

REGISTRAR OF COMPANIES

Future Academies

Report and Financial Statements

31 August 2012

Company Limited by Guarantee
Registration Number
6543442 (England and Wales)

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Reference and administrative information

Trustees	John Nash (Chair) Caroline Nash Derek Sayer
Governing Body of Pimlico Academy	John Nash (Chair) Rym Haddam David Johnston Caroline Nash Lorna Parker Sarah Richardson
Senior Management of Pimlico Academy	Jerry Collins (Principal) Nick Watkiss (First Vice Principal) Tracy Dohel (Vice Principal) Sam Green (Vice Principal) Ken Robb (Director of Finance and Operations)
Secretary of Future Academies	Katherine Taylor
Registered office	Grosvenor Gardens House 35-37 Grosvenor Gardens London SW1W 0BS
Company registration number	6543442 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC 69 Pall Mall London SW1Y 5EY Lloyds TSB 50 Grosvenor Street London W1K 3LF

Reference and administrative information

Solicitors Potheary Witham Weld
70 St George's Square
London
SW1V 3RD

Lewis Silkin
5 Chancery Lane
Cliffords Inn
London
EC4A 1BL

Chair of Governors' Statement Year ended 31 August 2012

Chair of Governors' statement

In its fourth year, Pimlico Academy has gone from strength to strength. Rated 'Outstanding' by Ofsted in December 2010, the Academy is steadily moving towards the Governors' vision of a truly great school. All students are given the support they need to achieve their very best and live happy, healthy and fulfilling lives. At GCSE 56% of students achieving 5 A* -C including English and Maths, and more than 91% of our Year 13 leavers progressed to Higher Education with over 45% to Oxbridge, other Russell Group and 1994 group universities with 3 (5%) to Oxbridge.

In September 2012 we will introduce a new Key Stage 3 curriculum in Year 7 which has been developed by The Curriculum Centre, part of Future, to ensure that our students become culturally literate young adults who are fully prepared for the tougher exams that are coming and develop into fully rounded adults who feel comfortable in any situation. This has taken a great deal of work and all involved are to be congratulated.

The trustees thanks go to all our staff who, under the inspirational leadership of Jerry Collins, work so hard to ensure that all our students have the help and encouragement they need. Our thanks also go to our students whose energy and enthusiasm is infectious and who are such a pleasure to work with.

Trustees' report Year ended 31 August 2012

The Trustees of Future Academies, who are also Directors of the company for the purposes of the Companies Act, present their statutory report and the audited financial statements for the year ended 31 August 2012

The report has been prepared in accordance with Part VI of the Charities Act 2011

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 24 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005')

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and principal activities

Future Academies is a company limited by guarantee with no share capital (Company Registration No 6543442) which was incorporated on 25 March 2008. The Company is an exempt charity and is regulated by the Department for Education (DfE)

The company's memorandum and articles of association are the primary governing documents. Members of the company are nominated either by the principal Sponsor, Future, a charity set up by John Nash and Caroline Nash, or by the Secretary of State. The articles of association require the members of the company to appoint at least one Trustee to be responsible for the affairs of the company and the management of Future Academies.

The principal objects of Future Academies are to advance, for the public benefit, education in the United Kingdom by establishing and developing Academies and to advance sport, the arts, culture, citizenship and community development within the communities from which such Academies draw their students. Future Academies currently operates one school, Pimlico Academy ('the Academy'), a secondary school based in London and is in the process of opening two primary schools.

In accordance with the articles of association, the company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, and that the curriculum should comply with the substance of the national curriculum with emphasis on history and the arts and their principal applications.

Legal status and members' liability

Future Academies 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he or she ceases to be a member.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees and Governors

Unless otherwise resolved by the Trustees in respect of a specific Academy or Academies the Trustees shall appoint separate committees to be known as Academy Governing Bodies for each of the Academies which shall comprise in the case of each Academy a maximum of 15 members ("Governors") including

- a) an elected parent/guardian of a pupil at the Academy elected by parents/guardians of pupils at the Academy, and
- b) a person appointed by the appropriate Local Authority (LA),
and persons drawn from
- c) elected non-teaching staff employed at the Academy,
- d) elected teachers employed at the Academy, and
- e) such other persons as the Trustees decide

The Principal of the relevant Academy and the Director of Finance and Operations of the Academy may attend meetings of the Academy Governing Body but will not be Governors

Governors have taken responsibility for monitoring the Academy's activities in specific operational areas and a regular review of the skills mix of the Governors is carried out to ensure that the board of Governors has all the necessary skills required to contribute fully to the Academy's development

During the year under review the Governors of Pimlico Academy held six full meetings. In addition, there were meetings of the Finance Committee and Staffing Committee. All new Governors, who are recruited on their ability to play an active part in the governance of the Academy, are interviewed by experienced Governors, given a tour of the Academy and an opportunity to meet with the Principal prior to their first full meeting. In addition they are provided with copies of policies, procedures, minutes, financial statements, budgets, plans and other documents that they will need to undertake their role as Governors.

No Trustee or Governor received any remuneration in respect of their duties as a Trustee or Governor from the Academy during the period.

The memorandum and articles of association form the basis of how the Academy is governed. Future, the Sponsor, continues to show great interest in the Academy whilst leaving others to govern and manage. Both the Chair of Governors and the Principal have regular contact and keep the charity fully informed of matters relating to the Academy.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees and Governors (continued)

With regard to the appointment of Sponsor Governors, appropriate recommendations are made to the Sponsor by the Chair of the Governors, on the basis of ability and opportunity to play an active part in the governance of the Academy. Co-opted Trustees are appointed by Sponsor Trustees, again following recommendations based on their ability to play an active part in the governance of the Academy. Training takes place on a regular basis.

Organisational structure

In accordance with the funding agreement with the Education Funding Agency (EFA), an agency of the Department for Education, the Trustees have appointed a Board of Governors to manage the Academy's activities. 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 leadership 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,
- ◆ the management of all resources,
- ◆ the monitoring of performance,
- ◆ helping the Academy to be responsive to the needs of parents, carers and the community,
- ◆ setting the Academy's standards of conduct and values, and
- ◆ assessing and managing risk

During the period under review, a number of Governing Body and committee meetings were held. These meetings are attended by staff from the Academy and enable Governors to monitor and evaluate progress using data and reports provided by the relevant staff members.

The Chairs of the Finance and Staffing Committees report to the full Governing Body.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The Principal is directly responsible for the day to day running of the Academy, and is assisted by the Vice Principals and the Director of Finance and Operations. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them.

Connected organisations

The Academy is working closely with its main Sponsor (Future), the EFA, the Local Education Authority, and local organisations.

Future is a registered charity (Charity Registration No 1114396). All the Trustees of Future Academies are also Trustees of Future, the Sponsor.

During the year ended 31 August 2012 payments totalling £34,994 were made to Future (2011 £nil) for services related to the development and implementation of a new curriculum.

Risk management

The Academy has drawn up a formal risk management process to assess business risks and implement risk management strategies. This process has identified the types of risk the Academy faces.

During the period, Trustees reviewed all risks to which the Academy may have been exposed to and systems were established to mitigate those risks, e.g. a disaster recovery plan, a travel policy for students and staff, health and safety policy revision.

OBJECTIVES AND ACTIVITIES

The main activity of the charitable company is the operation of Pimlico Academy to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on History and the Arts. In the year, the charity also prepared to open two primary schools in South Westminster.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education.

The 'Scheme of Government' 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 an emphasis on History and the Arts and their practical applications.

In setting the Academy's objectives and planning its activities the Trustees have given careful consideration to the Charity Commission general guidance on public benefit.

ACHIEVEMENTS AND PERFORMANCE

Pimlico Academy has continued to make significant progress in the last year in a number of areas. The new curriculum and primary provision will, in the long term, address many of the fundamental issues the Academy's students face, specifically lack of knowledge and the ability to read and write well. The work of The Curriculum Centre, founded by the Sponsor and acting as Curriculum Director of Studies in Future Academies schools, is beginning to take effect with the implementation of the new curriculum in Year 7. The Curriculum Centre actively supports teachers and schools in giving pupils the knowledge and skills they need by overseeing the content of what is taught, how it is assessed and training teachers to re-engage with specialist subject matter.

Attainment at A level has been strong, with 83% of our cohort achieving 3 A*-C A2 levels and placing the Academy in the 90th to 99th percentile nationally for progress at A2. A high proportion of students have gone on to higher education. We are clearly seeing the benefit of students coming through the school who have had an increasingly higher standard of education. Academic subjects are the most popular at post 16 and this is enabling more students to go on to good universities. We are also seeing the positive impact of the Raising Aspirations programme which seeks to encourage access to university, broaden horizons with a stimulating speaker programme and give students an insight into the many careers available to them.

At GCSE many more students are studying academic subjects with significant increases in the numbers studying EBacc subjects. At GCSE 56% of our students achieved 5 A*-C GCSEs and many subjects are now achieving 80% or more C+ grades including English Literature, Maths, Geography, French, and the individual sciences.

The Academy enjoys a good reputation both locally and nationally, and amongst the students' behaviour and general attitudes to learning are very good, as are attendance and punctuality. There are many extra-curricular activities on offer which are well attended and an extended day is in place for Year 7 students. There is outstanding support in place for students who are struggling pastorally or academically.

Work has begun on the new Pimlico Primary building, which will open its doors to 60 Reception pupils in September 2013. These pupils will in time join Pimlico Academy in Year 7 fully prepared for the stimulation and challenges of secondary education having been taught a knowledge-rich curriculum from the early years.

FINANCIAL REVIEW

Financial report for the year

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. 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.

Due to a reduction in government funding, the Academy has reduced expenditure in order to maintain a small surplus.

Total expenditure for the year was £12,202,498 (2011 - £13,113,257). The deficit for the period (excluding restricted fixed asset funds and before the pension scheme actuarial gain) was £16,094 (2011 - £565,808 surplus).

At 31 August 2012, the net book value of fixed assets was £32,321,567 (2011 - £33,231,116) and movements in tangible fixed assets are shown in note 11 to the financial statements. The Academy buildings, which were built by Westminster City Council under the Building Schools for the Future programme, have been in use since the start of the 2010/11 academic year. A formal lease over the buildings was signed in October 2012. The assets are used to meet the objectives of the charity, primarily for providing education and the associated support services to the pupils of the Academy.

Reserves policy

The Trustees have reviewed the reserves of the Academy. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves will be kept under review by the Trustees. Free reserves at the year end were £34,757 (2011 - £48,383).

Financial position

The Academy held fund balances at 31 August 2012 of £32,515,981 (2011 - £33,898,624), comprising restricted funds of £32,481,224 (including a pension reserve deficit of £461,000 (2011 - £36,000 surplus)) and unrestricted funds of £34,757.

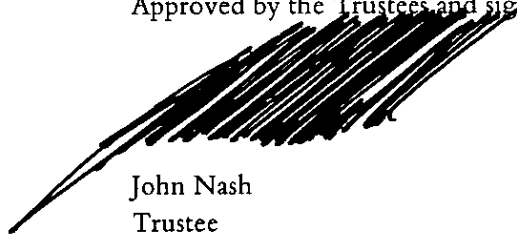
FINANCIAL REVIEW (continued)

Auditor

In so far as the Trustees are aware

- ♦ there is no relevant audit information of which the charitable company's auditor is unaware, and
- ♦ the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by the Trustees and signed on their behalf by

A large, dark, handwritten signature, likely of John Nash, is written over the text "Approved by the Trustees and signed on their behalf by". The signature is written in a cursive style with many overlapping strokes.

John Nash
Trustee

Approved by the Trustees on 14 December 2012

Governance statement Year to 31 August 2012

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Future Academies 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 Trustees have delegated the day-to-day responsibility to Jerry Collins, the Principal of Pimlico Academy, 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 Future Academies and the Secretary of State for Education. The Principal is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Governors have formally met 6 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Number of meetings attended	Out of a possible
John Nash	6	6
Caroline Nash	6	6
Lorna Parker	6	6
David Johnston	4	6
Sarah Richardson	3	6
Rym Haddam	2	2
Stewart Millman	4	4

Stewart Millman left the governing body in June 2012. Rym Haddam joined the governing body in May 2012. Jess Talbot was replaced by Katherine Taylor as Company Secretary in October 2012.

The Finance Committee is a sub-committee of the main Governing Body of Pimlico Academy. Its purpose is to review and decide on any financial matters affecting the charity.

Attendance at meetings in the year was as follows:

Trustee	Number of meetings attended	Out of a possible
John Nash	3	3
Caroline Nash	3	3
Lorna Parker	3	3
Jess Talbot	3	3

Governance statement Year to 31 August 2012

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustees have 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 Trustees are of the view that there is an ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

The risk and control framework

The Academy'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 Trustees,
- ◆ regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- ◆ setting targets to measure financial and other performance,
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines,
- ◆ delegation of authority and segregation of duties,
- ◆ identification and management of risks.

The Trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Trustees have appointed Lorna Parker as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. As permitted by the Financial Handbook of Academies, this task has been outsourced to the external auditors. On a periodic basis, the external auditors report to the Governing Body on the operations of the system of control and on the discharge of the RO's financial responsibilities. During the year, no material weaknesses were identified by the RO.

Governance statement Year to 31 August 2012

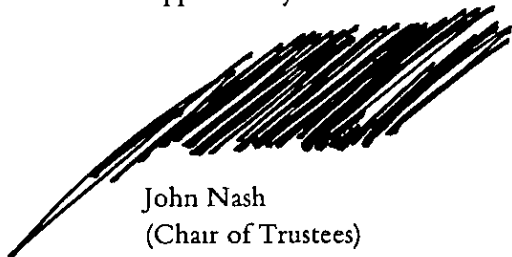
Review of effectiveness

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

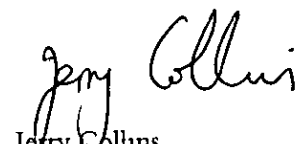
- ♦ the work of the Responsible Officer,
- ♦ the work of the external auditor,
- ♦ the financial management and governance self assessment process,
- ♦ the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has advised the Finance Committee of the implications of his review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Trustees and signed on their behalf by



John Nash
(Chair of Trustees)



Jerry Collins
(Principal and Accounting Officer)

Approved on 14 December 2012

Statement on regularity, propriety and compliance Year to 31 August 2012

As Accounting Officer of Future Academies, I have considered my responsibility to notify the Academy's Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between Future Academies and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy's Trustees are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

A handwritten signature in black ink, appearing to read 'Jerry Collins'. The signature is written in a cursive style with a large 'J' and 'C'.

Jerry Collins

Accounting Officer

Date 14 December 2012

Statement of Trustees' responsibilities Year to 31 August 2012

The Trustees (who are also the Directors of the Academy for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to

- ◆ select suitable accounting policies and then apply them consistently,
- ◆ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP),
- ◆ make judgments and accounting 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees 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.

Approved by order of the Trustees and signed on their behalf by



John Nash
Chair of the Governing Body

Date 14 December 2012

Independent auditor's reports Year to 31 August 2012

Independent auditor's report to the members of Future Academies

We have audited the financial statements of Future Academies for the year ended 31 August 2012 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 2011/12 issued by the Education Funding Agency.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 Trustees and auditor

The Trustees of Future Academies are also the Directors of the charity for the purpose of company law.

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

Independent auditor's reports Year to 31 August 2012

Opinion

In our opinion

- ◆ the financial statements give a true and fair view of the state of the Academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006, and
- ◆ the financial statements have been prepared in accordance with the Annual Accounts Direction 2011/12 issued by the Education Funding Agency

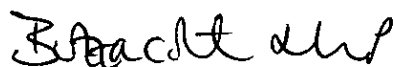
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



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

20 December 2012

Independent auditor's reports Year to 31 August 2012

Independent auditor's report on regularity to the Trustees of Future Academies and the Education Funding Agency

In accordance with the terms of our engagement letter dated 28 August 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period from 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the Trustees and the EFA. Our review work has been undertaken so that we might state to the Trustees and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees and the EFA, for our review work, for this report, or for the opinion we have formed

Respective responsibilities of the Trustees and auditor

The Trustees are responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed or income received during the period from 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Basis of opinion

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA

Opinion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

20 December 2012

Statement of financial activities Year ended 31 August 2012

		Unrestricted	Restricted			2012	2011
	Notes	General fund £	EFA £	Other £	Fixed assets £	Total funds £	Total funds £
Incoming resources							
Incoming resources from generated funds							
Voluntary income	2	2,250	—	—	—	2,250	—
Interest receivable		6,123	—	—	—	6,123	1,729
Incoming resources from charitable activities							
Funding for the Academy's educational operations	3	—	10,525,947	273,832	—	10,799,779	11,212,846
Other educational incoming resources	4	452,373	—	16,330	—	468,703	279,835
Total incoming resources		460,746	10,525,947	290,162	—	11,276,855	11,494,410
Resources expended							
Charitable activities							
Academy's educational operations	6	474,372	10,330,474	322,520	1,053,039	12,180,405	13,093,948
Governance costs	7	—	22,093	—	—	22,093	19,309
Total resources expended	5	474,372	10,352,567	322,520	1,053,039	12,202,498	13,113,257
Net incoming (outgoing) resources before transfers		(13,626)	173,380	(32,358)	(1,053,039)	(925,643)	(1,618,847)
Gross transfers between funds	15	—	(128,803)	(14,687)	143,490	—	—
Net income (expenditure) for the year		(13,626)	44,577	(47,045)	(909,549)	(925,643)	(1,618,847)
Other recognised gains and losses							
Actuarial (losses) gains on defined benefit pension scheme	22	—	(457,000)	—	—	(457,000)	363,000
Net movement in funds		(13,626)	(412,423)	(47,045)	(909,549)	(1,382,643)	(1,255,847)
Fund balances brought forward at 1 September 2011		48,383	125,437	493,688	33,231,116	33,898,624	35,154,471
Fund balances carried forward at 31 August 2012		34,757	(286,986)	446,643	32,321,567	32,515,981	33,898,624

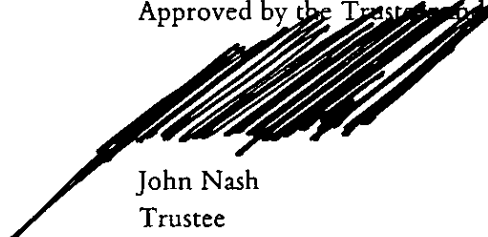
All of the Academy's activities derived from continuing operations during the above two financial years

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 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	11		32,321,567		33,231,116
Current assets					
Stock	12	62,792		32,918	
Debtors	13	928,239		1,015,996	
Cash at bank and in hand		570,359		1,238,304	
		<u>1,561,390</u>		<u>2,287,218</u>	
Creditors amounts falling due within one year	14	(905,976)		(1,655,710)	
Net current assets			<u>655,414</u>		<u>631,508</u>
Net assets excluding pension (liability) asset			<u>32,976,981</u>		<u>33,862,624</u>
Pension scheme (liability) asset	22		(461,000)		36,000
Net assets including pension (liability) asset			<u>32,515,981</u>		<u>33,898,624</u>
Represented by.					
Funds and reserves					
Income funds					
Restricted funds	15				
EFA			174,014		89,437
Pension reserve			(461,000)		36,000
			<u>(286,986)</u>		<u>125,437</u>
Fixed assets			32,321,567		33,231,116
Other restricted reserves			446,643		493,688
			<u>32,481,224</u>		<u>33,850,241</u>
Unrestricted funds	15				
General fund			34,757		48,383
			<u>32,515,981</u>		<u>33,898,624</u>

Approved by the Trustees and signed on their behalf by


John Nash
Trustee

Future Academies
Company Limited by Guarantee
Registration Number 6543442
(England and Wales)

Approved on 14 December 2012

Cash flow statement 31 August 202

	Notes	2012 £	2011 £
Net cash outflow from operating activities	17	(570,608)	(671,466)
Returns on investment and servicing of finance	18	6,123	1,729
Capital (expenditure) income	19	(103,460)	54,632
Decrease in cash in the year	20	(667,945)	(615,105)
Reconciliation of net cash flow to movements in net funds			
Net funds at 1 September 2011		1,238,304	1,853,409
Net funds at 31 August 2012	20	570,359	1,238,304

Principal accounting policies 31 August 2012

Basis of preparation

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

Going concern

The Trustees 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 Trustees 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 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.

Gifts in kind

Gifts in kind provided to the Academy are recognised in the statement of financial activities at their value to the Academy, as determined by the Trustees, in the period in which they are receivable, and where the benefit is both quantifiable and material.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Interest receivable

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

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.

Resources expended (continued)

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 Trustees' meetings and reimbursed expenses

Costs are stated net of recoverable VAT

Tangible fixed assets

All assets costing more than £5,000 and with an expected useful life exceeding one year are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provisions for impairment

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

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

♦ Buildings	2% p a
♦ Furniture, fittings and equipment	25% p a
♦ Computer equipment	25% p a

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

School uniforms are valued at the lower of cost or net realisable value.

Fund accounting

Unrestricted general funds represent those resources which may be used towards meeting any of the charitable objects of the Academy, at the discretion of the Trustees.

Fund accounting (continued)

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, and other funders where the asset acquired or created is held for a specific purpose

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency

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

Pensions

Retirement benefits to employees of the Academy 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

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi employer scheme and the 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 paid each year.

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 Year ended 31 August 2012

1 General Annual Grant (GAG)

	2012 £	2011 £
Results and carry forward for the year		
GAG allocation brought forward from prior period	—	47,568
GAG allocation for current period	9,214,210	9,492,426
Total GAG available to spend	9,214,210	9,539,994
Recurrent expenditure from GAG*	(9,725,407)	(10,410,510)
Fixed assets purchased from GAG	(123,803)	(4,326)
GAG carried forward to next year	(635,000)	(874,842)
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(1,105,705)	(1,139,091)
GAG to surrender to YPLA (12% rule breach if result is positive)	(1,740,705)	(2,013,933)
	No breach	No breach

* This excludes the net FRS17 charge of £40,000. The shortfall in GAG funding has been met by utilising other EFA funds. See note 15 for further details.

	2012 £	2011 £
Use of GAG brought forward from previous year for recurrent purposes		
(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	9,725,407	10,410,510
GAG allocation for current year	(9,214,210)	(9,492,426)
Transfers from other EFA funds	(635,000)	(874,842)
GAG allocation for previous year x 2%	(189,849)	(208,345)
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year		
(2% rule breached if result positive)	(313,652)	(165,103)
	No Breach	No Breach

Notes to the financial statements Year ended 31 August 2012

2 Voluntary income

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Donations received	2,250	—	2,250	—

3 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
EFA capital grant				
Devolved formula capital grant	—	25,343	25,343	58,958
	—	25,343	25,343	58,958
EFA revenue grants				
General Annual Grant (GAG) (note 1)	—	9,214,210	9,214,210	9,492,426
Start Up B	—	178,547	178,547	204,081
Standards Funds	—	368,114	368,114	541,262
Deficit funding	—	635,000	635,000	474,000
Language and Communications Centre	—	104,733	104,733	—
	—	10,500,604	10,500,604	10,711,769
Other grants				
Westminster City Council - SEN	—	167,160	167,160	159,923
Westminster City Council - Schools Choice	—	—	—	15,000
Westminster City Council – Language & Communications Centre	—	—	—	110,583
Westminster City Council - Golden Hellos	—	16,950	16,950	—
Westminster City Council - Other grants	—	82,388	82,388	145,281
Institute of Education – TDA Grants	—	7,334	7,334	11,332
	—	273,832	273,832	442,119
	—	10,799,779	10,799,779	11,212,846

Notes to the financial statements Year ended 31 August 2012

4 Other educational incoming resources

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Lettings income	234,698	—	234,698	89,551
Catering income	—	—	—	31,313
Income from special music contributions	—	16,330	16,330	20,287
Income from facilities and services	15,317	—	15,317	17,661
Sale of uniforms	51,338	—	51,338	51,109
Trips	67,032	—	67,032	69,879
Miscellaneous income	83,988	—	83,988	35
	452,373	16,330	468,703	279,835

5 Resources expended

	Non pay expenditure		2012 Total funds £	2011 Total funds £
	Staff costs £	Premises £		
Academy's educational operations (note 6)				
Direct costs	5,359,682	1,053,039	1,699,279	8,112,000
Allocated support costs	2,783,641	505,465	779,299	4,068,405
	8,143,323	1,558,504	2,478,578	12,180,405
Governance costs including allocated support costs (note 7)	—	—	22,093	22,093
	8,143,323	1,558,504	2,500,671	12,202,498
Incoming / outgoing resources for the period include			2012 Total funds £	2011 Total funds £
Fees payable to auditor				
Statutory audit			10,200	10,200
Non statutory audit			750	715
Non audit services			9,945	7,444

Notes to the financial statements Year ended 31 August 2012

6 Charitable activities - Academy's educational operations

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Direct costs				
Teaching and educational support staff costs	—	5,359,682	5,359,682	6,042,726
Depreciation	—	1,053,039	1,053,039	1,053,039
Educational supplies	20,000	1,492,554	1,512,554	1,329,217
Exam fees	—	135,630	135,630	118,602
Staff training and development	—	51,095	51,095	86,942
	<u>20,000</u>	<u>8,092,000</u>	<u>8,112,000</u>	<u>8,630,526</u>
Allocated support costs				
Support staff costs	—	2,783,641	2,783,641	2,697,054
Recruitment and other staff costs	—	105,508	105,508	166,768
Catering contract	—	270,465	270,465	349,970
Printing and stationery	18,614	—	18,614	23,286
Office overheads	111,977	—	111,977	148,580
Heat and light	—	180,872	180,872	157,305
Rates	—	20,672	20,672	—
Equipment costs	—	18,295	18,295	32,581
Premises (including buildings insurance)	290,502	45,013	335,515	442,081
Technology costs	—	149,278	149,278	147,029
Transport and parking costs	—	—	—	80,000
Other insurance costs	—	40,289	40,289	39,243
Irrecoverable VAT	—	—	—	163,909
Other support costs	33,279	—	33,279	15,616
	<u>454,372</u>	<u>3,614,033</u>	<u>4,068,405</u>	<u>4,463,422</u>
	<u>474,372</u>	<u>11,706,033</u>	<u>12,180,405</u>	<u>13,093,948</u>

7 Governance costs

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Auditors' remuneration				
Statutory audit	—	10,200	10,200	10,200
Non-statutory audit	—	750	750	715
Non audit services	—	9,945	9,945	7,444
Insurance	—	1,198	1,198	950
	<u>—</u>	<u>22,093</u>	<u>22,093</u>	<u>19,309</u>

Notes to the financial statements Year ended 31 August 2012

8 Staff costs

Staff costs during the period were as follows

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Wages and salaries	—	6,331,624	6,331,624	6,817,457
Social security costs	—	530,596	530,596	541,631
Pension contributions – normal contributions	—	643,923	643,923	769,138
Pension contributions – FRS17 charge	—	76,000	76,000	27,000
	—	7,582,143	7,582,143	8,155,226
Supply teacher costs	—	561,180	561,180	584,554
	—	8,143,323	8,143,323	8,739,780

The number of employees during the period who earned over £60,000 pro rata (including taxable benefits but excluding employers' contributions) was as follows

	Year ended 31 August 2012	Year ended 31 August 2011
£60,001 - £70,000	7	6
£70,001 - £80,000	2	3
£80,001 - £90,000	1	—
£90,001 - £100,000	—	1
£120,001 - £130,000	—	1
£140,001 - £150,000	1	—

The above employees earning more than £60,000 per annum participated in either the Teachers' Pension Scheme or Local Government Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £102,294 (2011 - £109,951)

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2012 expressed as full-time equivalents was as follows

	2012	2011
Charitable activities		
Teachers	90	95
Administration and support	79	62
Management	13	12
	182	169

Notes to the financial statements Year ended 31 August 2012

9 Trustees' remuneration and expenses

No employees of the Academy are Trustees of the charitable company. Accordingly, no disclosure of the Principal's remuneration is required. Trustees did not receive any payments, from the Academy in respect of their role as Trustees and governors.

During the year ended 31 August 2012, no out of pocket expenses were reimbursed to Trustees (2011 – none).

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

10 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5 million on any one claim and the cost for year ended 31 August 2012 was £1,198 (2011 – £950).

The cost of this insurance is included in governance costs.

11 Tangible fixed assets

	Academy Building £	Computer Equipment £	Furniture, fittings & equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2011	32,736,452	322,356	1,270,883	—	34,329,691
Additions	—	91,125	12,745	39,620	143,490
At 31 August 2012	<u>32,736,452</u>	<u>413,481</u>	<u>1,283,628</u>	<u>39,620</u>	<u>34,473,181</u>
Depreciation					
At 1 September 2011	654,729	107,724	336,122	—	1,098,575
Charge for period	654,729	80,589	317,721	—	1,053,039
At 31 August 2012	<u>1,309,458</u>	<u>188,313</u>	<u>653,843</u>	<u>—</u>	<u>2,151,614</u>
Net book values					
At 31 August 2012	<u>31,426,994</u>	<u>225,168</u>	<u>629,785</u>	<u>39,620</u>	<u>32,321,567</u>
At 31 August 2011	<u>32,081,723</u>	<u>214,632</u>	<u>934,761</u>	<u>—</u>	<u>33,231,116</u>

The land on which the Academy is sited is currently leased from the Westminster City Council at a peppercorn rent over a term of 125 years. The value of the land has not been included in these financial statements because the site is designated for educational purposes only and has no open market value.

Notes to the financial statements Year ended 31 August 2012

12 Stock

	2012 £	2011 £
School uniforms	62,792	32,198

13 Debtors

	2012 £	2011 £
EFA grants receivable	—	111,430
Accrued income	697,355	695,112
Prepayments	13,028	26,874
Other debtors	9,346	5,407
VAT recoverable	208,510	177,173
	928,239	1,015,996

14 Creditors, amounts falling due within one year

	2012 £	2011 £
Trade creditors	353,506	462,361
Other creditors	1,536	91,275
Taxation and social security	174,870	179,633
Accruals and deferred income	376,064	758,452
VAT grant repayable	—	163,989
	905,976	1,655,710
Deferred income		
Deferred Income at 1 September 2011	167,599	22,740
Resources deferred in the year	41,450	167,599
Amounts released from previous years	(167,599)	(22,740)
Deferred Income at 31 August 2012	41,450	167,599

Deferred income comprises grants received in advance

Notes to the financial statements Year ended 31 August 2012

15 Funds

	Balance at 1 September 2011 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2012 £
Restricted funds					
EFA Revenue Grant Fund					
General Annual Grant (GAG)	—	9,214,210	(9,725,407)	511,197	—
Start Up A	12,689	—	—	—	12,689
Start Up B	17,790	178,547	(195,020)	—	1,317
Language & communications centre	—	104,733	(44,369)	—	60,364
Standards Fund	—	297,256	(297,256)	—	—
16-19 Bursary Grant	—	27,170	(22,650)	—	4,520
Nursery School Grant	—	43,688	(27,865)	(5,000)	10,823
Deficit funding	—	635,000	—	(635,000)	—
Devolved formula capital grant	58,958	25,343	—	—	84,301
	89,437	10,525,947	(10,312,567)	(128,803)	174,014
Pension reserve	36,000	—	(40,000)	(457,000)	(461,000)
	125,437	10,525,947	(10,352,567)	(585,803)	(286,986)
Other restricted funds					
L B Westminster SEN	—	167,160	(167,160)	—	—
L B Westminster Schools Choice	445,000	—	—	(14,687)	430,313
L B Westminster Language & Communication Centre	48,688	—	(48,688)	—	—
L B Westminster Golden Hellos	—	16,950	(16,950)	—	—
L B Westminster other grants	—	82,388	(82,388)	—	—
Institute of Education – TDA grants	—	7,334	(7,334)	—	—
Music tuition fund	—	16,330	—	—	16,330
	493,688	290,162	(322,520)	(14,687)	446,643
Fixed assets funds					
EFA Capital grant	328,754	—	(59,710)	128,803	397,847
Other	32,902,362	—	(993,329)	14,687	31,923,720
	33,231,116	—	(1,053,039)	143,490	32,321,567
Total restricted funds	33,850,241	10,816,109	(11,728,126)	(457,000)	32,481,224
Unrestricted funds					
Unrestricted funds	48,383	460,746	(474,372)	—	34,757
Total unrestricted funds	48,383	460,746	(474,372)	—	34,757
Total funds	33,898,624	11,276,855	(12,202,498)	(457,000)	32,515,981

Notes to the financial statements Year ended 31 August 2012

15 Funds (continued)

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

EFA revenue grant fund and other restricted funds

These grants relate to the Academy's development and operational activities. A shortfall in GAG funding has been met by utilisation of Start Up B and other EFA funding. This has been reflected by a transfer between funds.

Fixed asset fund

These grants relate to funding received from the EFA which have been used to purchase fixed assets. This has been reflected by a transfer between funds.

Pension reserve

The pension reserve relates to the Academy's share of the deficit of the City of Westminster Local Government Pension Scheme.

16 Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted funds £	Restricted funds			Total 2012 £
		EFA £	Other £	Fixed asset funds £	
Tangible fixed assets	—	—	—	32,321,567	32,321,567
Current assets	54,757	1,059,990	446,643	—	1,561,390
Creditors' amounts falling due within one year	(20,000)	(885,976)	—	—	(905,976)
Pension scheme asset	—	(461,000)	—	—	(461,000)
Total net assets	34,757	(286,986)	446,643	32,321,567	32,515,981

17 Reconciliation of net expenditure to net cash outflow from operating activities

	2012 £	2011 £
Net expenditure	(925,643)	(1,618,847)
Depreciation (note 11)	1,053,039	1,053,039
Capital grants from DfE and other capital income	(40,030)	(114,727)
Interest receivable	(6,123)	(1,729)
FRS 17 pension cost less contributions payable (note 22)	76,000	27,000
FRS 17 pension finance income (note 22)	(36,000)	(12,000)
(Increase) Decrease in stocks	(29,874)	15,032
Decrease (Increase) in debtors	87,757	(133,901)
(Decrease) Increase in creditors	(749,734)	114,667
Net cash outflow from operating activities	(570,608)	(671,466)

Notes to the financial statements Year ended 31 August 2012

18 Returns on investment and servicing of finance

	2012 £	2011 £
Interest received	6,123	1,729
Net cash inflow from returns on investment and servicing of finance	6,123	1,729

19 Capital expenditure and financial investment

	2012 £	2011 £
Purchase of tangible fixed assets	(128,803)	(4,326)
Capital grants from DfE / EFA	25,343	58,958
Net cash (outflow) inflow from capital expenditure and financial investments	(103,460)	54,632

20 Analysis of changes in net funds

	At 1 September 2012 £	Cashflows £	At 31 August 2012 £
Cash in hand and at bank	1,238,304	(667,945)	570,359

21 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member

22 Pension commitments

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 (LGPS) for non teaching staff, which is managed by Westminster City Council 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

Contributions amounting to £nil (2011 £88,747) were payable to the schemes at 31 August and are included within creditors

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

22 Pension commitments (continued)

Teachers' Pension Scheme (continued)

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 Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (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.

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") 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. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 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%.

As from 1 January 2007, and as part of the cost - sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost - sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

Notes to the financial statements Year ended 31 August 2012

22 Pension commitments (continued)

Teachers' Pension Scheme (continued)

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013 - 14 and 2014 - 15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £236,000 (2011 £293,000), of which employer's contributions totalled £138,000 (2011 £197,000) and employees' contributions totalled £98,000 (2011 £96,000). The agreed contribution rates for future years are 9.3 per cent for employers and between 5.5 per cent and 7.5 per cent for employees.

Principal actuarial assumptions

The major assumptions used by the actuary were

	31 August 2012 per annum	31 August 2011 per annum
Inflation assumptions		
RPI	3.2	3.6
CPI	2.2	2.7
Rate of increase in salaries	4.7	5.1
Discount rate	4.2	5.4
Rate of increase in pensions in payment	2.2	2.7
Commutation of pensions to lump sums		
pre 1 April 2010 pension entitlement	25%	25%
post 31 March 2010 pension entitlement	75%	75%

Notes to the financial statements Year ended 31 August 2012

22 Pension commitments (continued)

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

	31 August 2012	31 August 2011
Longevity at age 65 for current pensioners		
Men	22.4	22.2
Women	24.5	24.4
Longevity at age 65 for future pensioners		
Men	24.2	24.1
Women	26.5	26.4

The estimated assets in the scheme attributable to the Academy and the share of expected rates of return were

	Long-term rate of return expected 31 August 2012 %	Value at 31 August 2012 £'000	Long-term rate of return expected 31 August 2011 %	Value at 31 August 2011 £'000
Equities	7.5	2,684	7.7	2,319
Property	7.0	171	7.2	157
Government bonds	2.5	231	3.7	224
Corporate bonds	3.2	621	4.8	400
Cash	1.3	15	1.6	119
Other	7.5	—	7.7	(16)
Total market value of assets		3,722		3,203
Present value of scheme liabilities - funded		(4,183)		(3,167)
(Deficit) surplus in the scheme		(461)		36

The actual return on scheme assets was £304,000

	2012 £'000	2011 £'000
Amounts recognised in statement of financial activities		
Current service costs	214	224
Total operating charge	214	224

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	215	135
Interest on pension liabilities	(179)	(123)
Pension finance income / (costs)	36	12

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £438,000 loss (2011 £19,000 gain)

Notes to the financial statements Year ended 31 August 2012

22 Pension commitments (continued)

Movements in the present value of the Academy's share of scheme liabilities

	2012 £'000	2011 £'000
Deficit 1 September 2011	3,167	2,359
Current service cost	214	224
Interest cost	179	123
Contributions by scheme participants	98	96
Actuarial losses	546	385
Benefits paid	(21)	(20)
Scheme liabilities at 31 August 2012	4,183	3,167

Movements in the fair value of the Academy's share of scheme assets

	2012 £'000	2011 £'000
Fair value of scheme assets at 1 September 2011	3,203	2,047
Expected return on scheme assets	215	135
Actuarial gains	89	748
Contributions by employer	138	197
Contributions by scheme participants	98	96
Benefits paid	(21)	(20)
Fair value of scheme assets at 31 August 2012	3,722	3,203

The actuarial best estimate of contributions to be paid by the employer to the scheme in the next financial year is £145,000

The history of experience adjustments is as follows:

	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Present value of defined benefit obligations	(4,183)	(3,167)	(2,359)	(2,032)
Fair value of share of scheme assets	3,722	3,203	2,047	1,631
(Deficit) surplus in scheme	(461)	36	(312)	(401)

	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Experience gains/ (losses) on assets				
Amount	89	748	10	—
Percentage of assets	2.4%	23.4%	0.5%	0%

	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Experience gains/losses on liabilities				
Amount	9	558	—	—
Percentage of present value of liabilities	-0.2%	-17.6%	0.0%	0%

Notes to the financial statements Year ended 31 August 2012

23 Related party transactions

Future

Future is a registered charity (Charity Registration No 1114396) All the Trustees of Future Academies are also Trustees of Future, the Sponsor

During the year ended 31 August 2012 £34,994 (2011 - £ nil) was paid to Future

In the year ended 31 August 2010, J Nash, a trustee of Future Academies, gifted £2m to Future Under the Deed of Gift, Future will ring-fence the money in a separate fund and it will be used to support the work of Pimlico Academy and any further academies of which Future becomes the Principal Sponsor Monies will be disbursed from the fund at the discretion of the Trustees of Future Payment of the gift to Future will be made in instalments, by April 2015

During the year under review, no monies from this fund were remitted from Future to Future Academies