

REGISTRAR OF COMPANIES

**Barnet City
Academy**

Operating as
"London Academy"

Report and Financial Statements

31 August 2008

TUESDAY



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COMPANIES HOUSE

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

Charity Registration Number
1091759

WAZACOTT

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Reference and administrative information

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

Governors' report Year to 31 August 2008

The governors of Barnet City Academy (the Academy), who are also directors of the Academy for the purposes of the Companies Act and trustees for the purposes of the Charities Act, present their statutory report and the audited financial statements for the year ended 31 August 2008.

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

The financial statements have been prepared in accordance with the accounting policies on pages 18 and 20 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 1985, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

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

Members' liability

The Academy is a company limited by guarantee, without share capital, and a registered charity. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors

The following governors were in office during the year to 31 August 2008:

Governors	Appointed
P Shalson	
A H Trigg (Principal)	
Dr M H Platt	
J Apthorp OBE	
D I Dover	
Dr R Evans MBE	
M Glass	
J Halpern Prince	
M D Paisner CBE	Resigned 15 October 2008
W J Reith (Staff)	
G M Ronson	Resigned 15 October 2008
J S R Rosetti	
L Snow (Staff)	
B Shalson	Appointed 4 September 2007
Lord Waheed Alli	Resigned 4 September 2007

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

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

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

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

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

Responsibilities of the Governors

Company law requires the governors (who are the directors of the company for the purpose of the Companies Act) to prepare financial statements which give a true and fair view of the state of affairs of the Academy at the end of the financial year and of its surplus or deficit for that period. In preparing financial statements giving a true and fair view, the governors are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ follow applicable accounting standards; and
- ♦ prepare the financial statements on the going concern basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Responsibilities of the Governors (continued)

The governors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and which enables them to ensure that the financial statements comply with the Companies Act 1985. The governors 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.

Each of the governors confirms that:

- ◆ the Company is operating efficiently and effectively;
- ◆ its assets are safeguarded against unauthorised use or disposition;
- ◆ the proper records are maintained and financial information used within the Company or for publication is reliable;
- ◆ so far as the governor is aware, there is no relevant audit information of which the company's auditors are unaware; and
- ◆ the governor has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Organisational structure

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

The Senior Managers are the Principal, three Deputy Principals, four Assistant Principals and the Finance Director. These managers control the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, although appointment boards for certain senior posts contain a Governor. Some spending control is devolved with limits above which a Senior Manager must countersign.

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

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

Statement on the system of internal financial controls

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

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

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- ◆ regular reviews by the Executive Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ identification and management of risks;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement on the system of internal financial controls (continued)

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

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

At every meeting the governors receive reports from the Responsible Officer (RO) whose role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

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

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The principal activity of the company from 1 September 2004 is the operation of the London Academy to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on business, enterprise and information technology.

The main objectives of the Academy are summarised below:

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

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

Key Values

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

Strategies and activities

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

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

OBJECTIVES AND ACTIVITIES (continued)

Equal opportunities

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

Disabled persons

The policy of the Academy is to support the employment of disabled persons both in the recruitment and by the retention of employees who become disabled whilst in the employment of the Academy, as well as generally through training and career development.

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

- ◆ Equal opportunities policy
- ◆ Health and safety policy

Full details of these policies are available from the Academy.

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

ACHIEVEMENTS AND PERFORMANCE

The Academy is now in its fifth year of operation and is now full in each year group with a record number of students in year 12 and 13. During 2007-2008 the Academy had 210 students in each year apart from year 11. The Academy is full in years 7-11 with 17 students in CDSL and 330 in the Sixth Form

Examination results for 2008 were very pleasing. The A and AS level candidates achieved excellent results. At GCSE level 60% of grades were A* - C (2007 = 57%). This figure was way above the target set.

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

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

The Academy attendance rate is in line with the national average and there has been a significant increase in the number of applications for places.

ACHIEVEMENTS AND PERFORMANCE (continued)

Once again the Academy passed the RYA Sailing Club Inspection with flying colours. As part of the Academy's community development programme, the Academy has established links with Barnet College to run courses for the community in ICT. Barnet Knights, sponsored by the London Chess Centre, held their London Junior Chess Championships at the Academy. Young Africans' Study and Social Centre also held their Annual Awards Ceremony here. The Afghani Association run a Saturday school at the Academy and the local community also run a Somali project and various sporting activities in the Academy's premises.

Last year the Academy appointed a new Principal and to date the role of Associate Principal has not been filled. Two new Deputy Principals were appointed for this September along with two Assistant Principals, one of whom is part funded by the Future Leaders Programme. Further teaching appointments have been made and once again the Academy employed four Teach First staff who have proved to be a significant asset to the Academy.

FINANCIAL REVIEW

Financial review for the year

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

Most of the Academy's income is obtained from the DCSF in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DCSF during the year ended 31 August 2008 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants and donations for fixed assets from the DCSF and its sponsor, Mr Peter Shalson. The total donation received from Peter Shalson Family Charitable Trust to 31 August 2008 was £1,252,650. Other private sector sponsorship and donations received to 31 August 2008 were £167,618. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2008, total expenditure was £9,776,084. The net incoming resources for the year (including the transfer to the fixed assets fund) but excluding restricted fixed asset funds was £626,254.

At 31 August 2008 the net book value of fixed assets was £32,578,564. Movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Reserves policy

The governors have reviewed the reserves of the charity. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

FINANCIAL REVIEW (continued)

Reserves policy (continued)

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

- ◆ a contingency fund to deal with minor adjustments to expenditure from a range of budget areas, eg underestimate of examination fees;
- ◆ a reserve fund to deal with one or more unexpected major expenditures, eg the need for agency staff to cover an unexpectedly high rate of long term absence;
- ◆ a planned build-up of funds to pay for some major work or project, eg ICT expenditure;
- ◆ expenditure held over to the following year to balance out variations in funding levels, eg standards grant; and
- ◆ redundancy payments to staff.

The governors will ensure that the Reserves Policy continues to conform to the requirements laid down in the Academies Financial Handbook produced by the DCSF, namely Academies are allowed to carry forward grant monies representing 12% of the current year's General Annual Grant (GAG). An amount that can be carried forward must be split as follows:

- ◆ the amount equivalent to 2% of that year's GAG may be used for any purpose; and
- ◆ the amount equivalent to 10% of that year's GAG may only be used for upkeep and improvement of premises, including capital expenditure.

It is the Board's policy to build up reserves which can be used for future education purposes in line with the development plan.

Financial position

The Academy held reserves of £34,085,774 at 31 August 2008, comprising £33,503,556 of restricted funds (which includes a pension reserve deficit of £532,000) and £582,218 of unrestricted general funds.

PLANS FOR FUTURE PERIODS

Staff at the Academy continue to work with students to improve the levels of performance in all year groups.

The Academy is preparing for the delivery of the new Diploma in construction to be taught from September 2009 (our current year 9 students). London Academy was accepted as part of a consortia to deliver the Construction and Built Environment Diploma from September 2009. We are also working in partnership to deliver several other Diplomas from 2010 onwards.

Teaching staff development continues to focus on teaching and learning and is in line with development plans. Nationally there is a change to the KS3 curriculum and we are developing a year 7 curriculum that builds on the key aspects of our Enterprise curriculum encouraging independent learning and developing skills for learning.

Governors' report Year to 31 August 2008

PLANS FOR FUTURE PERIODS (continued)

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

Approved by the governors and signed on their behalf by:


Governor



Governor

Date: 4th Feb 09

Independent auditors' report Year to 31 August 2008

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

We have audited the financial statements on pages 14 to 34 which have been prepared in accordance with the accounting policies set out on pages 18 to 20.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

As described on pages 3 and 4 the governors, who are also the directors of Barnet City Academy (the Academy) for the purposes of company law are responsible for the preparation of the governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the governors' report is not consistent with the financial statements, if the Academy has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding governors' remuneration and transactions with the charitable company is not disclosed.

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

Basis of opinion

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

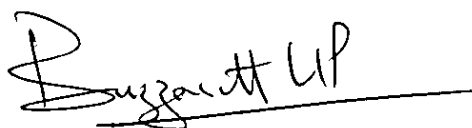
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Independent auditors' report Year to 31 August 2008

Opinion

In our opinion:

- (a) the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Academy as at 31 August 2008 and of its incoming resources and application of resources, including its income and expenditure and cash flows, in the period then ended;
- (b) the financial statements have been properly prepared in accordance with the Companies Act 1985;
- (c) the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families in respect of the relevant financial period;
- (d) proper accounting records have been kept by the Academy throughout the financial period;
- (e) grants made by the Department for Children, Schools and Families have been applied for the purposes intended; and
- (f) the information given in the governors' report is consistent with the financial statements.



Buzzacott LLP
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

16 February 2009

Statement of financial activities Year ended 31 August 2008

			Restricted funds				
	Notes	General fund £	DCSF £	Other £	Fixed asset funds £	Total 2008 £	Total 2007 £
Income and expenditure							
Incoming resources							
Incoming resources from generated funds							
. Voluntary Income	2	40,000	—	10,000	—	50,000	49,950
. Interest receivable	3	121,466	—	—	—	121,466	102,939
Incoming resources from charitable activities							
. Funding for the Academy's educational operations	4	—	8,283,851	1,192,865	1,121,322	10,598,038	9,816,873
Other income		132,170	32,000	857	—	165,027	200,482
Total incoming resources		293,636	8,315,851	1,203,722	1,121,322	10,934,531	10,170,244
Resources expended							
Charitable activities							
. Academy's educational operations	5	106,510	7,616,938	1,142,030	892,657	9,758,135	10,069,408
Governance	7	—	17,949	—	—	17,949	27,617
Total resources expended		106,510	7,634,887	1,142,030	892,657	9,776,084	10,097,025
Net incoming (outgoing) resources before transfers	11	187,126	680,964	61,692	228,665	1,158,447	73,219
Transfers between funds		—	(303,528)	—	303,528	—	—
Statement of total recognised gains and losses							
Net incoming (outgoing) resources		187,126	377,436	61,692	532,193	1,158,447	73,219
Other recognised gains and losses							
Actuarial gains (losses) on defined benefit pension scheme	19	—	(638,000)	—	—	(638,000)	287,000
Net movement in funds		187,126	(260,564)	61,692	532,193	520,447	360,219
Balances brought forward at 1 September 2007							
		395,092	964,171	159,693	32,046,371	33,565,327	33,205,108
Balances carried forward at 31 August 2008							
		582,218	703,607	221,385	32,578,564	34,085,774	33,565,327

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

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

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

Income and expenditure Year ended 31 August 2008

	Note	2008 £	2007 £
Income			
General annual grant (GAG)	4	7,966,045	7,370,064
DCSF capital grants	4	1,121,332	991,887
Other DCSF grants	4	317,806	49,217
Other government grants	4	1,164,007	1,405,705
Other grants received	4	28,858	—
Private sector sponsorship		50,000	49,950
Bank interest receivable		121,466	102,939
Other income		133,027	181,482
FRS17 net return on assets	19	32,000	19,000
Total income		10,934,531	10,170,244
Expenditure			
General Annual Grant (GAG) related expenditure		7,576,521	7,247,889
Other DCSF grant expenditure		52,366	427,359
Other government grant expenditure		1,141,173	1,401,985
Depreciation		892,657	794,347
Other expenditure		107,367	208,445
FRS17 pension costs		6,000	17,000
Total expenditure		9,776,084	10,097,025
Surplus of income over expenditure		1,158,447	73,219
Statement of total recognised gains and losses			
Surplus of income over expenditure		1,158,447	73,219
Actuarial (losses) gains on defined benefit pension scheme		(638,000)	287,000
Total recognised gains for the year		520,447	360,219
Net movement in funds			
Restricted funds		333,321	216,293
Unrestricted general fund		187,126	143,926
		520,447	360,219

The income and expenditure account is derived from the Statement of Financial Activities on page 14, which together with the notes to the financial statements on pages 21 to 34 provides full information on the movements during the year on all funds of the Academy.

The company has no recognised gains or losses other than those included in the above results and therefore no separate statement of total recognised gains and losses has been presented.

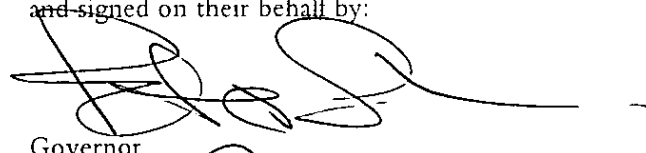
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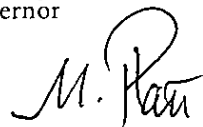
Balance sheet 31 August 2008

	Notes	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible assets	13		32,578,564		32,046,371
Current assets					
Stock		10,662		5,392	
Debtors	14	303,138		823,713	
Cash at bank and in hand		3,514,675		2,668,215	
		3,828,475		3,497,320	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,789,265)		(2,058,364)	
Net current assets			2,039,210		1,438,956
Net assets excluding pension (liability) asset			34,617,774		33,485,327
Pension scheme (liability) asset	19	(532,000)			80,000
Net assets including pension (liability) asset			34,085,774		33,565,327
Funds					
Restricted funds	16				
.General DCSF funds excluding pension reserve			970,167		884,171
.Pension reserve			(532,000)		80,000
.General DCSF funds including pension reserve			438,167		964,171
.Other funds			486,825		159,693
			924,992		1,123,864
.Fixed asset funds			32,578,564		32,046,371
			33,503,556		33,170,235
Unrestricted funds			582,218		395,092
			34,085,774		33,565,327

Approved by the governors
and signed on their behalf by:



Governor



Governor

Approved by the governors on: 4th Feb 09

Cash flow statement 31 August 2008

	Notes	2008 £	2008 £	2007 £	2007 £
Cash inflow (outflow) from operating activities					
Receipts					
Grants received from DCSF			8,288,386		7,588,324
Other grants			1,454,202		1,144,368
Private sector sponsorship			50,000		49,950
Other receipts			194,454		193,443
Total receipts			9,987,042		8,976,085
Payments					
Staff costs		6,699,835		6,700,888	
Other cash payments		2,297,690		2,719,559	
Total payments			8,997,525		9,420,447
Net cash inflow (outflow) from operating activities			989,517		(444,362)
Returns on investments and servicing of finance					
Interest received			121,466		102,939
Capital (expenditure) income					
Payments to acquire fixed assets		(1,613,502)		(2,532,983)	
Capital grants received from DCSF		1,348,979		2,546,000	
Other capital grants received		—		—	
Net income (expenditure)			(264,523)		13,017
Increase (decrease) in cash in the year	A		846,460		(328,406)

A Analysis of changes in net funds

	At 31 August 2007 £	Cash flows £	At 31 August 2008 £
Cash at bank and in hand	2,668,215	846,460	3,514,675

Format of financial statements

The standard format for the financial statements as required by the Companies Act 1985 Schedule 4 Part I has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP 2005') and reflects the activities of the company.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1985. Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

Incoming resources

Grants receivable

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

Sponsorship income

Donations and sponsorship are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Interest receivable

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

Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

In accordance with the Charities SORP, expenditure has been analysed between the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

Governance costs

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

Fund accounting

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

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

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

Tangible fixed assets

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (shown in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

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

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

Depreciation

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

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

Taxation

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

Leased assets

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

Pensions

Academy staff are members of one of two defined benefit schemes. More details of the schemes are given in note 19.

Pensions (continued)

Teachers' Pension Scheme

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

Local Government Pension Scheme

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

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

Notes to the financial statements 31 August 2008

1 General annual grant (GAG)

	Total funds 2008 £	Total funds 2007 £
GAG bought forward from previous year	884,171	770,756
DCSF GAG grant received in the year	7,966,045	7,370,064
Total grant available to spend	8,850,216	8,140,820
Recurrent expenditure from GAG	(7,576,521)	(7,247,889)
Fixed asset purchases from GAG	(303,528)	(8,760)
GAG carried forward	970,167	884,171
Maximum permitted carry over	1,039,622	884,408
	(69,455)	(237)
	(no breach)	(no breach)
GAG to surrender to DCSF	—	—

The 2008 maximum permitted carry over is calculated based on both the allowable carry over of 12% of current years' grant and the carry over for School Standards Grant income relating to 2008/2009.

	2008 £	2007 £
Recurrent expenditure from GAG in current year	7,576,521	7,247,889
GAG allocation for current year	(7,966,045)	(7,370,064)
Prior year GAG allocation x 2%	(147,401)	(134,120)
GAG brought forward from previous year in excess of 2% used on recurrent expenditure in current year	(536,925)	(256,295)
	(no breach)	(no breach)

2 Voluntary Income

	2008 £	2007 £
Private sector sponsorship receivable	50,000	49,950

3 Interest receivable

	Unrestricted funds £	Restricted funds £	Total funds 2008 £	Total funds 2007 £
Bank interest	121,466	—	121,466	102,939

Notes to the financial statements 31 August 2008

4 Funding for the Academy's education operations

	Unrestricted funds £	Restricted funds £	Total funds 2008 £	Total funds 2007 £
DCSF grants				
..General Annual grant (GAG)				
..School budget share	—	6,631,300	6,631,300	6,477,652
..Local authority central spend equivalent grant	—	382,732	382,732	319,999
..Specialist school funding	—	149,640	149,640	150,414
..School Standards Grant (2008/09)	—	180,640	180,640	—
..School Standards Grant (personalisation)	—	159,468	159,468	177,286
..VAT grant	—	333,083	333,083	—
..Insurance	—	116,075	116,075	104,843
..Teachers threshold	—	—	—	101,075
..LGPS	—	—	—	24,000
..School meals	—	15,563	15,563	14,795
	—	7,968,501	7,968,501	7,370,064
..Teachers threshold (adjustment)	—	(2,456)	(2,456)	—
	—	7,966,045	7,966,045	7,370,064
.. Other DCSF grants				
..Start up grants				
...Current year	—	26,349	26,349	49,217
...Previous year	—	26,017	26,017	—
	—	52,366	52,366	49,217
..Standards Funds	—	265,440	265,440	—
	—	317,806	317,806	49,217
..Capital	—	1,121,322	1,121,322	991,887
Total DCSF grants	—	9,405,173	9,405,173	8,411,168
Other government grants				
..London Borough of Barnet				
..Speech and Language unit				
..Standards funds	—	313,524	313,524	276,281
..Statement funding	—	526,081	526,081	660,241
	—	324,402	324,402	341,874
		1,164,007	1,164,007	1,278,396
Other Grants	—	28,858	28,858	127,309
	—	10,598,038	10,598,038	9,816,873

5 Resources expended

	Staff costs £	Other costs £	Subtotal £	Depreciation £	Total 2008 £	Total 2007 £
Charitable activities						
Academy's educational operations						
..Direct costs	5,953,143	1,695,703	7,648,846	892,657	8,541,503	8,555,671
..Support costs	716,658	493,974	1,210,632	—	1,210,632	1,496,737
..FRS 17 charges	6,000	—	6,000	—	6,000	17,000
	6,675,801	2,189,677	8,865,478	892,657	9,758,135	10,069,408
Governance costs	—	17,949	17,949	—	17,949	27,617
	6,675,801	2,207,626	8,883,427	892,657	9,776,084	10,097,025

Notes to the financial statements 31 August 2008

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2008 £	Total 2007 £
Direct costs				
Teaching and educational support staff costs	—	5,953,143	5,953,143	5,918,820
Maintenance	1,326	187,914	189,240	258,156
Occupancy	37,407	518,270	555,677	669,504
Mobile classrooms	—	10,150	10,150	7,460
Education and other supplies	10,808	227,123	237,931	317,573
Examination fees	—	159,055	159,055	133,736
Educational consultancy	4,856	167,992	172,848	57,052
Staff development	—	29,347	29,347	42,542
Depreciation	—	892,657	892,657	794,347
IT software and other capital expenditure	—	182,393	182,393	266,519
Trips and activities	26,011	97,826	123,837	50,304
Other direct costs	18,990	16,235	35,225	39,658
	99,398	8,442,105	8,541,503	8,555,671
Support costs				
Support staff costs	—	716,658	716,658	782,068
Transport	—	16,362	16,362	14,539
Catering	—	106,678	106,678	98,214
Insurance	—	109,864	109,864	193,480
Removal costs	—	—	—	713
Other support costs	7,112	253,958	261,070	407,723
	7,112	1,203,520	1,210,632	1,496,737
FRS 17 staff costs	—	6,000	6,000	17,000
Total	106,510	9,651,625	9,758,135	10,069,408

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2008 £	Total funds 2007 £
Legal and professional fees	—	14,998	14,998	21,209
Other governance costs	—	2,951	2,951	6,408
	—	17,949	17,949	27,617

8 Staff costs

Staff costs during the year were as follows:

	2008 £	2007 £
Wages and salaries	5,098,726	5,066,580
Social security costs	423,241	425,970
Pension costs – Normal contribution	650,891	632,360
- FRS 17 pension charge	6,000	17,000
	6,178,858	6,141,910
Non contracted staff	496,943	575,978
	6,675,801	6,717,888

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

	2008 Number	2007 Number
£60,001 - £70,000	2	2
100,000 - £110,000	1	—
£110,001 - £120,000	—	1
	3	3

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

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

	2008 Number	2007 Number
Teachers	113	112
Support	44	49
Administration	20	19
	177	180

9 Governors' remuneration and expenses

None of the governors received any remuneration or reimbursement of expenses in respect of their services during the year (2007- £nil).

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

10 Governors' and officers insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for 2008 was £756.

Notes to the financial statements 31 August 2008

11 Net income for the year

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

	2008 £	2007 £
Staff costs (excluding FRS 17 costs)	6,675,801	6,714,888
Depreciation	892,657	794,347
Auditors' remuneration (including VAT)		
· Statutory audit services	12,572	12,044
· Other services	3,258	4,391
Leasing charges	14,124	42,904
FRS17 charges		
· Pension charge (staff costs)	6,000	14,000
· Net finance income	(32,000)	(19,000)

12 Taxation

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

13 Tangible fixed assets

	Academy building (freehold) £	Furniture, fittings and equipment £	Total £
Cost			
At 1 September 2007	32,511,567	576,467	33,088,034
Additions	1,121,322	303,528	1,424,850
At 31 August 2008	33,632,889	879,995	34,512,884
Depreciation			
At 1 September 2007	650,230	391,433	1,041,663
Charge for year	672,657	220,000	892,657
At 31 August 2008	1,322,887	611,433	1,934,320
Net book values			
At 31 August 2008	32,310,002	268,562	32,578,564
At 31 August 2007	31,861,337	185,034	32,046,371

Notes to the financial statements 31 August 2008

13 Tangible fixed assets (continued)

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

At 31 August 2008, the Academy had entered into capital commitments of approximately £55,000 (2007: £2.5m).

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

	Total 2008 £	Total 2007 £
DCSF capital grants (including implementation grant)	32,230,738	31,109,416
Other DCSF grants	869,995	566,467
Other government grants	141,235	141,235
Private sector capital sponsorship	1,260,916	1,260,916
Other funds (non grant income)	10,000	10,000
Cost of fixed assets at 31 August 2008	34,512,884	33,088,034
Less: Accumulated depreciation	(1,934,320)	(1,041,663)
Net book value of fixed assets at 31 August 2008	32,578,564	32,046,371

The net book value at 31 August 2008 represents fixed assets used for educational purposes.

14 Debtors

	2008 £	2007 £
Trade debtors	17,716	322,763
DCSF grants receivable - capital	228,700	420,614
- other	46,722	51,257
Other debtors	10,000	10,000
Prepayments	—	19,079
	303,138	823,713

15 Creditors: amounts falling due within one year

	2008 £	2007 £
Expenses creditors	1,677,943	1,568,714
Accruals	75,580	488,632
Grants received in advance	35,742	—
Other creditors	—	1,018
	1,789,265	2,058,364

Notes to the financial statements 31 August 2008

16 Restricted funds

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

	At 1 September 2007 £	Incoming resources £	Resources expended £	Actuarial losses £	Transfers £	At 31 August 2008 £
Revenue funds						
· DCSF grants						
· General Annual Grant	884,171	7,966,045	(7,576,521)	—	(303,528)	970,167
· Other funds	—	317,806	(52,366)	—	—	265,440
	<u>884,171</u>	<u>8,283,851</u>	<u>(7,628,887)</u>	<u>—</u>	<u>(303,528)</u>	<u>1,235,607</u>
· Pension reserve	80,000	32,000	(6,000)	(638,000)	—	(532,000)
	<u>964,171</u>	<u>8,315,851</u>	<u>(7,634,887)</u>	<u>(638,000)</u>	<u>(303,528)</u>	<u>703,607</u>
· Other funds	159,693	1,203,722	(1,142,030)	—	—	221,385
Fixed assets funds	32,046,371	1,121,322	(892,657)	—	303,528	32,578,564
	<u>33,170,235</u>	<u>10,640,895</u>	<u>(9,669,574)</u>	<u>(638,000)</u>	<u>—</u>	<u>33,503,556</u>

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

Revenue funds:

◆ DCSF grants funds

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

◆ Other funds

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

Fixed assets funds:

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

Notes to the financial statements 31 August 2008

17 Analysis of net assets between funds

	General fund £	DCSF £	Other £	Fixed assets £	2008 Total £
Fund balances at 31 August 2008 are represented by:					
Tangible fixed assets	—	—	—	32,578,564	32,578,564
Current assets	582,218	2,790,553	221,385	234,319	3,828,475
Creditors: amounts falling due within one year	—	(1,554,946)	—	(234,319)	(1,789,265)
Pension scheme liability	—	(532,000)	—	—	(532,000)
Total net assets	582,218	703,607	221,385	32,578,564	34,085,774

18 Related party transactions

In accordance with the funding agreement with the DCSF, £1.5 million of the costs of construction of the Academy is to be provided by the sponsor and other donors. In the year to 31 August 2008, £40,000 (2007 - £9,950) has been received by the Academy as a donation from the Peter Shalson Family Charitable Trust, making the total donation received to 31 August 2008, £1,252,650. Total donations received to date from other donors were £167,618.

There were no other related party transactions.

19 Pension commitments

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

The total pension cost to the Academy during the year ended 31 August 2008 was £650,891 (2007 - £632,360) of which £494,900 relates to the TPS and £155,900 relates to the London Borough of Barnet Pension Fund.

The cost in relation to the London Borough of Barnet Pension Fund includes a £6,000 charge (2007 - £17,000) in respect of the FRS 17 adjustment.

Teachers' Pension Scheme (TPS)

Under the definitions set out in FRS 17, Retirement Benefits, the TPS scheme is classed as a multi-employer pension scheme. The Academy is unable to identify its share of the underlying (notional) 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 below the latest information available for the scheme.

19 Pension commitments (continued)

Teachers' Pension Scheme (TPS) (continued)

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

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Not less than every four years, with a supporting interim valuation in between, the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Contributions are assessed in two parts. First, a standard contribution is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions.

19 Pension commitments (continued)

Teachers' Pension Scheme (TPS) (continued)

The last valuation of the TPS related to the period 1 April 2001 – 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%. The 2006 interim actuarial review, published in June 2007, did not recommend any changes to the SCR and concluded, as at 31 March 2006, and using the above assumptions, that the Scheme's total liabilities amounted to £176,600 millions.

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

A copy of the GA's 2004 valuation report and 2006 interim valuation report can be found on the TeacherNet website at www.teachernet.gov.uk/pensions.

Non-teachers

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

FRS 17

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

	At 31 August 2008	At 31 August 2007
Expected return on assets	6.5%	7.2%
Rate of increase in salaries	5.5%	4.9%
Rate of increase for pensions	4.0%	3.4%
Discount rate for liabilities	6.4%	5.8%

Notes to the financial statements 31 August 2008

19 Pension commitments (continued)

Non-teachers (continued)

FRS 17 (continued)

The mortality assumptions used were as follows:

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

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

	Long - term rate of return expected at 31 August 2008	Value at 31 August 2008 £000	% of the total scheme assets 2008 %	Long - term rate of return expected at 31 August 2007	Value at 31 August 2007 £000	% of the total scheme assets 2007 %
Equities	7.7%	865	58	7.9%	1,378	70
Bonds	6.3%	236	16	5.8%	286	15
Property	7.2%	81	6	7.4%	197	10
Other	5.0%	301	20	5.8%	103	5
Total market value of assets at bid value		1,483	100.00		1,964	100.00

The return on the Fund on a bid value to bid value basis for the year to 31 August 2008 is estimated based on actual fund returns provided and index returns where necessary. Details are as follow:

Actual return for the period from 1 October 2007 to 30 June 2008	(4.70)%
Assumed return for the period from 1 September 2007 to 31 August 2008	(0.70)%

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy. The equity investments and bonds which are held in scheme assets are quoted and are valued at the current bid price following the adoption of the amendment of FRS17. Previously these were valued at mid price. The change comes through the reconciliation of the fair value of assets as an actuarial loss.

Notes to the financial statements 31 August 2008

19 Pension commitments (continued)

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

	2008 £'000	2007 £'000
Current service cost	142	196
Past service cost	32	—
Interest cost	114	93
Expected return on employer assets	(146)	(112)
Total expenditure recognised in SOFA/I&E	142	177
The actual return on the scheme assets	(14)	201

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

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses is a loss of £437,000 (2007: gain £201,000).

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

	2008 £'000	2007 £'000
Scheme liabilities at 1 September 2007	1,884	1,737
Current service cost	142	196
Past service cost	32	—
Interest cost	114	93
Contributions by scheme participants	49	56
Actuarial losses (gains)	(156)	(198)
Benefits paid	(50)	—
Scheme liabilities at 31 August 2008	2,015	1,884

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

	2008 £'000	2007 £'000
Fair value of scheme assets at 1 September 2007	1,964	1,528
Expected return on Scheme assets	146	112
Actuarial gains and (losses)	(794)	89
Contributions by employer	168	179
Contributions by Scheme participants	49	56
Estimated benefits paid	(50)	—
Fair value of scheme assets at 31 August 2008	1,483	1,964

19 Pension commitments (continued)

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

	2008 £'000	2007 £'000
Fair value of scheme assets (liabilities) at 1 September 2007	80	(209)
Past service costs	(142)	—
Service costs	(32)	(196)
Contributions by employer	168	179
Other finance income	32	19
Actuarial (losses) gains	(638)	287
Fair value of scheme (liabilities) assets at 31 August 2008	(532)	80

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

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

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

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

History of experience gains and losses

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

19 Pension commitments (continued)

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

Projected pension expense for the year to 31 August 2009

	£'000
Service cost	131
Interest cost	133
Return on assets	(101)
Total	163
Employer contributions	151

20 Liability of members

The Academy is a company limited by guarantee, without share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such an amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

21 Contingent liabilities

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

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

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