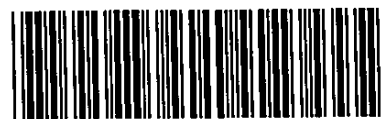


Company Registration No. 07393519 (England and Wales)

DARRICK WOOD SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2013

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DARRICK WOOD SCHOOL

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DARRICK WOOD SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Ms L-A Avis
Mr A Duckworth
Mr J Goatcher *
Mr M Green
Mr W Harris
Mrs J Hewitt *
Mr M Hewitt (Chairman) *
Mr C Hitchins (Chairman of Finance Committee) *
Mr M King *
Dr M Michalski
Mr D Morrell *
Mrs K Morris
Mr I Park
Mrs M Piper-Killick
Mrs B Rhymaun (Head Teacher) *
Mr T Springett
Mr A Thompson
Mr J Tuck
Mr R Voyce (Responsible Office)
Mr D Wilcox (Vice Chairman) *

* members of the Finance Committee

Senior management team

Mrs B Rhymaun	- Head Teacher
Dr M Airey	- Deputy Head Teacher
Mr K Elliott	- Deputy Head Teacher
Mr H Ormson	- Deputy Head Teacher
Mr W Toth	- Business Manager

Company Secretary

Mrs A Carey

Company registration number

07393519 (England and Wales)

Registered office

Lovibonds Avenue
Orpington
Kent
BR6 8ER

Independent auditor

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

DARRICK WOOD SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Barclays Corporate Bank
73 Tweedy Road
Donegal House
Bromley
Kent
BR1 1RG

HSBC
184 High Street
Bromley
Kent
BR1 1HE

Solicitors

Ms S McCullough
Legal Democratic and Customer Service
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

Surveyors

Academy Consulting
Academy House
27 Forest Road
Tunbridge Wells
TN2 5AL

DARRICK WOOD SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (Trustees) present their report and accounts for the 12 month period ended 31 August 2013

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, and the Statement of Recommended Practice "Accounting and Reporting by Charities", issued in March 2005, and the Annual Accounts Direction 2012/13 issued by the EFA

Structure, governance and management

The charitable company is a company limited by guarantee

The Governors (Trustees), who are also the directors for the purpose of company law, and who served during the period were

Ms L-A Avis
Mr A Duckworth
Mr J Goatcher
Mr M Green
Mr W Harris
Mrs J Hewitt
Mr M Hewitt (Chairman)
Mr C Hitchins
Mr M King
Dr M Michalski
Mr D Morrell
Mrs K Morris
Mr I Park
Mrs M Piper-Killick
Mrs B Rhymaun (Head Teacher)
Mr T Springett
Mr A Thompson
Mr J Tuck
Mr R Voyce (Responsible Officer)
Mr D Wilcox (Vice Chairman)

Constitution

The Academy is a company limited by guarantee with no share capital (registration no 07393519) 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 the Trust Members, parents /carers of the students, members of staff and the local authority. The Articles of Association require the members of the charitable company to appoint five 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.

DARRICK WOOD SCHOOL

GOVERNORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2013**

Governors

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

Governors, apart from the Head Teacher are subject to retirement after 4 years of service but are eligible for re-election at the meeting at which they retire, unless they represent parents, the teaching staff, associate staff or the local authority

The Governors who were in office at 31 August 2013 and served throughout the year, are listed on page 1

During the year under review the governors held 3 full meetings, and governors visited on the 25th February 2013 to observe teaching and learning in a range of classrooms. The work of the governing body is facilitated by its structure of committees

Principal Activity

The principal activity of the charitable company during the period was the educational provision of teaching and learning to students of different abilities between the ages of 11 and 18

Method of Recruitment and Appointment or Election of Governors

The number of Governors shall not be less than three (unless otherwise determined by ordinary resolution) and shall not be subject to any maximum. Future Governors shall be appointed, as the case may be, under the terms of the Articles of Association

Policies and Procedures Adopted for the Induction and Training of Governors

There was a full day's training event (19th June 2013) covering issues relevant to the School's improvement plans. Newly appointed governors receive induction training on relevant educational, legal and financial matters. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as governors

Organisational Structure

The structure consists of three levels: the Governors, the Head Teacher, 3 Deputy Head Teachers, and the 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 improvement plan and budget, monitoring the Academy by the use of budgets and students' performance information and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a Governor. Some spending control is devolved to members of the Management Team, with limits above which a Senior Manager must countersign.

The Management Team includes the Business Manager, Assistant Head Teachers, Heads of Faculty, Achievement Co-ordinators, Heads of Department and the Premises Manager.

DARRICK WOOD SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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 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 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.

Statement on the System of Internal Financial Control

As Governors, we acknowledge we have overall responsibility for ensuring that Darrick Wood School 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 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 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.

DARRICK WOOD SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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

Connected Organisations, including Related Party Relationships

There are no connected organisations and no transactions with related parties were conducted during the period

Objects, Aims and Objectives

The mission of the Academy is to provide the highest quality of teaching and learning. It has 4 corporate goals

Customer goal (Cus) To be a school which children and their parents are eager to choose

Curriculum goal (Cur) To provide all students with the appropriate qualifications, skills and values to equip them for life

Community goal (Com) To take pride in the School and feel responsible for its success

Quality goal (Qual) To strive for the highest possible standards in all aspects of school life

The school community has agreed values: respect, honesty and responsibility. These permeate the day-to-day work of the School.

DARRICK WOOD SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Strategies and Activities

The School improvement plan identified 5 objectives for 2012 - 2013

- Continue to raise achievement by focusing on specific groups of students and issues (Cus 1)
 - to improve the achievement of more able students,
 - to improve the consistency of outcomes across subjects in the Sixth Form,
 - to improve the consistency of outcomes across English Baccalaureate subjects in KS4,
 - to ensure that students with KS2 levels of 4c/5c make expected progress in all year groups,
 - to narrow the achievement gap for students on Free School Meals and for Looked After Children
- Promote the use of a greater range of differentiation strategies (Cur 1)
- Develop literacy skills in all subjects (Cur 2)
 - to promote reading as an enjoyable activity across the School,
 - to develop an improved programme for low level readers
- Communicate more effectively to a wider audience through new technologies (Com 1)
- Enable departments and year teams to make more effective use of data (Qual 1)

Additionally, the School sought to extend its accommodation

Regular and rigorous school self-evaluation is used to ensure that the school continues to be outstanding when compared with other schools. The school values the views of its students through the operation of its School Council and the work of the Teaching and Learning Council, the Technology Council, the Frog Council, the Eco Council and the Sports Council

Public Benefit

The Academy aims to advance for the public benefit, education in the United Kingdom. In setting the objectives of the Academy and planning the associated activities, the Governors have given careful consideration to the Charity Commission's general guidance on Public Benefit.

Achievements and Performance

Examination results continue to be outstanding. GCSE results show 80% of students achieving 5 or more A*-C GCSE grades including English and Mathematics (compared with 58% nationally in 2012). 90% of students achieved 5 or more GCSEs at A*-C (compared with 79% nationally in 2012).

The A level results were among the best in the School's history with students achieving an average points score of 325. 44% of entries achieved an A*, A or B grade and 41 out of the 42 subjects available achieved 100% pass rate. At AS level (for Year 12), the school achieved its best ever results.

Overall school attendance at 95.9% remains high compared with the national average of 93.1% in 2012. No student was permanently excluded from the School.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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 accounts.

DARRICK WOOD SCHOOL

GOVERNORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2013**

Key Financial Performance Indicators

Key financial performance indicators have been set by Governors, so that the financial position remains sufficient to fund future needs

Financial Review

The majority of the Academy's income derives from central government funding via the EFA (Executive Funding Agency, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the 12 month period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities

During the 12 month period ended 31 August 2013, total expenditure (excluding depreciation) of £9,516k was more than covered by recurrent grant funding from the EFA together with other incoming resources of £9,724k. The excess of income over expenditure for the period (excluding depreciation) was £208k

At 31 August 2013 the net book value of fixed assets was £11,165k and movements in tangible fixed assets are shown in note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy

Financial Position

The Academy held fund balances at 31 August 2013 of £10,797k with £11,165k as a fixed asset fund not available for spending representing as it does the book value tied up in fixed assets. In common with other academies and with Local Authorities, our share of the LGPS fund is deficit. In our case this has been measured by independent actuaries at £1,137k. Funds available for future spending at 31 August 2013 amounted to £769k comprising £291k of restricted funds and £478k of unrestricted general funds

Financial and Risk Management Objectives and Policies

Governors keep spendable reserves under constant review to ensure that they have sufficient income to run the Academy on an efficient basis without affecting the quality of teaching and learning

Principal risks and uncertainties

Governors have considered the principal risks and uncertainties that the Academy may be exposed to. Policies and controls have been designed so that these risks and uncertainties can be quickly identified, allowing the academy to respond swiftly in order to eliminate them

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to 4 weeks expenditure, approximately £708k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves available for spending (total funds less the amount held in fixed asset fund and LGPS fund) is £769K

Investment Policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks

DARRICK WOOD SCHOOL

GOVERNORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2013**

Equal Opportunities Policy

The Governors recognise that equal opportunities are integral to good practice within the workplace. The Academy has established 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. The Academy meets the requirements of the Equality Act 2010.

Disabled Persons

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

Plans for the Future

The School continues to strive for future improvement. The current school improvement plan 2013/2014 includes objectives to

- To increase the number of A*/A grades at GCSE
 - To raise the achievement for students looked after and for those on free school meals
 - To reduce inconsistency in A level examination results between subjects
 - To increase the percentage of A* /A grades at A level
 - To ensure departments are prepared for the changes to the A level examination system
- (customer goals)
- To develop writing skills in all subjects
 - To improve the reading skills of targeted students
 - To increase the use of e-learning tools
- (curriculum goals)
- To improve opportunities for able, gifted and talented students
- (community goal)
- To increase the numbers of outstanding teachers and leaders
- (quality goal)

Auditor

In so far as the Governors are aware there is no relevant audit information of which the charitable company's auditor is unaware, and the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Board of Governors on 26 November 2013 and signed on its behalf by



Mr M Hewitt
Chair of Governors

DARRICK WOOD SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to Mrs B Rhymaun, the Head Teacher, 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 Darrick Wood School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 3 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
Ms L-A Avis	2	3
Mr A Duckworth	2	3
Mr J Goatcher	3	3
Mr M Green	3	3
Mr W Harris	3	3
Mrs J Hewitt	2	3
Mr M Hewitt (Chairman)	3	3
Mr C Hitchins (Chairman of Finance Committee)	3	3
Mr M King	2	3
Dr M Michalski	1	3
Mr D Morrell	3	3
Mrs K Morris	3	3
Mr I Park	2	3
Mrs M Piper-Killick	3	3
Mrs B Rhymaun (Head Teacher)	3	3
Mr T Springett	3	3
Mr A Thompson	3	3
Mr J Tuck	2	3
Mr R Voyce (Responsible Office)	2	3
Mr D Wilcox (Vice Chairman)	3	3

DARRICK WOOD SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

The Finance Committee is a sub-committee of the main Board of Governors. Its purpose is to assist and support the Governing Body, ensuring sound oversight is exercised over the management of the Academy's finances and resources. Attendance at meetings in the year was as follows. Its purpose is to assist and support the Governing Body, ensuring sound oversight is exercised over the management of the Academy's finances and resources. Attendance at meetings in the year was as follows.

Governors	Meetings attended	Out of possible
Mr J Goatcher	7	10
Mrs J Hewitt	8	10
Mr M Hewitt (Chairman)	10	10
Mr C Hitchins (Chairman of Finance Committee)	9	10
Mr M King	5	10
Mr D Morrell	7	10
Mrs B Rhymaun (Head Teacher)	9	10
Mr D Wilcox (Vice Chairman)	9	10

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 in Darrick Wood School for the period ended 31st August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risk that has been in place for the period ending 31st August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

The 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 Board of Governors,
- 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mr R Voyce, a Governor, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a regular basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The Governing Body is satisfied that the RO function has been fully delivered in line with the EFA's requirements. No material control issues have been notified to Governors as a result of the RO's work.

DARRICK WOOD SCHOOL

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

Review of effectiveness

As Accounting Officer Mrs B Rhymaun 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 advised the Finance Committee of the implications of the result of their review of the system of internal control. A plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors on 26 November 2013 and signed on its behalf by



Mr M Hewitt
Chair of Governors



Mrs B Rhymaun
Accounting Officer

DARRICK WOOD SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2013

As accounting officer of Darnick Wood School I have considered my responsibility to notify the academy trust Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the academy trust and 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 trust's Board of Governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust'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.

Approved on 26 November 2013 and signed by



Mrs B Rhymaun
Accounting Officer

DARRICK WOOD SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees for Darrick Wood School and are also the directors of Darrick Wood School for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting 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 accounts, and
- prepare the accounts 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 accounts 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 that grants received from the EFA/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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Board of Governors on 26 November 2013 and signed on its behalf by



Mr M Hewitt
Chair of Governors

DARRICK WOOD SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DARRICK WOOD SCHOOL

We have audited the accounts of Darrick Wood School for the year ended 31 August 2013 set out on pages 19 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the EFA.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 14, the Governors, who are also the directors of Darrick Wood School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Qualified Opinion: Non-Compliance with Annual Accounts Direction 2013 issued by the EFA

Our opinion below on the accounts is qualified in respect of their non-compliance with the Annual Accounts Direction 2013 issued by EFA. Governors have decided not to disclose the remuneration and expenses re-imbursements of the Principal and Staff Governors as required by the Annual Accounts Direction 2013 issued by the EFA. Governors have additionally decided not to disclose the analysis of staff numbers whose remuneration exceeds £60,000, in the bands of £10,000. In these respects, the accounts are non-compliant with the Direction and with the Charity SORP 2005, and hence with the United Kingdom Generally Accepted Accounting Practice. In all other respects our opinion on the accounts is unqualified.

Opinion on accounts

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements

give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006, and

have been prepared in accordance with the Academies Accounts Direction 2013 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

DARRICK WOOD SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DARRICK WOOD SCHOOL

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 accounts are not in agreement with the accounting records and returns, or
- certain disclosures of Governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

D J Walsh FCCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

Chartered Certified Accountants
Statutory Auditor
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated 5 December 2013

DARRICK WOOD SCHOOL

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO DARRICK WOOD SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 01 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Darrick Wood School during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Darrick Wood School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Darrick Wood School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Darrick Wood School and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Darrick Wood School's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Darrick Wood School's funding agreement with the Secretary of State for Education dated 30 November 2010 (as varied by deed on 15 January 2013) and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes

- Review of payments to staff,
- Review of payments to suppliers and other third parties,
- Review of grant and other income streams,
- Discussions with finance staff,
- Consideration of academy responses to a regularity questionnaire we provided and consideration of matters arising therefrom

DARRICK WOOD SCHOOL

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO DARRICK WOOD SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

**D J Walsh FCCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co**

**Chartered Certified Accountants
Statutory Auditor
Lynwood House
Crofton Road**

**Orpington
Kent
BR6 8QE**

Dated 05 December 2013

DARRICK WOOD SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2013

		Unrestricted funds £'000	Restricted funds £'000	Fixed Asset fund £'000	Total 2013 £'000	Total 2012 £'000
Incoming resources	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	102	261	-	363	380
- Investment income	3	4	-	-	4	3
<i>Resources from charitable activities</i>						
- Funding for educational operations	4	26	9,246	85	9,357	9,286
Total incoming resources		<u>132</u>	<u>9,507</u>	<u>85</u>	<u>9,724</u>	<u>9,669</u>
Resources expended						
<i>Costs of generating funds</i>						
- Relating to voluntary income	5	10	274	-	284	308
<i>Charitable activities</i>						
- Educational operations	6	-	9,184	501	9,685	9,744
Governance costs	7	-	48	-	48	91
Total resources expended	5	<u>10</u>	<u>9,506</u>	<u>501</u>	<u>10,017</u>	<u>10,143</u>
Net incoming/(outgoing) resources before transfers		122	1	(416)	(293)	(474)
Gross transfers between funds		(524)	(60)	584	-	-
Net income/(expenditure) for the year		<u>(402)</u>	<u>(59)</u>	<u>168</u>	<u>(293)</u>	<u>(474)</u>
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	16	-	217	-	217	(362)
Net movement in funds		<u>(402)</u>	<u>158</u>	<u>168</u>	<u>(76)</u>	<u>(836)</u>
Fund balances at 1 September 2012		880	(1,004)	10,997	10,873	11,709
Fund balances at 31 August 2013		<u>478</u>	<u>(846)</u>	<u>11,165</u>	<u>10,797</u>	<u>10,873</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

DARRICK WOOD SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2013

		2013		2012	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		11,166		10,985
Current assets					
Debtors	11	223		450	
Cash at bank and in hand		980		1,003	
		<u>1,203</u>		<u>1,453</u>	
Creditors amounts falling due within one year	12	(435)		(297)	
Net current assets			768		1,156
Total assets less current liabilities			<u>11,934</u>		<u>12,141</u>
Defined benefit pension liability	16		(1,137)		(1,268)
Net assets			<u>10,797</u>		<u>10,873</u>
Funds of the academy trust:					
Restricted income funds	14				
- Fixed asset funds			11,165		10,997
- General funds			291		264
- Pension reserve			(1,137)		(1,268)
Total restricted funds			<u>10,319</u>		<u>9,993</u>
Unrestricted funds	14		478		880
Total funds			<u>10,797</u>		<u>10,873</u>

The accounts were approved by order of the Board of Governors and authorised for issue on 26 November 2013

M.B. Hewitt

Mr M Hewitt
Chair of Governors

Company Number 07393519

DARRICK WOOD SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow/(outflow) from operating activities	17	570	(379)
Returns on investments and servicing of finance			
Investment income	4	3	
Net cash inflow/(outflow) from returns on investments and servicing of finance		4	3
		574	(376)
Capital expenditure and financial investments			
Capital grants received	85	213	
Payments to acquire tangible fixed assets	(682)	(104)	
Net cash flow from capital activities		(597)	109
Increase/(decrease) in cash	18	(23)	(267)

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

1.1 Basis of preparation

The accounts 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 Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

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

1.3 Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other income

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds

Charitable activities

These are costs incurred on the academy trust's educational operations

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows

Freehold land is not depreciated

Freehold buildings	2% Straight Line
Plant and machinery	20% Straight Line
ICT / Computer equipment	50% Straight Line
Fixtures, fittings & equipment	15% Straight Line
Motor vehicles	20% Straight Line

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below

Land

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is valued at fair value, based on existing use

Buildings

In accordance with the requirements of FRS 15, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings

Other Fixed Assets

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set). Assets transferred (other than fixed assets) are dealt with as a donation in kind within the Statement of Financial Activities

1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease

1.7 Taxation

The academy trust 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 trust 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

1.8 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi-employer scheme and the academy trust 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 are recognised as they are paid each year.

Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the academy trust 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.

19 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/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/Department for Education and other donors.

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Voluntary Fund	-	261	261	301
Other income	102	-	102	79
	<u>102</u>	<u>261</u>	<u>363</u>	<u>380</u>

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Short term deposits	4	-	4	3

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
DfE / EFA grants				
General annual grant (GAG)	-	8,336	8,336	8,435
Capital grants	-	85	85	213
Other DfE / EFA grants	-	260	260	82
	-	8,681	8,681	8,730
Other government grants				
Local authority grants	-	498	498	426
Other grants	-	87	87	42
	-	585	585	468
Other funds				
Other incoming resources	26	65	91	88
Total funding	26	9,331	9,357	9,286

All resources expended are inclusive of irrecoverable VAT

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

5 Resources expended

	Staff costs £'000	Premises £'000	Other costs £'000	Total 2013 £'000	Total 2012 £'000
Academy's educational operations					
- Direct costs	6,154	401	866	7,421	7,707
- Allocated support costs	1,211	316	737	2,264	2,037
	<u>7,365</u>	<u>717</u>	<u>1,603</u>	<u>9,685</u>	<u>9,744</u>
Other expenditure					
Costs of generating voluntary income	-	-	284	284	308
Governance costs	-	-	48	48	91
	<u>-</u>	<u>-</u>	<u>332</u>	<u>332</u>	<u>399</u>
Total expenditure	<u>7,365</u>	<u>717</u>	<u>1,935</u>	<u>10,017</u>	<u>10,143</u>
Incoming/outgoing resources for the year include:				2013 £'000	2012 £'000
Fees payable to auditor					
- Audit				7	6
- Other services				6	4
				<u>13</u>	<u>10</u>

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

6 Charitable activities - the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Direct costs				
Teaching and educational support staff costs	-	6,154	6,154	6,487
Depreciation	-	401	401	408
Technology costs	-	153	153	147
Educational supplies and services	-	441	441	409
Examination fees	-	231	231	224
Staff development	-	41	41	32
	-	7,421	7,421	7,707
Allocated support costs				
Support staff costs	-	1,211	1,211	746
Depreciation	-	100	100	102
Maintenance of premises and equipment	-	216	216	550
Cleaning	-	150	150	144
Energy costs	-	124	124	139
Rent and rates	-	71	71	60
Insurance	-	64	64	60
Catering	-	57	57	55
Interest and finance costs	-	40	40	39
Other support costs	-	231	231	142
	-	2,264	2,264	2,037
Total costs	-	9,685	9,685	9,744

7 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Legal and professional fees	-	34	34	81
Auditor's remuneration				
- Audit of financial statements	-	7	7	6
- Other audit costs	-	6	6	4
Governor Training	-	1	1	-
	-	48	48	91

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

8 Staff costs

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

	2013 Number	2012 Number
Teachers	99	102
Administration and support	71	73
Management	10	9
	<u>180</u>	<u>184</u>
Costs included within the accounts	2013 £'000	2012 £'000
Wages and salaries	5,954	5,918
Social security costs	466	461
Other pension costs	861	813
	<u>7,281</u>	<u>7,192</u>
Supply teacher costs	68	24
Compensation payments	-	30
	<u>7,349</u>	<u>7,246</u>

The number of employees whose remuneration exceeded £60,000 or more was 4 (2012 4) During the period, Teachers' Pensions contributions amounted to £50,628 (2012 £40,429)

9 Governors' remuneration and expenses

The Head Teacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors.

Governors' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,866 (2012 £1,764).

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

10 Tangible fixed assets

	Land and buildings	ICT / Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2012	11,833	44	48	54	11,979
Additions	673	-	9	-	682
At 31 August 2013	12,506	44	57	54	12,661
Depreciation					
At 1 September 2012	929	29	10	26	994
Charge for the year	465	16	11	9	501
At 31 August 2013	1,394	45	21	35	1,495
Net book value					
At 31 August 2013	11,112	(1)	36	19	11,166
At 31 August 2012	10,904	15	38	28	10,985

11 Debtors

	2013 £'000	2012 £'000
Trade debtors	11	70
Other debtors	153	308
Prepayments and accrued income	59	72
	223	450

12 Creditors amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	112	98
Accruals	151	88
Deferred income	172	111
	435	297

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

13	Deferred income			2013	2012
				£'000	£'000
	Deferred income is included within				
	Creditors due within one year			172	111
				<u> </u>	<u> </u>
	Total deferred income at 1 September 2012			111	81
	Amounts credited to the statement of financial activities			(111)	(81)
	Amounts deferred in the year			172	111
				<u> </u>	<u> </u>
	Total deferred income at 31 August 2013			172	111
				<u> </u>	<u> </u>
14	Funds				
		Balance at 1	Incoming	Resources Gains, losses	Balance at 31
		September	resources	expended and transfers	August 2013
		2012			
		£'000	£'000	£'000	£'000
	Restricted general funds				
	General Annual Grant	35	8,336	(8,417)	46
	Other DfE / EFA grants	26	260	(136)	(23)
	Other government grants	-	585	(486)	(83)
	Other restricted funds	203	326	(381)	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Funds excluding pensions	264	9,507	(9,420)	(60)
	Pension reserve	(1,268)	-	(86)	217
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		(1,004)	9,507	(9,506)	157
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Restricted fixed asset funds				
	DfE / EFA capital grants	27	85	(15)	(97)
	Inherited fixed asset fund	10,880	-	(465)	-
	Capital expenditure from GAG or other funds	90	-	(21)	681
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		10,997	85	(501)	584
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total restricted funds	9,993	9,592	(10,007)	741
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds				
	General funds	880	132	(10)	(524)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total funds	10,873	9,724	(10,017)	217
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

14 Funds

(Continued)

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

The Restricted General Funds are used to fund the general operating costs of the Academy

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes

15 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2013 are represented by:				
Tangible fixed assets	-	-	11,166	11,166
Current assets	912	291	-	1,203
Creditors amounts falling due within one year	(435)	-	-	(435)
Defined benefit pension liability	-	(1,137)	-	(1,137)
	<u>477</u>	<u>(846)</u>	<u>11,166</u>	<u>10,797</u>
Balance to allocate	1	-	(1)	-
Per balance sheet	478	(846)	11,165	10,797

16 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Bromley. 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

16 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Scheme budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate ('SCR') was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

16 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100 percent basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust 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 trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20% for employers and between 5.5% to 7.5% for employees. The estimated value of employer contributions for the forthcoming year is £178k.

The employer's contribution rate includes additional contributions of 10.5% over a period of 4.6 years, so as to eliminate the pension fund deficit.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

	2013 £'000	2012 £'000
Employer's contributions	209	196
Employees' contributions	53	55
Total contributions	<u>262</u>	<u>251</u>

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

16 Pensions and similar obligations (Continued)

Principal actuarial assumptions

	2013 %	2012 %
Rate of increase in salaries	4.70	4.10
Rate of increase for pensions in payment	2.40	1.90
Discount rate for scheme liabilities	4.60	3.90
CPI Increases	2.40	1.90

Sensitivity Analysis

Scheme liabilities have been valued at £2,486k (2012 £2,163k). The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate used were to increase by 0.1%, liabilities would be measured at £2,425k (2012 £2,099k).

If the inflation rate used were to increase by 0.1%, liabilities would be measured at £2,548k (2012 £2,230k).

If the mortality rate were to increase by 1 year, liabilities would be measured at £2,527k (2012 £2,089k).

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

	2013 Years	2012 Years
Retiring today		
- Males	23	22
- Females	27	26
Retiring in 20 years		
- Males	25	24
- Females	29	28

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

16 Pensions and similar obligations

(Continued)

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

	2013 Expected return %	2013 Fair value £'000	2012 Expected return %	2012 Fair value £'000
Equities	7.00	998	5.80	716
Bonds	3.90	216	3.50	152
Other assets	3.75	135	0.50	27
Total market value of assets		1,349		895
Present value of scheme liabilities - funded		(2,486)		(2,163)
Net pension asset / (liability)		(1,137)		(1,268)

Assumption on Expected Rates of Return

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The assumed investment return on government bonds is the yield on 20 year fixed interest gilts at the relevant date (3.4%). The expected investment return on corporate bonds is based on market yields at the relevant date, less a reduction to reflect a risk of default in the corporate bond yield (4.4% p.a.)

The yield on equity investments will contain an "equity risk premium" in addition to the yield on government bonds, the overall expected return on equities as at 31 August 2013 was 7% p.a.

Assumed returns on property are based on the expected long term returns on cash investments, plus a premium.

Operating costs and income recognised in the statement of financial activities

	2013 £'000	2012 £'000
Financial expenditure/(income)		
Expected return on pension scheme assets	(51)	(45)
Interest on pension liabilities	91	84
	40	39
Other expenditure/(income)		
Current service cost	255	206
Past service cost	-	-
	255	206
Total operating charge/(income)	295	245

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

16 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2013 £'000	2012 £'000
Actuarial (gains)/losses on assets actual return less expected	(141)	(30)
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	(76)	392
Total (gains)/losses	<u>(217)</u>	<u>362</u>
Cumulative (gains)/losses to date	<u>173</u>	<u>390</u>

Movements in the present value of defined benefit obligations were as follows:

	2013 £'000	2012 £'000
Opening defined benefit obligations	(2,163)	(1,427)
Current service cost	(255)	(206)
Interest cost	(91)	(84)
Contributions by employees	(53)	(55)
Actuarial gains/(losses)	76	(392)
Benefits paid	-	1
	<u>(2,486)</u>	<u>(2,163)</u>

Movements in the fair value of the academy trust's share of scheme assets:

	2013 £'000	2012 £'000
Opening fair value of scheme assets	895	570
Expected return on assets	51	45
Actuarial gains/(losses)	141	30
Contributions by employers	209	196
Contributions by employees	53	55
Benefits paid	-	(1)
	<u>1,349</u>	<u>895</u>

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

16 Pensions and similar obligations (Continued)

History of experience gains and losses:

	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit obligations	(2,486)	(2,163)	(1,427)
Fair value of share of scheme assets	1,349	895	570
Surplus / (deficit)	<u>(1,137)</u>	<u>(1,268)</u>	<u>(857)</u>
Experience adjustment on scheme liabilities	-	-	-
Experience adjustment on scheme assets	<u>141</u>	<u>30</u>	<u>(10)</u>

17 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2013 £'000	2012 £'000
Net income	(293)	(474)
Capital grants and similar income	(85)	(213)
Investment income	(4)	(3)
FRS17 pension costs less contributions payable	46	10
FRS17 pension finance income	40	39
Depreciation of tangible fixed assets	501	510
(Increase)/decrease in debtors	227	(215)
Increase/(decrease) in creditors	138	(33)
Net cash inflow/(outflow) from operating activities	<u>570</u>	<u>(379)</u>

18 Reconciliation of net cash flow to movement in net funds

	2013 £'000	2012 £'000
Increase/(decrease) in cash	(23)	1,003
Net funds at 1 September 2012	1,003	-
Net funds at 31 August 2013	<u>980</u>	<u>1,003</u>

19 Analysis of net funds

	At 1 September 2012 £'000	Cash flows £'000	Non-cash changes £'000	At 31 August 2013 £'000
Cash at bank and in hand	<u>1,003</u>	<u>(23)</u>	<u>-</u>	<u>980</u>

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

20 Capital commitments

	2013 £'000	2012 £'000
At 31 August 2013 the company had capital commitments as follows		
Expenditure contracted for but not provided in the accounts	568	1,152

The school has funded Phase 1 of the extension of its accommodation from its reserves, after being unsuccessful in bidding for a grant from the Department for Education. During 2012/2013, £672,868 was spent on the build, and for the following academic year there is a reserves commitment of £568,453. The build will be completed in December 2013.

21 Related parties

Owing to the nature of the academy trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

During the year the company purchased equipment to the value of £42,775 from CDEC Ltd. CDEC Ltd is a related party by virtue of the fact that Mr A Duckworth, a governor is a director of that company. At the year end a balance of £883 was outstanding, included in creditors due within one year.

22 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 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.