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

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.

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.

From 1 April 2012 to 31 March 2013 the employee contribution rate ranged between 6.4% and 8.8% and from 1 April 2013 ranged from 6.4% to 11.2% depending on a members' Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2014-15

21 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Teachers' Pension Scheme Changes (continued)

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

Local Government Pension Scheme

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

The total contributions made for the year ended 31 August 2013 were £6,000 (2012 - £4,000), of which employer's contribution totalled £4,000 (2012 - £3,000) and employees' contributions totalled £2,000 (2012 - £1,000). The employer contribution rate is 14.2% of salaries and the employees' rate 5.9%.

The last full triennial valuation of the LGPS was at 31 March 2010 and the next one will be carried out with an effective date of 31 March 2013.

Principal Actuarial Assumptions	At 31 August 2013
Rate of increase in salaries	5.1%
Rate of increase for pensions in payment / inflation	2.8%
Discount rate for scheme liabilities	4.6%
Inflation assumption (CPI)	2.8%

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
<i>Retiring today</i>	
Males	21.1
Females	23.2
<i>Retiring in 20 years</i>	
Males	23.5
Females	25.6

21 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The Academy'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 £'000
Equities	6.7%	9
Bonds	3.7%	1
Property	4.7%	1
Cash	3.6%	—
Total market value of assets		11
Present value of scheme liabilities		(11)
Deficit in the scheme		—

The actual return on scheme assets was £1,000.

Amounts recognised in statement of financial activities	2013 £'000
Analysis of pension finance income	
Expected return on pension scheme assets	1
Pension finance income	1

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £3,000.

Movements in the overall deficit were as follows:	2013 £'000
Deficit at 1 September 2012	—
Current service cost	(5)
Employer contributions	7
Net finance interest	1
Actuarial losses	(3)
At 31 August 2013	—

21 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Movements in the present value of defined benefit obligations were as follows:	2013 £'000
Deficit at 1 September 2012	—
Current service costs	5
Employee contributions	3
Actuarial loss	3
At 31 August 2013	11

Movements in the fair value of Academy's share of scheme assets:	2013 £'000
At 1 September 2012	—
Expected return on assets	1
Employer contributions	7
Employee contributions	3
At 31 August 2013	11

The estimated value of the employer contributions for the year ended 31 August 2014 is £3,000.

The one year history of experience adjustments are as follows:

	2013 £'000
Present value of defined benefit obligations	(11)
Fair value of share scheme assets	11
Deficit on the scheme	—
Experience adjustments on share of scheme assets	
Amount	—
Experience adjustments on scheme liabilities	
Amount	—