

# Financial Statements

**DRAPERS' ACADEMY**  
(A Company Limited by Guarantee)

## REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011



**Company Limited by Guarantee**  
**Registration Number:**  
**07035556 (England and Wales)**



## **DRAPERS' ACADEMY**

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## **DRAPERS' ACADEMY**

### **REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISORS**

#### **Governors / Trustees**

A Lyons, CBE (Chair)\*  
M Shiach\*  
J Devereux\*  
S Beharrell\*  
M Watkinson\*  
A Morris\*  
S Dilly (Appointed 19<sup>th</sup> October 2010)  
R Moul (Appointed 7<sup>th</sup> December 2010)  
K Taylor (Appointed 17<sup>th</sup> March 2011)  
G Starns (Appointed 7<sup>th</sup> December 2010)  
M Slater (Principal)

\*Denotes Director of Charitable Company for the purposes of Company Law

#### **Secretary**

S Beeson

#### **Senior managers**

Principal  
Vice Principals

M Slater  
S Monk  
S McGuinness  
S Beeson

Director of Finance and Administration

#### **Registered Office**

Drapers' Academy  
Settle Road, Harold Hill  
Romford, Essex, RM3 9XR

#### **Company Registration Number**

07035556 (England and Wales)

#### **Auditors**

Landau Baker Ltd  
Mountcliff House  
154 Brent Street  
London  
NW4 2DR

#### **Bankers**

Barclays Bank Plc  
1 Churchill Place,  
London, E14 5HP

#### **Solicitors**

Stone King LLP  
13 Queen Square  
Bath, BA1 2HJ

## **DRAPERS' ACADEMY**

### **REPORT OF THE GOVERNORS 31 August 2011**

This Report and Financial statements cover the first academic year of the Academy. The Governors consider considerable progress has been made in establishing a sound framework for the future development of the Academy. In particular they commend the work of the Executive Leadership Team in establishing effective management systems from the outset.

The governors present their report together with the financial statements of the charitable company for the year ended 31 August 2011. The charitable company was incorporated on 30<sup>th</sup> September 2009.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy is a company limited by guarantee with no share capital (registration no. 07035556) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy. Members of the charitable company are nominated by either the Secretary of State for Education or by The Drapers' Company or Queen Mary, University of London, the main sponsors of the Academy. The articles of association require the members of the charitable company to appoint at least four governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

#### **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.

#### **Governors**

The governors are trustees for the purpose of charity legislation and some are also directors of the charitable company for the purposes of the Companies Act 2006.

Governors are subject to retirement at the end of their 4 year term but are eligible for re-election at the meeting at which they retire.

The governors who were in office at 31 August 2011 and served throughout the year, except where shown are listed on page 3.

During the year under review the governors held 6 meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and pupils. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual.

#### **Responsibilities of the Governors**

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 charitable company at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year. In preparing financial statements giving a true and fair view, the governors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 charitable company will continue in operation

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

The governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

### **Organisational Structure**

The organisational structure consists of three levels: the Governors, The Executive Leadership Team and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Executive Leadership Team are the Principal, Vice Principals and the Director of Finance and Administration. 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 Executive Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Leadership Team always contain a Governor. Some spending control is devolved to members of the Senior Leadership Team, with limits above which a member of the Executive Leadership Team must countersign.

### **Connected organisations**

The Drapers' Company and Queen Mary, University of London are co-sponsors to Drapers' Academy.

### **Risk management**

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

## **OBJECTIVES AND ACTIVITIES**

### **Objects, aims and objectives**

The principal object and activity of the charitable company is the operation of the Drapers' Academy to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on science and maths. The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the Academy,

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 pupils to the Academy, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and maths and their practical applications.

The main objectives of the Academy during the period ended 31 August 2011 are summarised below

- to establish an Academy school in Harold Hill,
- to raise the standard of educational achievement of all pupils,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory requirements,
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness,
- to set in train initiatives to increase the number of pupils at the Academy towards the targets set,
- to work in conjunction with London Borough of Havering to complete new buildings, and
- to start preparation for the creation of a sixth form by September 2012

The principal long term objectives of the Academy are laid out in the Funding Agreement in addition to the points summarised above

### **Equal opportunities policy**

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

### **Achievements and Performance**

The Academy served a pupil population of 499 (at 1<sup>st</sup> July 2011) during its first fully operational year. The Academy intake was 84 in its first Year 7 (aged 11) age group, a consistent intake from the predecessor school.

The Academy's first GCSE results saw a 5 GCSEs at A\* - C grade at 77%.

### **Going Concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future.

For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

## **FINANCIAL REVIEW**

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

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE 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 for fixed assets from the DfE. 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 of £4,425,000 was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds) was £1,357,000.

At 31 August 2011 the net book value of fixed assets was £117,000 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

At 1<sup>st</sup> September 2010, the Academy inherited a staff body through the TUPE process. This staff body included membership to the Local Government Pension Scheme, and the deficit at 31<sup>st</sup> August 2010 relating to the members transferred. The 2010 statements have been restated where required to include this deficit of £385,000.

### **Financial and Risk Management Objectives and Policy**

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Academy's systems of Internal Control ensure risk is minimal in these areas.

### **Reserves Policy**

The Academy has built up substantial reserves during the 2010/11 financial year. These reserves primarily relate to Restricted Funds which are intended to be used to support the establishment of a high quality Sixth Form, and it is inevitable that this will not operate at a break even point for a number of years.

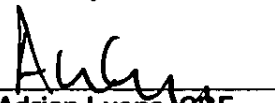
These reserves will be used over the period up until the Academy reaches its capacity of 1,100 pupils, which is reflective of the Academy's Funding Agreement.

### **Auditor**

In so far as the Governors are aware:

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

The report of the governors was approved by the governors on 6<sup>th</sup> December 2011 and signed on their behalf by

  
Adrian Lyons, CBE  
Chair

## **DRAPERS' ACADEMY**

### **Statement of Internal Control**

#### **Scope of Responsibility and Purpose of the System of Internal Control**

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

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

#### **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 governing body,
- regular reviews by the full Governing Body 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

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

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



## **DRAPERS' ACADEMY**

### **System of Internal Control (Continued)**

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the governors have appointed a 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. The governors acknowledge that this function was not carried out during the majority of the financial year, although an appointment has now been made.

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

### **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

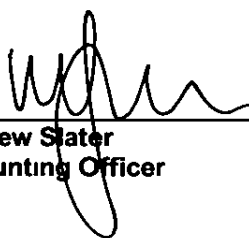
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Governing Body 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 on 6<sup>th</sup> December 2011 and signed on its behalf by



**Adrian Lyons, CBE**  
Chair



**Matthew Slater**  
Accounting Officer

## **DRAPERS' ACADEMY**

### **Statement of Governors Responsibilities**

The governors (who act as trustees for charitable activities of Drapers' Academy and some of whom are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency, United Kingdom, Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 Charitable Company will continue in business

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company 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 Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the 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.

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

Approved by order of the members of the Governing Body on 6<sup>th</sup> December 2011 and signed on its behalf by



**Adrian Lyons, CBE**  
Chair

## **DRAPERS' ACADEMY**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF DRAPERS' ACADEMY FOR THE YEAR ENDED 31 AUGUST 2011**

We have audited the financial statements of Drapers' Academy (the Academy) on pages 13 to 32 for the year ended 31 August 2011 which comprise the Statement of Financial Activities, the Balance Sheet and Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Standards (United Kingdom Generally Accepted Accounting Practice), provisions of the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005) and the requirements of the "Annual Accounts Direction 2010/11" issued by the Young People's Learning Agency (YPLA).

This report is made solely to the Governing Body of the Academy. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of governors and auditor**

As explained more fully in the statement of governors' responsibilities, the governors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), provisions of the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005) and the requirements of the "Annual Accounts Direction 2010/11" issued by the Young People's Learning Agency (YPLA), 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 relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We are not required to consider whether the Governing Body's statement on internal control covers all the risks and controls, or form an opinion on the effectiveness of the Academy's risk and control procedures.

#### **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 other irregularity or error. This includes an assessment of 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 misstatements or inconsistencies we consider the implications for our report.

#### **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 period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, provisions of the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005) and the provisions of the YPLA's "Annual

Accounts Direction 2010/11", and

- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matters**

In our opinion, grants received by the Academy have been used 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

- the information given in the Governors' Report is inconsistent in any material respect with the financial statements, or
- the Academy has not kept adequate accounting records, or
- disclosure of governors' remuneration has not been made, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit

Signed

*MB Durst for Landau Baker Limited*

MB DURST  
(Senior Statutory Auditor)  
For and on behalf of  
LANDAU BAKER LIMITED  
Chartered Accountants  
& Statutory Auditor

Mountcliff House  
154 Brent Street  
London NW4 2DR  
6 December 2011

**DRAPERS' ACADEMY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**for the year ended 31 August 2011**

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

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Period To 31 August 2011 £000	Re-stated Total Period To 31 August 2010 £000
	Note	£000	£000	£000		
<b>Incoming resources</b>						
<i>Incoming resources from generated funds</i>						
Voluntary income	2	44	-	-	44	-
Activities for generating funds	3	88	-	-	88	-
Investment Income	4	-	-	-	-	-
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	5	-	5,497	13	5,510	299
<b>Total incoming resources</b>		132	5,497	13	5,642	299
<b>Resources expended</b>						
<i>Cost of generating funds</i>						
of generating voluntary income						
of activities for generating funds	7	39	-	-	39	-
Investment management costs		-	-	-	-	-
<i>Charitable activities</i>						
Academy's educational operations	7	-	4,317	21	4,338	265
Governance costs	8	-	48	-	48	5
<b>Total resources expended</b>	6	39	4,365	21	4,425	270
<b>Net incoming (outgoing) resources before transfers</b>		93	1,132	(8)	1,217	-
Gross transfers between funds	17	-	(109)	109	-	-
<b>Net incoming (outgoing) resources before other recognised gains and losses</b>		93	1,023	101	1,217	29
<b>Other recognised gains and losses</b>		-	-	-	-	-
Actuarial (losses) gains on defined benefit pension schemes	22	-	140	-	140	(385)
<b>Net movement in funds</b>		93	1,163	101	1,357	(356)
Total funds brought forward at 31 August 2010		-	(385)	29	(356)	-
<b>Funds carried forward at 31 August 2011</b>		93	778	130	1,001	(356)
<b>As previously reported</b>						29
<b>Prior year adjustment – actuarial losses</b>						(385)
<b>As restated at 31 August 2010</b>						(356)

All of the Academy's activities derived from continuing operations during the above two financial years. A Statement of Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

# **DRAPERS' ACADEMY**

## **BALANCE SHEET at 31 August 2011**

	Note	2010/11 £000s	Re- Stated 2010 £000s
<b>Fixed assets</b>			
Tangible assets	12	117	29
Investments	13	-	-
		<b>117</b>	<b>29</b>
<b>Current assets</b>			
Stock	14	-	-
Debtors	15	159	61
Cash at bank and in hand		1,255	46
		<b>1,414</b>	<b>107</b>
<b>Current liabilities</b>			
Creditors Amounts falling due within one year	16	(285)	(107)
<b>Net current assets</b>		<b>1,129</b>	<b>-</b>
<b>Total assets less current liabilities</b>		<b>1,246</b>	<b>29</b>
<b>Net assets excluding pension liability</b>		<b>1,246</b>	<b>29</b>
Pension scheme liability	22	(245)	(385)
<b>Net assets including pension liability</b>		<b>1,001</b>	<b>(356)</b>
<b>Funds</b>			
<i>Income funds</i>			
<b>Restricted funds</b>			
Restricted fixed asset fund	17	130	29
Restricted general fund	17	1,023	-
Restricted Pension Fund	22	(245)	(385)
		<b>908</b>	<b>(356)</b>
<b>Unrestricted funds</b>			
General fund		93	-
<b>Total unrestricted funds</b>		<b>93</b>	<b>-</b>
		<b>1,001</b>	<b>(356)</b>

The financial statements on pages 13 to 32 were approved by the governors on 6<sup>th</sup> December 2011 and signed on their behalf by

  
**Adrian Lyons, CBE**  
 Chair

# **DRAPERS' ACADEMY**

## **CASH FLOW STATEMENT** for the year ended 31 August 2011

	2010/11 £000s	2009/10 £000s
<b>Operating activities</b>		
<b>Net Cash Inflow from Operating Activities (Note 21)</b>	<b>1,305</b>	<b>78</b>
Returns on Investments and servicing of finance (Note 23)	0	0
Capital Expenditure (Note 24)	(96)	(32)
	<hr/>	<hr/>
<b>(Decrease) increase in cash (Note 25)</b>	<b>1,209</b>	<b>46</b>
	<hr/>	<hr/>
<b>Reconciliation of net cash flow to movement in net funds</b>		
(Decrease) increase in cash		-
Change in net funds	1,209	-
Net funds at 1 September 2010	46	-
Net funds at 31 August 2011	<hr/> 1,255 <hr/>	<hr/> 46 <hr/>

## **DRAPERS' ACADEMY**

### **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 6<sup>th</sup> December 2011.

#### **Incoming resources**

##### **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.

##### **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable.

##### **Donations**

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

##### **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

##### **Interest receivable**

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

#### **Resources expended**

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

##### **Allocation of costs**

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

##### **Governance costs**

Governance costs include the costs attributable to the Academy's compliance with constitutional and



statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

### **Fund accounting**

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

Restricted funds comprise grants from the DfE and other donors which are to be used for specific purposes as explained in note 17.

### **Tangible fixed assets**

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.

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). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £500 are written off in the year of acquisition. All other assets are capitalised.

### **Depreciation**

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. The principal annual rates used for other assets are:

Freehold buildings	2%
Long leasehold property	2%
Plant and machinery	15%
Vehicles	15%
Furniture and equipment	10 - 15%
Computer equipment and software	20%

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

### **Stock**

Unused stationery and catering stores are valued at the lower of cost or net realisable value.

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

### **Taxation**

The Academy is an exempt charity and as such is exempt from income tax and corporation tax under the provisions of the Income and Corporation Taxes Act 1988. The cost of irrecoverable VAT incurred by the Academy has been included in the statement of financial activities.

## **Pensions**

Academy staff are members of one of two pension schemes, both of which are defined benefit schemes. More details of the schemes are given in note 22.

### **Defined Benefit Schemes**

#### **Teachers' Pension Scheme**

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

#### **Local Government Pension Scheme**

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

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

**DRAPERS' ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS 31 August 2011**

	2010/11 £000s	Period 30.09.09 to 31.08.10 £000s
<b>1 GENERAL ANNUAL GRANT (GAG)</b>		
<b>a. Results and Carry Forward for the Period</b>		
GAG brought forward from previous period	0	-
GAG allocation for current period	4,245	-
<b>Total GAG available to spend</b>	<b>4,245</b>	<b>-</b>
Recurrent expenditure from GAG	(4,230)	-
Fixed assets purchased from GAG	(85)	-
<b>GAG carried forward to next period</b>	<b>(70)</b>	<b>-</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(510)	-
<b>GAG to surrender to DfE</b>	<b>(580)</b>	<b>-</b>
(12% rule breached if result is positive)	(no breach)	(no breach)
<b>b. Use of GAG Brought Forward from Previous Period for Recurrent Purposes</b>		
(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	-	-
GAG allocation for current year	-	-
GAG allocation for previous year x 2%	-	-
<b>GAG b/fwd from previous period in excess of 2%, used on recurrent expenditure in current period</b>	<b>-</b>	<b>-</b>
(2% rule breached if result is positive)	(no breach)	(no breach)
<b>2 VOLUNTARY INCOME</b>	<b>2010/11 £000s</b>	<b>2009/10 £000s</b>
Private sponsorship	30	-
Donations for Fixed Assets	0	-
Miscellaneous donations	14	-
	<b>44</b>	<b>-</b>
<b>3 ACTIVITIES FOR GENERATING FUNDS</b>	<b>2010/11 £000s</b>	<b>2009/10 £000s</b>
Hire of Facilities	33	-
Funded Training	14	-
Sales of Goods	2	-
Release of Staff	5	-
Funded GTP Students	34	-
Other	0	-
	<b>88</b>	<b>0</b>

# **DRAPERS' ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS 31 August 2011**

<b>4</b>	<b>INVESTMENT INCOME</b>	<b>2010/11 £000s</b>	<b>2009/10 £000s</b>
	Bank Interest	-	-
		-	-

## **5 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	<b>2010/11 £000s</b>	<b>Period 30.09 09 to 31.08.10 £000s</b>
Department for Education grants		
General Annual Grant (GAG) (note 1)	4,245	4
Implementation Grant	0	295
Start Up Grant	1,046	-
National Challenge Advisors Grant	76	-
Pupil Premium Grant	38	-
Capital grants	13	-
	<b>5,418</b>	<b>299</b>
Other Government grants		
Local Authority Grants	92	-
	<b>92</b>	<b>-</b>
	<b>5,510</b>	<b>299</b>

<b>6</b>	<b>RESOURCES EXPENDED</b>	<b>Staff Costs £000s</b>	<b>Deprec- iation £000s</b>	<b>Other costs £000s</b>	<b>Total 2010/11 £000s</b>
	Costs of generating voluntary income	-	-	-	-
	Academy's educational operations				
	Direct costs	2,924	-	221	3,145
	Allocated support costs	443	21	768	1,232
		<b>3,367</b>	<b>21</b>	<b>989</b>	<b>4,377</b>
	Governance costs including allocated support costs	-	-	48	48
		<b>3,367</b>	<b>21</b>	<b>1,037</b>	<b>4,425</b>

The method used for the apportionment of support costs is disclosed in the accounting policies on pages 16 - 18

**DRAPERS' ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2011**

**7 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS**

	2010/11 £000s	Period 30.09.09 to 31.08.10 £000s
<b><i>DIRECT COSTS</i></b>		
Teaching and educational support staff costs	2,924	188
Depreciation	0	-
Books, apparatus and stationery	145	-
Examination fees	49	-
Staff development	17	-
Educational consultancy	10	42
Other direct costs		
	<b>3,145</b>	<b>230</b>
<b><i>ALLOCATED SUPPORT COSTS</i></b>		
Support staff costs	443	-
Depreciation	21	3
Pupil recruitment and support	15	-
Maintenance of premises and equipment	158	-
Cleaning	111	-
Rent and rates	13	-
Heat and light	64	2
Insurance	25	1
Security	74	-
Transport	18	-
Catering	57	1
Technology costs	10	13
Bank interest and charges	-	-
Other support costs	223	15
	<b>1,232</b>	<b>35</b>
	<b>4,377</b>	<b>265</b>

**8 GOVERNANCE COSTS**

	2010/11 £000s	2010 £000s
Support costs	-	-
Legal and professional fees	38	-
Audit fees	9	4
Governors' reimbursed expenses	1	1
	<b>48</b>	<b>5</b>

## DRAPERS' ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS 31 August 2011

#### 9 STAFF COSTS

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2011 expressed as full time equivalents was as follows

	2010/11 £000s	2010 £000s
<b>Charitable Activities</b>		
Teachers	39.6	-
Administration and support	40	-
Management	4	3
	<u>83.6</u>	<u>3</u>
<b>Governance activities</b>		-
		<u>3</u>
Staff costs comprise	2010/11 £000s	2010 £000s
Wages and salaries	2,451	127
Agency Staffing	374	
Social security costs	197	14
Other pension costs	345	13
	<u>3,367</u>	<u>154</u>

Four employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2011. The total emoluments of these employees were in the following ranges.

	2011 No.	2010 No.
£70,001 - £80,000	3	1
£80,001 - £90,000		
£90,001 - £100,000		
£100,001 - £110,000	1	
	<u>4</u>	<u>1</u>

All of the above employees earning more than £60,000 per annum participated in either the Teachers' Pension Scheme or the Local Government Pension Scheme. During the year ended 31 August 2011, pension contributions for these staff amounted to £49,000 (2010 £13,000).

#### 10 GOVERNORS' REMUNERATION AND EXPENSES

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.

The value of the Principal's remuneration was £105,666 in 2011 (2010 - £74,173). There were no other staff Governors.

Other governors of the Academy did not receive any payment from the Academy other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

# **DRAPERS' ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS 31 August 2011**

### **GOVERNORS REMUNERATION AND EXPENSES (CONTINUED)**

During the year ended 31 August 2011, travel and subsistence expenses totalling £1,189 (2010 – £1,406) were reimbursed to 2 governors

#### ***Interests in transactions***

None

### **11 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2011 was Nil (2010 - £398)

### **12 TANGIBLE FIXED ASSETS**

	Leasehold Land and building £000s	Furniture & equipment £000s	Computer equipment & software £000s	Assets under construction £000s	Total £000s
<b>Cost</b>					
At 31 August 2010	-	-	32	-	<b>32</b>
Additions	-	59	50	-	<b>109</b>
Disposals	-	-	-	-	-
At 31 August 2011	-	59	82	-	<b>141</b>
<b>Depreciation</b>					
At 31 August 2010	-	-	3	-	<b>3</b>
Charged in year	-	9	12	-	<b>21</b>
Disposals	-	-	-	-	-
At 31 August 2011	-	9	15	-	<b>24</b>
<b>Net book values</b>					
At 31 August 2010	-	-	29	-	<b>29</b>
At 31 August 2011	-	50	67	-	<b>117</b>

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

	Leasehold Land and buildings £000s	Furniture & equipment £000s	Computer equipment & software £000s	Assets under construction £000s	Total £000
Educational provision	-	24	64	-	<b>88</b>
Support services	-	26	3	-	<b>29</b>
Governance	-	-	-	-	-
Generating funds	-	-	-	-	-
	-	50	67	-	<b>117</b>

**DRAPERS' ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2011**

**12 TANGIBLE FIXED ASSETS (CONTINUED)**

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

	<b>2010/11 £000s</b>	<b>2009/10 £'000s</b>
DfE capital grants	-	-
Other DfE grants	117	32
Other government grants	24	-
Private sector capital sponsorship	-	-
Capital funds advanced by DfES in lieu of sponsorship	-	-
General purpose fund (grant income)	-	-
Other funds (non grant income)	-	-
<b>Cost of fixed assets</b>	<b>141</b>	<b>32</b>
Less Accumulated depreciation	24	3
<b>Net book value of fixed assets</b>	<b>117</b>	<b>29</b>

**13 INVESTMENTS**

	<b>2010/11 £000s</b>	<b>2009/10 £'000s</b>
Investments	-	-



# **DRAPERS' ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS 31 August 2011**

### **14 STOCK**

	2010/11 £000s	2009/10 £000s
Stationery	-	-
Catering	-	-
	<u>-</u>	<u>-</u>

### **15 DEBTORS**

	2010/11 £000s	2009/10 £000s
Trade debtors	9	-
Prepayments	52	4
Sundry debtors	100	57
Provision for Bad and Doubtful Debts	(2)	-
	<u>159</u>	<u>61</u>

### **16 CREDITORS**

	2010/11 £000s	2009/10 £000s
Trade creditors	43	88
Taxation and social security	67	-
Sundry creditors	67	15
Accruals	108	4
	<u>285</u>	<u>107</u>

### **17 RESTRICTED FUNDS**

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes

	Balance Re- Stated 31 August 2010 £000s	Incoming resources £000s	Resources Expended £000s	Gains, losses and transfers £000s	Balance at 31 August 2011 £000s
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	4,245	(4,230)	(85)	(70)
Pension Fund	(385)			140	(245)
Start Up Grant Grants	-	1,046	(135)	(24)	887
Pupil Premium Grant	-	38			38
National Challenge	-	76			76
Local Authority Grants	-	92	-	-	92
Implementation Grant	29			(29)	-
Capital expenditure					
	<u>(356)</u>	<u>5,497</u>	<u>(4,365)</u>	<u>2</u>	<u>778</u>

**Restricted fixed asset funds**

DfES capital grants	-	13	(21)	138	130
Private sector capital sponsorship	-	-	-	-	-
	-	13	(21)	138	130
	(356)	5,510	(4,386)	140	908

**Notes**

- (i) General Annual Grant 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 GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2011 are represented by

	Unrestricted Funds £000s	Restricted general funds £000s	Restricted fixed asset funds		Total £000s
			Public £000s	Private £000s	
Tangible fixed assets	-	-	117	-	117
Investments	-	-	-	-	-
Current assets	93	1,308	13	-	1,414
Current liabilities	-	(285)	-	-	(285)
Pension scheme liability	-	(245)	-	-	(245)
	93	778	130	-	1,001

**19 CAPITAL COMMITMENTS**

	2010/11 £000s
Contracted for, but not provided in the financial statements	1,595
Authorised by governors, but not yet contracted	1,595

The above capital commitments will be met from DfE capital grants to be received in future years.

**20 LEASE COMMITMENTS**

**Operating leases**

A lease has been entered into with London Borough of Havering for the new Academy premises, which are due for occupation in August 2012. This is a 125 year lease with a peppercorn annual rent. The Academy's obligations commence upon occupation, at which time the cost will be brought into the Academy's financial statements.

At 31 August 2011 the Academy had no annual commitments under non-cancellable operating leases.

## DRAPERS' ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS 31 August 2011

#### 21 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010/11 £000's	2009/10 £000's
Net Income	1,217	29
Depreciation	21	3
Capital Grants	(13)	0
Interest Receivable	0	0
FRS17 Pensions finance income	0	0
(Increase) / Decrease in Stock	0	0
(Increase) / Decrease in Debtors	(98)	(61)
Increase / (Decrease) in Creditors	178	107
<b>Net Cash Inflow from Operating Activities</b>	<b>1,305</b>	<b>78</b>

#### 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, the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Havering

The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010 Contributions amounting to £37,000 (2010 £Nil) were payable to the schemes at 31 August and are included within creditors

The total pension cost to the Academy during the period ended 31 August 2011 was £359,000 (2010 - £13,000) of which £190,000 (2010 - £13,000) relates to the TPS

##### Teachers Pension Scheme (TPS)

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

## DRAPERS' ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS 31 August 2011

#### 22 PENSION COMMITMENTS (CONTINUED)

##### Teachers Pension Scheme (TPS) (continued)

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 per cent. 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 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 year ended 31 August 2011 was £194,000, of which employer's contributions totalled £145,000 and employees' contributions totalled £49,000. The agreed contribution rates for future years are 12.9 per cent for employers and between 5.5 and 7.5 per cent for employees.

##### Principal Actuarial Assumptions

	31 August	
	2011	2010
Rate of increase in salaries	4.10%	4.20%
Rate of increase for pensions in payment / inflation	2.60%	2.70%
Discount rate for scheme liabilities	5.40%	4.90%

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

##### At 31 August 2011

###### *Retiring today*

Males 21.9

Females 24.6

###### *Retiring in the future*

Males 23.8

Females 26.5

**DRAPERS' ACADEMY****NOTES TO THE FINANCIAL STATEMENTS 31 August 2011****22 PENSION COMMITMENTS (CONTINUED)****Local Government Pension Scheme (Continued)**

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the Maximum tax-free cash for post-April 2008 service

**Balance Sheet Disclosures**

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

Period Ended	31 August 2011	1 September 2010
Equities	357	217
Bonds	167	103
Property	40	24
Cash	12	6
Total	576	350

The above asset values as at 31 August 2011 are at bid value as required under FRS17

The bid value of assets for the Fund as a whole as at 30 June 2011 were provided by the Administering Authority

Period Ended	31 August 2011	1 September 2010
Fair Value of Employer Assets	576	350
Present Value of Funded Liabilities	(821)	(735)
Net (Under) / Overfunding in Fund Plans	(245)	(385)
Present Value of Unfunded Liabilities	-	-
Unrecognised Past Service Cost	-	-
Net Asset / (Liability)	(245)	(385)
Amount in Balance Sheet		
Liabilities	245	385
Assets	-	-
Net Assets / (Liability)	(245)	(385)

**Income and Expenditure Costs for the year to 31<sup>st</sup> August 2011**

Period Ended	31 August 2011	
	£(000)	% of Pay
Current Service Cost	129	16.7%
Interest Cost	40	5.2%
Expected Return on Employer Assets	(27)	(3.5%)
Past Service Cost / (Gain)	-	-
Losses / (Gains) on Curtailments and Settlements	-	-
Total	142	18.4%
Actual Return on Plan Assets	27	

**DRAPERS' ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2011**

**22 PENSION COMMITMENTS (CONTINUED)**

**Reconciliation of Defined Benefit obligation**

Period Ended	31 August 2011 £(000)
Opening Defined Benefit Obligation	735
Current Service Cost	129
Interest Cost	40
Contribution by Members	48
Actuarial Losses / (Gains)	(131)
Past Service Costs / (Gains)	-
Losses / (Gains) on Curtailments	-
Liabilities Extinguished on Settlements	-
Liabilities Assumed on Business Combination	-
Exchange Differences	-
Estimated Unfunded Benefits Paid	-
Estimated Benefits Paid	-
Closing Defined Benefit Obligation	821

**Reconciliation of Fair Value of Employers Assets**

Period Ended	31 August 2011 £(000)
Opening Fair Value of Employers Assets	350
Expected Return on Assets	27
Contributions by Members	48
Contributions by the Employer	151
Contributions in respect of Unfunded Benefits	-
Actuarial Losses / (Gains)	-
Assets Distributed on Settlements	-
Assets Acquired in a Business Combination	-
Exchange Differences	-
Unfunded Benefits Paid	-
Benefits Paid	-
Closing Fair Value of Employers Assets	576

**Amounts for the Current and Previous Accounting Periods**

Period Ended	31 August 2011 £(000)
Fair Value of Employers Assets	576
Present Value of Defined Benefit Obligation	(821)
Surplus / (Deficit)	(245)
Expected Gains / (Losses) on Assets	-
Expected Gains / (Losses) on Liabilities	-

**DRAPERS' ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2011**

**22 PENSION COMMITMENTS (CONTINUED)**

**Amounts Recognised in Statement of Total Recognised Gains and Losses (STRGL)**

Period Ended	31 August 2011 £(000)
Actuarial Gains / (Losses)	131
Increase / (Decrease) in Irrecoverable Surplus from Membership Fall and Other Factors	-
Actuarial Gains / (Losses) Recognised in STRGL	131
Cumulative Actuarial Gains and Losses	131

**23 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2010/11 £000's	2009/10 £000's
Interest Received	0	0
<b>Net Cash Inflow from Returns on Investments and Servicing of Finance</b>	<b>0</b>	<b>0</b>

**24 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

	2010/11 £000's	2009/10 £000's
Purchase of Tangible Fixed Assets	(109)	(32)
Capital Grants from DfE / YPLA	13	0
Capital Funding Received from Sponsors	0	0
Receipts from sale of tangible fixed assets	0	0
<b>Net Cash Inflow from Capital Expenditure and Financial Investment</b>	<b>(96)</b>	<b>(32)</b>

**25 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 September 2010 £000's	Cash Flows £000's	At 31 August 2011 £000's
Cash in hand and at bank	46	1,209	1,255

## **DRAPERS' ACADEMY**

### **NOTES TO THE FINANCIAL STATEMENTS 31 August 2011**

#### **26 CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education 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 Academy serving notice, the Academy 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 Academy 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

#### **27 RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is possible that transactions will take place with organisations in which a member of the board of governors may have an interest

All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures

There are no related party transactions for the financial year 1<sup>st</sup> September 2010 to 31<sup>st</sup> August 2011

#### **28 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



## **DRAPERS' ACADEMY**

### **DETAILED INCOME AND EXPENDITURE ACCOUNT year ended 31 August 2011**

This page does not form part of the statutory financial statements

<b>INCOME</b>	<b>2010/11 £</b>	<b>2010 £</b>
<b>GENERAL ANNUAL GRANT</b>	<b>4,245,238</b>	<b>4,129</b>
<b>DFES CAPITAL GRANTS</b>	<b>12,657</b>	<b>-</b>
<b>OTHER DFES GRANTS</b>		
Start Up Grant	1,045,530	-
National Challenge Advisors Grant	76,000	-
Pupil Premium Grant	37,733	-
Implementation Grant	0	294,357
	<b>5,417,158</b>	<b>298,486</b>
<b>OTHER GOVERNMENT GRANTS</b>		
Local Authority Grants	92,549	-
	<b>92,549</b>	<b>-</b>
<b>PRIVATE SECTOR SPONSORSHIP</b>		
The Drapers' Company	30,000	-
Other donations	13,769	-
	<b>43,769</b>	<b>-</b>
<b>OTHER INCOME</b>		
Hire of facilities	32,824	-
Funded Training	13,777	-
Funded Graduate Teacher Placements	33,655	-
Interest receivable	457	-
Sundry income	7,552	-
	<b>88,265</b>	<b>-</b>
<b>TOTAL INCOME</b>	<b>5,641,741</b>	<b>298,486</b>

# **DRAPERS' ACADEMY**

## **DETAILED INCOME AND EXPENDITURE ACCOUNT year ended 31 August 2011**

This page does not form part of the statutory financial statements

<b>EXPENDITURE</b>	<b>2010/11 £</b>	<b>2010 £</b>
<b>GENERAL ANNUAL GRANT EXPENDITURE</b>		
<b>Staff costs</b>		
Teaching	1,827,567	-
Educational support	652,340	-
Other staff		
Leadership	443,848	
IT technical staff	65,831	-
Premises	109,242	-
Admin & clerical	259,032	187,799
Catering staff	-	-
Midday supervision	8,464	-
Other – Recruitment Costs	37,295	-
FRS17 Pension Adjustment	(140,000)	
<b>Total GAG staff costs</b>	<b>3,263,619</b>	<b>187,799</b>
<b>Maintenance of premises</b>		
Building maintenance	102,793	-
Grounds maintenance	22,640	-
	<b>125,433</b>	<b>-</b>
<b>Other occupancy costs</b>		
Cleaning	111,388	320
Water	5,450	-
Fuel	63,903	469
Rates	596	-
Rent	12,193	-
Insurance	25,010	398
Security	3,065	-
Other	27,467	1,660
	<b>249,072</b>	<b>2,847</b>
<b>Educational supplies and services</b>		
Books	26,516	-
Educational equipment	36,451	-
Stationery and materials	56,513	-
Transport	17,885	-
Examination fees	49,389	-
Fees for external advice	10,277	42,248
Other	77,691	-
	<b>274,722</b>	<b>42,248</b>
<b>Other supplies and services</b>		
Catering	57,098	930
Legal and professional fees	38,411	-
Auditors' remuneration	9,000	3900
Bank interest and charges	1,606	459
Pupil recruitment	15,063	657
Pupil support	37,976	-
	<b>159,154</b>	<b>5,946</b>
<b>Balance carried forward to next page</b>	<b>4,072,000</b>	<b>238,840</b>

# **DRAPERS' ACADEMY**

## **DETAILED INCOME AND EXPENDITURE ACCOUNT year ended 31 August 2011**

This page does not form part of the statutory financial statements

<b>EXPENDITURE</b>	<b>2010/11 £</b>	<b>2010 £</b>
<b>GENERAL ANNUAL GRANT EXPENDITURE (CONTINUED)</b>		
<b>Balance brought forward</b>	<b>4,072,000</b>	<b>238,840</b>
<b>Furniture and Equipment</b>		
Repairs and maintenance	0	646
<b>Technology costs (not capitalised)</b>		
Hardware	-	1,039
Software	6,645	11,641
Consumables	3,509	-
	<b>10,154</b>	<b>12,680</b>
<b>Staff development</b>	<b>24,322</b>	<b>176</b>
<b>Other GAG expenditure</b>	<b>22,989</b>	<b>14,569</b>
<b>TOTAL GAG EXPENDITURE</b>	<b>4,129,465</b>	<b>266,911</b>
<b>OTHER DfE GRANT RELATED EXPENDITURE</b>		
Educational supplies	-	-
<b>OTHER GOVERNMENT GRANT RELATED EXPENDITURE</b>		
Staff costs		-
Educational supplies	135,101	-
	<b>135,101</b>	<b>-</b>
<b>OTHER EXPENDITURE</b>		
Staff costs	-	-
Other occupancy costs	-	-
	<b>-</b>	<b>-</b>
<b>DEPRECIATION</b>	<b>20,742</b>	<b>2,823</b>
<b>TOTAL EXPENDITURE</b>	<b>4,285,308</b>	<b>269,734</b>