

REGISTRAR OF COMPANIES

**Barnet City
Academy**

**Operating as
"London Academy"**

Report and Financial Statements

31 August 2011

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

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Contents

Reports

Reference and administrative information	1
Governors' report	2
Statement on internal control	12
Statement of governors' responsibilities	14
Independent auditor's report	15

Financial statements

Statement of financial activities	17
Balance sheet	18
Cash flow statement	19
Principal accounting policies	20
Notes to the financial statements	24

Reference and administrative information

Governors	P Shalson (resigned 1 September 2011) A H Trigg (Principal) B Ellis (staff) Dr R Evans MBE M Glass P O'Hear (Chair) Dr M H Platt (Vice Chair) J Halpern Prince J Menell (appointed 20 January 2011) W J Reith (staff) J S Rosetti B Shalson L Standen (staff) M Wagner
Principal Director of Finance and Administration	A H Trigg Thomas Brighton (appointed 7 November) Dee Hoare (up to 31 August 2011)
Secretary	J Menell
Registered office	London Academy Spur Road Edgware Middlesex HA8 8DE
Company registration number	04389132 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds TSB 190 Great Portland Street London W1A 4LN

Governors' report Year to 31 August 2011

The governors of Barnet City Academy (the Academy), who are also directors of the Academy for the purposes of the Companies Act, present their statutory report and the audited financial statements for the year ended 31 August 2011

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 20 to 23 of the attached financial statements, and comply with the Academy's memorandum and articles of association, the Companies Act 2006, 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 (company registration number 04389132) 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 s/he is a member, or within one year after s/he ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before s/he ceases to be a member.

Governors' report Year to 31 August 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors

The following governors were in office during the year to 31 August 2010 and served throughout the year except where shown

Governors	Appointed/ Resigned
P Shalson	Resigned 1 September 2011
A H Trigg (Principal)	
J Apthorp OBE	Resigned 31 August 2011
D I Dover	Resigned 3 November 2010
B Ellis (Staff)	
Dr R Evans MBE	Suspended 2 June 2009
M Glass	
P O'Hear	
Dr M H Platt	
J Halpern Prince	
J Menell	Appointed 20 January 2011
W J Reith (Staff)	
J S R Rosetti	
B Shalson	
L Standen (Staff)	
M Wagner	

One governor has received reimbursement of expenses for travel, subsistence and accommodation to the value of £1,314 (2010 – one governor £361) from the Academy during the year in the course of his duties as governor

Principal 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. Details of the remuneration payable to the Principal and staff governors is provided in note 9 to the attached financial statements

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 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 has provided data and child protection training for governors.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The governing body is responsible for ensuring that high standards of corporate governance are maintained. It exercises its powers and functions with a view to fulfilling a largely strategic role in the running of the Academy, addressing such matters as

- ◆ policy development and strategic development
- ◆ ensuring sound management and administration of the Academy
- ◆ ensuring compliance with legal requirements
- ◆ establishing and maintaining effective internal controls
- ◆ monitoring the use of budgets
- ◆ making major decisions about the direction of the Academy
- ◆ senior staff appointments
- ◆ the management of all resources
- ◆ the monitoring of performance
- ◆ setting the Academy's standards of conduct and values
- ◆ assessing and managing risk

The Senior Managers are the Principal, two Associate Principals, four Deputy Principals, three 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. 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 Heads of Student Learning. 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 Education (DfE), The Young People's Learning Agency (YPLA), the Local Education Authority and the University of Durham. Other local community links include the Somali Intervention Group, The Afghan School, Education Business Partnership, New Solutions Steering Group, Primary Partnerships, Safer Neighbourhood Panel and the Stonegrove Regeneration.

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 Academy 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.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The main activity of the company since 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 Academy will meet the educational needs of its community by providing a high quality, flexible learning environment in which technology plays a key role.

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 and applied learning.

OBJECTIVES AND ACTIVITIES (continued)

Public benefit

The governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. The governors consider that the Academy's aims are demonstrably to the public benefit.

Key Values

- ◆ Respect
- ◆ Responsibility for ourselves 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,
- ◆ 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.

Equal opportunities

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

Governors' report Year to 31 August 2011

OBJECTIVES AND ACTIVITIES (continued)

Disabled persons

Full details of 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.

Personnel

The Academy has implemented a detailed policy in relation to personnel matters including a special leave policy.

ACHIEVEMENTS AND PERFORMANCE

The Academy is now in its seventh year of operation and is full in each year group with a large number of students in year 12 and 13. The Academy is full in years 7-11 with 19 students in CDSL and 370 in the Sixth Form.

There were 445 applications for admission in 2010 for 210 places. Feedback from parents and local primary schools has been extremely good with many parents with siblings at the Academy not even coming to the Open Evening. The catchment area for the Academy continues to shrink. 80% of Year 11 applied to join the Sixth Form and the number of external applicants is increasing.

Eight Teach First staff were employed and once again have proved to be a significant asset to the Academy.

Staff training to be teachers through the Teach First programme continue to be successful in them qualifying and the Academy continues to invest in developing leadership across the Academy at all levels. The Academy has six teachers who are part of the Teaching Leaders Programme and another two teachers completing Masters degrees who have been given financial support by the Academy.

Teaching staff development has focused on three Academy priorities, Assessment for Learning, Communicating and Reading for Learning and Behaviour for Learning. New teachers continue to meet on a weekly basis with a programme of events. There were also learning groups and faculty groups where teachers developed areas of practice and of interest to themselves.

We are supporting two finance staff through additional qualifications, an administrative assistant who is doing a Human Resources course and one of our welfare staff is planning to do a Diploma in Counselling in September.

Governors' report Year to 31 August 2011

ACHIEVEMENTS AND PERFORMANCE (continued)

As part of the Healthy Schools Initiative staff can take part in Yoga, Table Tennis, Football, Volleyball, Fitness and Weights, Canoeing, Sailing and a Cycling Course after school

Examination results for 2011 were very pleasing again this year. The A and AS level candidates achieved excellent results. A* - B entries were 41% (33% in 2010). A* - E entries were 96% (92% in 2010).

At GCSE level 85% of grades were A* - C (2010 = 82%). This figure was above the target set. Pupils achieving 5 A - C including English and Maths was 53% (2010 = 45%). Pupils achieving one A-G was 100% (100% in 2010) and five A-G was 97% (94% in 2010).

To ensure that standards are continually raised the Academy operates a programme of observation of lessons, is visited by inspectors, undertakes a comparison of results from entry to Key Stage 3 and GCSE, and from GCSE to A level to assess value added.

The Academy attendance rate continues at the same level and is considerably above schools in a similar context.

We are working closely with Goldbeaters Star Federation which comprises of two primary schools. The focus of our work is on literacy development across the schools and transition arrangements for Year 6 to Year 7.

We have a thriving table tennis club that serves several primary schools in the area. The London Academy U13 team are English Champions and several players are ranked highly in the national league.

Our community links are ongoing with the Somali Intervention Group who provide a Youth Club after school and is targeted at students who are vulnerable and at risk of underachievement. This has shown a significant impact on student attitudes to learning.

The numbers attending the Afghan School have risen significantly. The local Safer Neighbourhoods Team hold their monthly meetings between invited residents, shopkeepers, local clergy and other local groups at the Academy.

Students have participated in Science Masterclasses with representatives from many occupations involving Science as a subject. One year group has enjoyed a Language Masterclass where a number of business people and employers demonstrate the value of a language to the world of work.

Governors' report Year to 31 August 2011

NEW BUILDING

Following a review of curriculum need at the Academy it was decided that we should seek to enhance the educational experience of our pupils by providing the opportunity of courses in Hospitality & Catering. A borough wide analysis also identified this as a significant gap in post-16 provision across all its' schools. Along with the tertiary colleges, the Academy opted to be part of a wider provision with support from the local authority.

Our sixth form numbers are growing year on year and with the school leaving age being raised to 17 plus in 2013 and 18 in 2015, ie the current year 9, the need for increased teaching space and extended curriculum provision will be a must for the Academy if it is to maintain its ever improving success.

As a consequence of the significant housing development in the immediate vicinity of the Academy pressure to provide extra places will increase.

Our original plan was for a single storey temporary building but it was decided that in the best interests and long term cost effectiveness for the Academy we should build a two storey permanent building.

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 YPLA, an agency of the DfE, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA during the year ended 31 August 2011 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 YPLA and its sponsor, Mr Peter Shalson. 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 2011, total expenditure was £11,825,590 (2010 - £11,666,934). The net outgoing resources for the year (including the transfer to the fixed assets fund) but excluding restricted fixed asset funds was £1,189 (2010 - incoming resources £66,004).

At 31 August 2011 the net book value of fixed assets was £30,937,222 (2010 - £31,342,886). 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.

FINANCIAL REVIEW (continued)

Reserves policy

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, e.g. underestimate of examination fees. It is the Board's policy to build up reserves which can be used for future education purposes in line with the development plan, and
- ◆ the deficit in the pension fund for support staff

The governors will ensure that the Reserves Policy continues to conform to the guidance given by the YPLA

Financial position

The Academy held reserves of £32,239,666 at 31 August 2011, comprising £31,560,057 of restricted funds (which includes a pension reserve deficit of £789,000), free reserves of £679,609 represented by the unrestricted general funds

PLANS FOR FUTURE PERIODS

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher education once they leave

The Academy's learning priorities for development are to

- ◆ encourage students to embrace challenge
- ◆ offer a more personalised curriculum, including vocational subjects
- ◆ offer a wide range of learning opportunities

The Academy will foster the personal development of its students, staff and other stakeholders by

- ◆ making stakeholders feel that their voice has impact
- ◆ encouraging them to adopt healthier lifestyles
- ◆ embedding the culture of a learning community

Governors' report Year to 31 August 2011

PLANS FOR FUTURE PERIODS (continued)

Teaching staff development continues to focus on teaching and learning and assessment 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.

Leadership development continues to be a priority. The Academy is involved in a number of national leadership programmes including the National Professional Qualification for Headship, Future Leaders and Teaching Leaders. Six staff have been involved in these programmes.

New teachers continue to meet on a weekly basis with a programme of events. The Academy has devoted part of the six weekly meeting cycle to professional development activities.

All teaching staff participate in the Teacher Learning Community. They consider how to improve teacher practice by developing effective habits.


The Academy is continually working to improve communication both internally and externally and continues to build links and work closely with the local community.

AUDITOR

Each of the governors confirms that

- ◆ so far as the governor is aware, there is no relevant audit information of which the Academy's auditors are unaware, and
- ◆ the governor has taken all the steps that s/he ought to have taken as a governor in order to make herself/himself aware of any relevant audit information and to establish that the Academy's auditors are aware of that information.

Approved by the governors and signed on their behalf by


Governor
P O'HEAR
Date 25.01.12

Barnet City Academy
Company Registration Number 04389132 (England and Wales)

Statement on internal control Year to 31 August 2011

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Barnet City Academy 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 has delegated the day-to-day responsibility to Angela Trigg, 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 Barnet City Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

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 Academy 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 in Barnet City Academy for the year ended 31 August 2011 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 Academy 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 a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ending 31 August 2011 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 Academy Trust'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 Executive Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,

Statement on internal control Year to 31 August 2011

The Risk and Control Framework (continued)

- ◆ setting targets to measure financial and other performance,
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines
- ◆ delegation of authority and segregation of duties,
- ◆ identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed J Menell, a governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly 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.

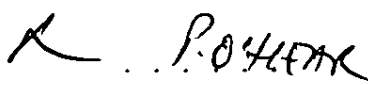
Review of Effectiveness

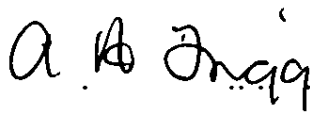
As Accounting Officer, Angela Trigg has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- ◆ the work of the Responsible Officer,
- ◆ the work of the external auditor,
- ◆ the financial management and governance self assessment process,
- ◆ the work of the executive managers within the Academy Trust 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 Executive Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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


P O'HEAR
Chair

 A H TRIGG
Accounting Officer

Date: 25.01.12

Statement of governors' responsibilities Year to 31 August 2011

The governors (who are also directors of Barnet City Academy for the purposes of company law, and the trustees for the purposes of charity law) are responsible for preparing the governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Academy and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing these financial statements, the governors are required to

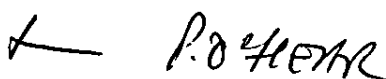
- ◆ select suitable accounting policies and then apply them consistently,
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP),
- ◆ make judgements and estimates that are reasonable and prudent,
- ◆ state whether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

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

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

The governors are responsible for ensuring that in its conduct and operation the Charitable Company 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 YPLA/DfE have been applied for the purposes intended.

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

Chair 
Date 25.01.12
P. O' HEAR

Independent auditors report Year to 31 August 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARNET CITY ACADEMY

We have audited the financial statements of Barnet City Academy (the Academy) for the year ended 31 August 2011, 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 2010/11 issued by the Young People's Learning Agency.

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

Respective responsibilities of governors and auditor

The governors act as trustees for the charitable activities of Barnet City Academy and are also the directors of the charity for the purposes of company law.

As explained more fully in the statement of governors' responsibilities set out on page 14, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Independent auditors report Year to 31 August 2011

Opinion on financial statements

In our opinion

- ◆ the financial statements give a true and fair view of the state of the Academy's affairs as at 31 August 2011 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 requirements of the Companies Act 2006, and
- ◆ the financial statements have been prepared in accordance with the Annual Accounts Direction 2010/11 issued by the Young People's Learning 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

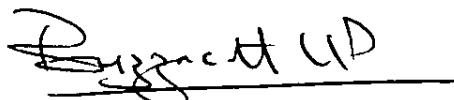
Opinion on other matter prescribed by the Young People's Learning Agency

In our opinion grants made by the Young People's Learning Agency have been applied for the purposes intended

Matters on which we are required to report by exception

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

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



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

8 February 2012

Statement of financial activities Year to 31 August 2011

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted general fund £	Restricted funds			Total 2011 £	Total 2010 £
	Notes		YPLA £	Other £	Fixed asset funds £		
Income and expenditure							
Incoming resources							
Incoming resources from generated funds							
Voluntary income		8,366	—	—	—	8,366	6,845
Activities for generating funds	2	51,039	—	—	—	51,039	49,796
Investment income	3	11,133	—	—	—	11,133	9,890
Incoming resources from charitable activities							
Funding for the Academy's educational operations	4	—	10,120,520	758,262	366,940	11,245,722	10,745,582
Other income		102,759	—	2,096	—	104,855	86,454
Total incoming resources		173,297	10,120,520	760,358	366,940	11,421,115	10,898,567
Resources expended							
Cost of generating funds		51,039	—	—	—	51,039	—
Charitable activities							
Academy's educational operations	6	106,017	10,106,375	716,047	826,546	11,754,985	11,643,528
Governance costs	7	—	19,566	—	—	19,566	23,406
Total resources expended		157,056	10,125,941	716,047	826,546	11,825,590	11,666,934
Net (outgoing) incoming resources before transfers		16,241	(5,421)	44,311	(459,606)	(404,475)	(768,367)
Gross transfers between funds		—	(53,942)	—	53,942	—	—
Net income (expenditure) for the year	11	16,241	(59,363)	44,311	(405,664)	(404,475)	(768,367)
Other recognised gains and losses							
Past service gains on defined benefit pension scheme	24	—	—	—	—	—	97,000
Actuarial gains (losses) on defined benefit pension scheme	24	—	120,000	—	—	120,000	(10,000)
Net movement in funds		16,241	60,637	44,311	(405,664)	(284,475)	(681,367)
Reconciliation of funds							
Funds brought forward at 1 September 2010		663,368	427,306	90,581	31,342,886	32,524,141	33,205,508
Funds carried forward at 31 August 2011		679,609	487,943	134,892	30,937,222	32,239,666	32,524,141

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

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

Balance sheet 31 August 2011

	Notes	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	13		30,937,222		31,342,886
Current assets					
Stock		17,038		5,579	
Debtors	14	307,184		157,744	
Cash at bank and in hand		3,152,138		3,261,964	
		<u>3,476,360</u>		<u>3,425,287</u>	
Current liabilities					
Creditors amounts falling due within one year	15	(1,384,916)		(1,353,032)	
Net current assets			<u>2,091,444</u>		<u>2,072,255</u>
Net assets excluding pension liability			33,028,666		33,415,141
Pension scheme liability	24		<u>(789,000)</u>		<u>(891,000)</u>
Net assets including pension liability			<u>32,239,666</u>		<u>32,524,141</u>
Funds of the Academy					
Restricted funds	16				
YPLA funds excluding pension reserve			1,276,943		1,318,306
Pension reserve			<u>(789,000)</u>		<u>(891,000)</u>
YPLA funds including pension reserve			487,943		427,306
Other funds			134,892		90,581
			<u>622,835</u>		<u>517,887</u>
Fixed asset funds			30,937,222		31,342,886
			<u>31,560,057</u>		<u>31,860,773</u>
Unrestricted general funds			679,609		663,368
			<u>32,239,666</u>		<u>32,524,141</u>

The financial statements on pages 17 to 38 were approved by the governors, and authorised for issue on 25 January 2012, and are signed on their behalf by

 P. O'HEAR P O'HEAR
 Governor
 25.01.12
 Barnet City Academy
 Company Registration Number 04389132 (England and Wales)

Cash flow statement Year to 31 August 2011

	Notes	2011 £	2010 £
Net cash inflow from operating activities	20	8,901	531,596
Returns on investment and servicing of finance	21	11,133	9,890
Capital expenditure	22	(129,860)	(36,881)
(Decrease) increase in cash in the year	23	(109,826)	504,605
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2010		3,261,964	2,757,359
Net funds at 31 August 2011		3,152,138	3,261,964

Principal accounting policies 31 August 2011

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the YPLA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

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, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Principal accounting policies 31 August 2011

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.

Cost of generating funds

These are costs incurred in activities that raise funds.

Charitable activities

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

Governance Costs

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

All resources expended are inclusive of irrecoverable VAT.

Fund accounting

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

Restricted funds comprise grants from YPLA 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

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Principal accounting policies 31 August 2011

Tangible fixed assets (continued)

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

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

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Stock

Unsold uniform stocks are valued at the lower of cost or net realisable value.

Taxation

The Academy 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 Academy 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.

Leased assets

Rentals applicable to operating leases are charged to the Statement of Financial Activities as incurred over the lease term.

Pensions Benefits

Retirement benefits to employees of the Academy Trust 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 Academy.

Pensions Benefits (continued)

Teachers' Pension Scheme – teaching staff

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust 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 24, the TPS is a multi employer scheme and the Academy 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 payable each year.

Local Government Pension Scheme – support staff

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Notes to the financial statements 31 August 2011

1 General annual grant (GAG)

	Total funds 2011 £	Total funds 2010 £
a Results and carry forward for the year		
GAG bought forward from previous year	1,001,261	1,005,084
GAG allocation for current year	9,565,717	9,290,005
Total GAG available to spend	10,566,978	10,295,089
Recurrent expenditure from GAG	(9,373,819)	(9,174,225)
Fixed assets purchased from GAG	(53,942)	(119,603)
GAG carried forward to next year	1,139,217	1,001,261
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	1,147,886	1,114,801
GAG to surrender to DfE (12% rule breached if result is positive)	(8,669)	(113,540)
	(no breach)	(no breach)
b Use of GAG brought forward from pension year for recurrent purposes	2011 £	2010 £
(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
Recurrent expenditure from GAG in current year	9,373,819	9,174,225
GAG allocation for current year	(9,565,717)	(9,290,005)
GAG allocation for previous year x2%	(185,800)	(173,637)
GAG brought forward from previous year in excess of 2% used on recurrent expenditure in current year	(377,698)	(289,417)
	(no breach)	(no breach)

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total funds 2011 £	Total funds 2010 £
Hire of facilities	51,039	—	51,039	49,796

3 Interest receivable

	Unrestricted funds £	Restricted funds £	Total funds 2011 £	Total funds 2010 £
Bank interest	11,133	—	11,133	9,890

Notes to the financial statements 31 August 2011

4 Funding for the Academy's education operations

	Unrestricted funds £	Restricted funds £	Total funds 2011 £	Total funds 2010 £
YPLA capital grants				
Devolved Formula Capital grant	—	116,940	116,940	—
Other capital grants				
Other government grants – London Borough of Barnet	—	250,000	250,000	—
YPLA revenue grants				
General Annual Grant (GAG) (note 1)	—	9,565,717	9,565,717	9,290,005
School Standards Grant	—	424,188	424,188	729,720
Pupil premium grant	—	92,235	92,235	—
Student access grant	—	38,380	38,380	—
Other	—	—	—	7,200
	—	10,120,520	10,120,520	10,026,925
Other revenue grants				
London Borough of Barnet other grants	—	758,262	758,262	716,857
Other grants	—	—	—	1,800
	—	758,262	758,262	718,657
	—	11,245,722	11,245,722	10,745,582

5 Resources expended

	Notes	Staff costs (note 8) £	Premises £	Other costs £	Total 2011 £	Total 2010 £
Cost of activities for generating funds		—	51,039	—	51,039	—
Charitable activities	6					
Academy's educational operations						
Direct costs		7,653,135	1,389,992	1,380,043	10,423,170	10,336,542
Support costs		719,198	81,189	513,428	1,313,815	1,280,986
FRS 17 charges		(7,000)	—	25,000	18,000	26,000
		8,365,333	1,522,220	1,918,471	11,806,024	11,643,528
Governance costs	7	—	—	19,566	19,566	23,406
		8,365,333	1,522,220	1,938,037	11,825,590	11,666,934

Notes to the financial statements 31 August 2011

6 Charitable activities – Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Direct costs				
Teaching and educational support staff costs	—	7,653,135	7,653,135	7,495,577
Maintenance	—	236,106	236,106	220,568
Occupancy	—	544,282	544,282	505,063
Mobile classrooms	—	70,203	70,203	68,992
Education and other supplies	47,093	145,894	192,987	205,647
Examination fees	—	223,349	223,349	205,805
Educational consultancy	—	74,935	74,935	98,973
Staff development	—	37,167	37,167	48,499
Depreciation	—	826,546	826,546	821,966
IT software and other capital expenditure	—	365,053	365,053	438,098
Trips and activities	47,191	75,585	122,776	96,904
Other direct costs	—	127,670	127,670	130,450
	94,284	10,379,925	10,474,209	10,336,542
Support costs				
Support staff costs	—	719,198	719,198	693,015
Transport	—	13,801	13,801	14,594
Catering	—	128,926	128,926	123,266
Insurance	—	81,189	81,189	102,732
Other support costs	3,439	367,262	370,701	347,379
	3,439	1,310,376	1,313,815	1,280,986
FRS 17 costs				
Staff costs	—	(7,000)	(7,000)	(9,000)
Interest costs	—	25,000	25,000	35,000
	—	18,000	18,000	26,000
Total	97,723	11,708,301	11,806,024	11,643,528

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2011 £	Total funds 2010 £
Legal and professional fees	—	13,363	13,363	21,384
Other governance costs	—	6,203	6,203	2,022
	—	19,566	19,566	23,406

Notes to the financial statements 31 August 2011

8 Staff costs

Staff costs during the year were as follows

	2011 £	2010 £
Wages and salaries	6,254,075	6,022,082
Social security costs	534,182	503,038
Pension costs – Normal contribution	781,862	754,894
- FRS 17 pension costs	(7,000)	(9,000)
	7,563,119	7,271,014
Non contracted staff	802,214	908,578
	8,365,333	8,179,592

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

	2011 Number	2010 Number
£60,001 - £70,000	4	6
£80,001 - £80,000	2	—
£80,001 - £90,000	—	1
£100,001 - £110,000	1	—
£150,001 - £160,000	1	—
£170,001 - £180,000	—	1
	8	8

During the year pension contributions for the above staff to the Teachers' Pension Scheme or the Local Government Pension Scheme amounted to £94,807 (2010 - £91,980)

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows

	2011 Number	2010 Number
Teachers	105	105
Administration and support	55	56
Management	13	14
	173	175

9 Governors' remuneration and expenses

The 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 Academy in respect of their role as governors.

Notes to the financial statements 31 August 2011

9 Governors' remuneration and expenses (continued)

The value of the remuneration payable to four (2010 four) staff governors including taxable expenses and benefits in kind was £239,445 (2010 £285,580). Three staff governors are members of the Teachers' Pension Scheme and one staff governor is a member of the Local Government Pension Scheme. Both schemes are defined benefit pension schemes. The Academy's contribution in respect of the above staff governors to the Teachers' Pension Scheme was £26,916 (2010 £32,168) and to the Local Government Pension scheme was £7,681 (2010 £6,727).

The value of the Principal's remuneration was £153,430 (2010 £172,250). Pension contributions to the Teachers' Pension Scheme in respect of the Principal were £19,378 (2010 £19,035).

No staff governor had any other beneficial interest in any contract with the Academy.

During the year ended 31 August 2011, travel and subsistence expenses totalling £1,314 (2010 -£361) were reimbursed to one governor (2010 —1).

Due to a payroll error an overpayment of £7,350 was made to a governor in their role as a member of staff and arrangements are in place for this to be repaid.

There were no other related party transactions involving the governors.

10 Governors' and officers insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers 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 2011 was £1,279 (2010 - £810).

The cost of this insurance is included in the total insurance costs.

11 Net income (expenditure) for the year

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

	2011 £	2010 £
Staff costs	8,365,333	8,179,592
Depreciation	826,546	821,966
Auditor's remuneration (excluding VAT)		
Statutory audit services	10,962	11,200
Other services	2,400	3,250
Leasing charges	207,864	158,849
FRS17 charges		
Pension charge – staff costs	(7,000)	(9,000)
Net finance cost	25,000	35,000

Notes to the financial statements 31 August 2011

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) £	Asset under construction £	Furniture, fittings and equipment £	Total £
Cost				
At 1 September 2010	33,792,390	—	1,131,961	34,924,351
Additions	2,106	366,940	51,836	420,882
At 31 August 2011	33,794,496	366,940	1,183,797	35,345,233
Depreciation				
At 1 September 2010	2,674,222	—	907,243	3,581,465
Charge for year	676,213	—	150,333	826,546
At 31 August 2011	3,350,435	—	1,057,576	4,408,011
Net book values				
At 31 August 2011	30,444,060	366,940	126,221	30,937,222
At 31 August 2010	31,118,168	—	224,718	31,342,886

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

The net book value at 31 August 2011 represents fixed assets used for educational purposes

14 Debtors

	2011 £	2010 £
Trade debtors	71,458	113,860
YPLA grants receivable	—	13,667
VAT reclaimable	223,478	—
Prepayments and accrued income	12,248	30,217
	307,184	157,744

Notes to the financial statements 31 August 2011

15 Creditors: amounts falling due within one year

	2011 £	2010 £
Expenses creditors	903,208	1,057,533
Accruals and deferred income	304,651	289,880
Grant repayable	171,438	—
Other creditors	5,619	5,619
	1,384,916	1,353,032

Deferred income

Deferred income at 1 September 2010	257,862
Amounts released from previous years	(75,918)
Deferred income and 31 August 2011	181,944

Deferred income includes £170,354 in respect of devolved formula capital grants and £11,590 from the Barnet School Travel Plan Grant

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 2010 £	Incoming resources £	Resources expended £	Actuarial gains £	Transfers £	At 31 August 2011 £
Revenue funds						
YPLA grants						
General Annual Grant (GAG)	1,001,261	9,565,717	(9,373,818)	—	(53,942)	1,139,218
Other funds	317,045	554,803	(734,123)	—	—	137,725
	1,318,306	10,120,520	(10,107,941)	—	(53,942)	1,276,943
Pension reserve	(891,000)	—	(18,000)	120,000	—	(789,000)
	427,306	10,120,520	(10,125,941)	120,000	(53,942)	487,943
Other funds	90,581	760,358	(716,047)	—	—	134,892
Fixed assets funds	31,342,886	366,940	(826,546)	—	53,942	30,937,222
	31,860,773	11,247,818	(11,668,534)	120,000	—	31,560,057

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

Revenue funds

◆ YPLA 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.

Notes to the financial statements 31 August 2011

16 Restricted funds (continued)

♦ 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 YPLA and other sources to finance the development and building of the academy and the other tangible fixed assets

17 Analysis of net assets between funds

	General fund £	YPLA £	Other £	Fixed assets £	2011 Total £
Fund balances at 31 August 2011 are represented by.					
Tangible fixed assets	—	—	—	30,937,222	30,937,222
Current assets	684,089	2,657,379	134,892		3,476,360
Current liabilities	(4,480)	(1,380,436)	—		(1,384,916)
Pension scheme liability	—	(789,000)	—	—	(789,000)
Total net assets	679,609	487,943	134,892	30,937,222	32,239,666

18 Lease commitments

Operating Leases

At 31 August 2011 the Academy had annual commitments (excluding VAT) under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire				
Within one year	—	—	—	1,675
Within two to five years	—	—	196,164	187,054

19 Capital commitments

	2011 £	2010 £
Contracted for, but not provided in the financial statements	633,000	—

Notes to the financial statements 31 August 2011

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

	2011 £	2010 £
Net income	(404,475)	(768,367)
Depreciation (note 13)	826,546	821,966
Capital grants from DfE and other capital income	(366,940)	—
Interest receivable (note 5)	(11,133)	(9,890)
FRS 17 pension cost less contributions payable (note 24)	(7,000)	(9,000)
FRS 17 pension finance income (note 24)	25,000	35,000
(Increase) / Decrease in stocks	(11,459)	1,447
(Increase) / Decrease in debtors	(139,237)	119,944
Increase in creditors	97,599	340,496
Net cash inflow from operating activities	8,901	531,596

21 Returns on investment and servicing of finance

	2011 £	2010 £
Interest received	11,133	9,890
Net cash inflow from returns on investment and servicing of finance	11,133	9,890

22 Capital expenditure and financial investment

	2011 £	2010 £
Purchase of tangible fixed assets	(420,882)	(155,872)
Capital grants from DfE / YPLA	41,022	118,991
Capital funding received from local authority	250,000	—
Net cash outflow from capital expenditure and financial investments	(129,860)	(36,881)

23 Analysis of changes in net funds

	At 1 September 2010 £	Cashflows £	At 31 August 2011 £
Cash in hand and at bank	3,261,964	(109,826)	3,152,138

Notes to the financial statements 31 August 2011

24 Pension and similar obligations

The Academy'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 London Borough of Barnet Pension Fund (LGPS) for non-teaching staff, which is managed by Barnett Waddingham 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

Teachers' Pension Scheme – teaching staff

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1% The employee rate was 6.4% for the same period

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multiemployer pension scheme The Academy is unable to identify its share of the underlying assets and liabilities of the scheme

Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates

Contributions payable to the TPS were £599,809 (2010 - £575,311)

Notes to the financial statements 31 August 2011

24 Pension and similar obligations (continued)

Local Government Pension Scheme – for support staff

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2011 was £231,073 (2010 - £227,361), of which employer's contributions totalled £182,053 (2010 - £179,583) and employees' contributions totalled £49,020 (2010 - £47,778). The agreed contribution rates for future years are 24.6% for employers and a variable rate between 5.5% and 12% for employees depending on their pay band.

Principal Actuarial Assumptions

Financial Assumptions

The financial assumptions used for the purposes of the FRS17 calculations are as follows:

	At 31 August 2011	At 31 August 2010
Price increase		
RPI	3.4%	3.0%
CPI	2.6%	2.5%
Rate of increase in salaries	4.9%	4.5%
Rate of increase for pensions	2.6%	2.5%
Discount rate for liabilities	5.4%	4.8%

These assumptions are set with reference to market conditions at 31 August 2011. The discount rate is the yield on the iBoxx AA rated over 15 year corporate bond index as at this date which has been chosen to meet the requirements of FRS17. The RPI increase assumption is set based on the difference between conventional gilt yields and index-linked gilt yields at the accounting date using data published by the Bank of England. This measure has historically overestimated future increases in the RPI and so we have made a deduction of 0.25% to get the RPI assumption of 3.4%. As future pension increases are expected to be based on CPI rather than RPI, we have made a further assumption about CPI which is that it will be 0.8% below RPI i.e. 2.6% (which is a slightly larger reduction than that assumed last year). Salary increases are then assumed to be 1.5% above RPI in addition to a promotional scale but we have also assumed that there is a pay freeze for all members earning over £21,000 per annum until 31 March 2012.

Demographic/Statistical Assumptions

The Actuaries have adopted a set of demographic assumptions that are consistent with those used for the formal funding valuation as at 31 March 2010. The post retirement mortality tables adopted were the S1PA Heavy tables allowing for long cohort projection, with a minimum 1% improvement and a 90% scaling factor.

Notes to the financial statements 31 August 2011

24 Pension and similar obligations (continued)

Principal Actuarial Assumptions (continued)

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

	2011 years	2010 years
<i>Retiring today</i>		
Men	20 0	19 6
Women	24 0	22 5
<i>Retiring in 20 years</i>		
Men	22 0	20 7
Women	25 9	23 6

The Actuaries have also made the following assumptions:

- ◆ Members will exchange half of their commutable pension for cash at retirement
- ◆ Active members will retire one year later than they are first able to do so without reduction

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

	Expected return at 31 August 2011	Fair Value at 31 August 2011 £000	Expected return at 31 August 2010	Fair Value at 31 August 2010 £000
Equities	7.4%	954	7.4%	1,195
Gifts	3.8%	92	3.8%	168
Bonds	5.4%	606	4.8%	187
Property	5.3%	73	5.3%	75
Cash	3.0%	110	3.0%	243
Total market value of assets at bid value		1835		1,868
Present value of scheme liabilities				
-Funded		(2,624)		(2,759)
Deficit in the scheme		(789)		(891)

There are no unfunded obligations and no unrecognised past service costs at August 2011 and August 2010

Notes to the financial statements 31 August 2011

24 Pension and similar obligations (continued)

Principal Actuarial Assumptions (continued)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2010 for the year to 31 August 2011). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

Amounts recognised in the statement of financial activities

	2011 £'000	2010 £'000
Current service cost	175	170
Interest cost	127	138
Expected return on scheme assets	(102)	(103)
Total expenditure recognised in SOFA/I&E	200	205

Amount recognised in the statement of recognised gains and losses

	2011 £'000	2010 £'000
Actual return less expected return on pension scheme assets	(22)	115
Experience gains and losses	148	—
Changes in assumptions underlying the present value of the scheme liabilities	(6)	(125)
Actuarial gains (losses) in pension scheme	120	(10)
Increase (decrease) in irrecoverable surplus	—	—
Actuarial gains (losses) recognised in STRGL	120	(10)

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 £737,000 loss (2010 £857,000 loss).

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

	2011 £'000	2010 £'000
Scheme liabilities at 1 September 2010	2,759	2,529
Current service cost	175	170
Past service gain	—	(97)
Interest cost	127	138
Contributions by scheme participants	49	48
Actuarial (gains) losses	(453)	125
Estimated benefits paid net of transfers in	(33)	(154)
Scheme liabilities at 31 August 2011	2,624	2,759

Notes to the financial statements 31 August 2011

24 Pension and similar obligations (continued)

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

	2011 £'000	2010 £'000
Fair value of scheme assets at 1 September 2010	1,868	1,577
Expected return on Scheme assets	102	103
Actuarial (losses) and gains	(333)	115
Contributions by employer	182	179
Contributions by Scheme participants	49	48
Estimated benefits paid net of transfers in	(33)	(154)
Fair value of scheme assets at 31 August 2011	1,835	1,868

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

	2011 £'000	2010 £'000
Fair value of net scheme liabilities at 1 September 2010	(891)	(952)
Past service gains	—	97
Current service costs	(175)	(170)
Contributions by employer	182	179
Other finance income	(25)	(35)
Actuarial losses	120	(10)
Fair value of net scheme liabilities at 31 August 2011	(789)	(891)

History of experience gains and losses

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Total present value of liabilities	(2,624)	(2,759)	(2,529)	(2,015)	(1,884)
Total present value of assets	1,835	1,868	1,577	1,483	1,964
(Deficit) surplus	(789)	(891)	(952)	(532)	80
Experience adjustment on scheme assets	(333)	115	(191)	(794)	89
Percentage of assets	(18.1%)	6.2%	(12.1%)	(53.5%)	4.5%
Experience adjustment on scheme liabilities	459	—	—	222	(1)
Percentage of liabilities	17.5%	—	—	11.0%	(0.1%)
Cumulative actuarial gain (losses)	(737)	(857)	(847)	(437)	201

The actuarial loss recognised in 2008 included an adjustment in the amount of assets allocated to the Academy

24 Pension and similar obligations (continued)

Projections for the year to 31 August 2012 are that the service costs will be £157,000, interest cost will be £146,000, return on assets will be £120,000 (negative) Giving a total charge of £183,000 Employer Contributions will be £182,000 These projections are based on the assumptions as at 31 August 2011

25 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

26 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