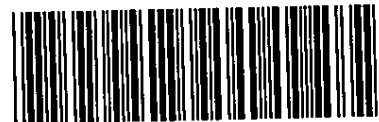


Company Registration No 07406122 (England and Wales)

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GOVERNORS REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

WEDNESDAY



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12/12/2012

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COMPANIES HOUSE

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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**Governors (Trustees)**

C Jacobs (Chair of Governors)  
W J Oakes (Headmaster & Accounting Officer)  
K Briggs  
J Buckle  
W Carey  
H Clark  
D Eastley  
M Henwood  
A Hughes  
A Humphreys (Staff Governor)  
D Lawrence  
A McDonald  
D Turner  
A Veal (Responsible Officer)  
L Wiechula (Staff Governor)

**Senior Management Team**

W J Oakes	(Headmaster)
R Tibbott	(Deputy Head)
M Kingham	(Deputy Head)
L Wiechula	(Business Manager)

**Company number**

07406122

**Registered office**

Dartford Grammar School  
West Hill  
Dartford  
Kent  
DA1 2HW

**Auditors**

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

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**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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**Bankers**

Barclays Bank Plc  
24 Lowfield Street  
Dartford  
Kent  
DA1 1HD

HSBC Bank PLC  
38 High Street  
Dartford  
Kent  
DA1 1DG

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**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
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# **DARTFORD GRAMMAR SCHOOL**

## **(A COMPANY LIMITED BY GUARANTEE)**

### **GOVERNORS REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2012***

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The Governors (Trustees) present their report and accounts for the year ended 31 August 2012

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, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, and the Annual Accounts Direction 2011/12 issued by the EFA

#### **Structure, Governance and Management**

The Charitable Company is a company limited by guarantee incorporated on 13 October 2010, and the predecessor school converted to Academy status on 1 December 2010

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

C Jacobs (Chair of Governors)

W J Oakes (Headmaster & Accounting Officer)

K Briggs

J Buckle

W Carey

H Clark

D Eastley

M Henwood

A Hughes

A Humphreys (Staff Governor)

D Lawrence

A McDonald

D Turner

A Veal (Responsible Officer)

L Wiechula (Staff Governor)

#### **Constitution**

Dartford Grammar School is registered under the Companies Act 2006, as a company limited by guarantee without a share capital

#### **Members' Liability**

Each member of the company undertakes to contribute to the assets of the company in the event of the company being wound up while they are a member, or within one year after they cease to be a member. The liability of the members is limited to £10 each for the debts and liabilities contracted before they ceased to be a member. The Academy is an exempt charity. The company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Dartford Grammar School and are also the directors of the company for the purposes of company law

**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
GOVERNORS REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

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**Governors' Indemnities**

No indemnities have been given

**Principal Activities**

The principal activity of Dartford Grammar School is to provide a state education to boys of selective ability between the ages of 11 to 16, and to boys/girls aged 16 to 18. There is an emphasis on Science and Languages, the school having specialist school status, and following the International Baccalaureate Diploma programme in Key Stage 5. Funding is received from the Department for Education (DfE) through the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

**Method of Recruitment and Appointment or Election of Governors**

Headmaster

Foundation Governors (max 5)

- appointed by the Foundation (Old Dartfordians' Association and the Parish of Dartford)

Staff Governors (max 2)

- appointed by staff election and ballot

Local Authority Governor (max 1)

- appointed by Kent County Council

Parent Governors (max 2)

- appointed by parental election and ballot

Co-opted Governors (max 2)

- appointed by the Governing Body

Community Governors (max 2)

- appointed by the Members of Dartford Grammar School Limited

**Policies and Procedures Adopted for the Induction and Training of Governors**

The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide training in charity and educational legal and financial matters. All governors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as governors. Training will be provided via the local authority with packages dependent on skills and experience.

**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
GOVERNORS REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2012***

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**Organisational Structure**

The Board of Governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The full Board meets at least three times a year and has two committees, Curriculum and Resources. Both of these committees also meet three times per year and are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

Governors delegate specific responsibilities to its Committees, the activities of which are reported to and discussed at full Governing Body Meetings. Day to day management of the Academy is undertaken by the Headmaster, who takes the role of Accounting Officer, supported by the Senior Management Team.

**Risk Management**

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to academic performance/finances/child welfare. The governors have implemented a number of systems to assess risks that the Academy faces, and have developed policies and procedures to mitigate those risks. 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 Statement on Internal Control.

The risk management process has been codified in a risk register, reviewed at least annually by the full Governing Body, implemented by the Senior Management Team and overseen by Governors.

**Connected Organisations, including Related Party Relationships**

The Academy is connected to the following organisations by way of governors holding positions as follows:

Dartford Arts Centre t/a The Mick Jagger Centre for Performing Arts

- Mr J Buckle (Director)
- Mr L Wiechula (Director)

Dartford Sports Centre t/a Becket Sports Centre

- Mrs C Jacobs (Director)
- Mr W J Oakes (Director)
- Mr L Wiechula (Company Secretary)

**Objects, Aims and Public Benefit**

The principal object of the company is to advance for the public benefit, education in the United Kingdom through the provision of a broad and balanced curriculum.

**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
GOVERNORS REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2012***

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**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.

**Key Financial Performance Indicators**

No key performance indicators have been set by the Governors, beyond the requirement that the financial position should remain sufficient to fund future needs. The principal performance measures are non-financial, these are largely educational and pastoral.

**Financial Review**

Most of the Academy's income is obtained from the DfE (via the Education Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

On 1st December, 2010 all the assets and liabilities of the predecessor school known as Dartford Grammar School were transferred to the Academy. The value of the assets brought into the balance sheet as a result are shown as restricted fixed asset funds.

At 31st August 2012 the net book value of fixed assets was £6,287k and details are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

In addition to the fixed asset fund of £6,287k the academy also held fund £618k of general restricted funds, £317k of unrestricted funds, a pension reserve deficit of £(829)k and a loan fund deficit of £(241)k.

**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**

The school is strongly linked to the International Baccalaureate (IB) Diploma programme where it is the state leader in the UK. Any changes in strategy, reputation and the funding regime for the IB could have impact on student numbers and the school's funding position.



**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
GOVERNORS REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

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**Reserves Policy**

The Governors have not yet formalised a specific policy on reserves, beyond the requirement that reserve levels are regularly monitored by Governors and Management to ensure that sufficient reserves are maintained

- to cover the exposure to the existing loan with Kent County Council, currently £240,807 with monthly repayments over 7 years from July 2010) with any decision to make any lump sum reduction or full repayment to be deferred until the position regarding future funding is clearer
- to meet anticipated future needs by improving and increasing Sixth Form accommodation
- to plan for possible expansion of numbers in Key Stages 3 and 4

**Investment Policy**

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted

**Employee Involvement**

Academy staff are empowered to elect colleagues to sit and serve as Governors

**Disabled Persons**

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

**Plans for the Future**

The principal tasks facing the company are to maintain the excellent educational standards achieved by the school and to widen the opportunity for additional students to benefit from this. The school has just embarked on a project to improve and extend the Sixth Form to ease congestion in the light of increased demand and popularity, the school having been awarded a grant of £800,000 from the Academies Capital Maintenance Fund in June 2012, of which £640,000 will be paid in the financial year 2012/2013

Over the next twelve months the school will be planning for the redevelopment of the Stephenson Building to further improve the school together with several smaller projects on the site, including an extension to the pavilion at the sports field

The school is also to develop a Music Hub, working with local schools, local music groups, Dartford Choral Society and the wider music community

**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
GOVERNORS REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

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**Statement of Governors Responsibilities**

The Governors (who act as Trustees for charitable activities of Dartford Grammar School and are also the directors of the charitable company for the purposes of company law), are responsible for preparing the Governors Report and the accounts in accordance with applicable law and regulation, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Annual Accounts Requirements issued by the Education Funding Agency

Company law requires the Governors (Trustees) to prepare accounts for each financial period. Under company law the Governors (Trustees) 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Governors (Trustees) are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Governors (Trustees) 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 grants received from the EFA / DfE have been applied for the purposes intended.

The Governors (Trustees) 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.

**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
GOVERNORS REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

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In accordance with company law, as the company's directors, we certify that

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and

- The Governors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

A resolution proposing that Baxter & Co be reappointed as auditors of the company will be put to the members

On behalf of the board of Governors (Trustees)

*C. Jacobs*

C Jacobs

Chair of Governors

Dated

*20/11/12*

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**Scope of Responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that Dartford Grammar 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 Governing Body has delegated the day-to-day responsibility to W J Oakes, the Headmaster, 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 Dartford Grammar School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**Governance**

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

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
C Jacobs (Chair of Governors)	3	3
W J Oakes (Headmaster & Accounting Officer)	2	3
K Briggs	2	3
J Buckle	3	3
W Carey	1	3
H Clark	3	3
D Eastley	3	3
M Henwood	2	3
A Hughes	2	3
A Humphreys (Staff Governor)	3	3
D Lawrence	2	3
A McDonald	2	3
D Turner	2	3
A Veal (Responsible Officer)	0	3
L Wiechula (Staff Governor)	3	3

The Resources Team is a sub-committee of the main Governing Body. 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:

**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

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<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
H Clark	2	3
J Buckle	2	3
C Jacobs	3	3
D Lawrence	2	3
D Turner	3	3
A Veal	2	3
W J Oakes	3	3
L Wiechula	3	3

**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 Dartford Grammar School for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 Governing Body,
- Regular reviews by the Resources Team 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

**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

---

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 A Veal, 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 termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The Governing Body are 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.

**Review of Effectiveness**

The Accounting Officer W J Oakes, has the responsibility for reviewing the effectiveness of the system of internal control.

During the year ended 31 August 2012 the review has been informed by

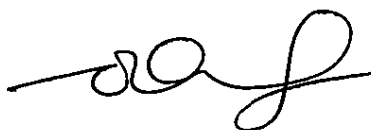
- The work of the Responsible Officer,
- The work of the External Auditor,
- The financial management and governance self assessment process,
- The work of the Executive Managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Resources Team 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.

On behalf of the board of Governors (Trustees)



C Jacobs  
Chair of Governors  
Dated 20/11/12



W J Oakes  
Accounting Officer  
Dated 20/11/12

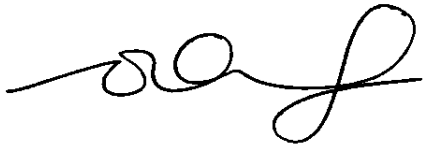
**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2012**

---

As accounting officer of Dartford Grammar School I have considered my responsibility to notify the academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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 Dartford Grammar School Governing Body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

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



W J Oakes  
Accounting Officer  
Dated

20/11/12

**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF DARTFORD GRAMMAR SCHOOL**

---

We have audited the accounts of Dartford Grammar School for the year ended 31 August 2012 set out on pages 16 to 44. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Governors (Trustees) and auditors**

As explained more fully in the statement of Governors' responsibilities, the Governors (Trustees), who are also the directors of Dartford Grammar 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. We are also responsible for expressing an opinion on whether grants made by the DfE/EFA have been applied for the purposes intended.

**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 charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors (Trustees), 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.

**Opinion on accounts**

In our opinion the accounts

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

**Opinion on other matters**

In our opinion grants made by the DfE/EFA have been applied for the purposes intended.

**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.



**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF DARTFORD GRAMMAR 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 trustees' 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 27 November 2012

**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO DARTFORD GRAMMAR SCHOOL AND THE EDUCATION  
FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 1 November 2012 and further to the requirements of the Education Funding Agency 'EFA' as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dartford Grammar School during the year ended 31 August 2012 have been applied to the purpose identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Dartford Grammar School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Dartford Grammar 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 Dartford Grammar School and the EFA, for our work, for this report, or for the conclusion we have formed

**Respective Responsibilities of Dartford Grammar School's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of Dartford Grammar School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook as published by the DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purpose 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 2011/12. 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 year ended 31 August 2012 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 2011/12 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. We have included in our examination testing of a sample of

- Payments to staff,
- Payments to suppliers and other third parties,
- Grant and other income streams

We have reviewed the most recent Financial Management and Governance Evaluation self assessment return prepared by the Academy and made enquiries of the Accounting Officer thereon. We have reviewed minutes and other evidence made available to us, relevant to our consideration of regularity

**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO DARTFORD GRAMMAR 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 year ended 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

**Baxter & Co**

**Chartered Certified Accountants**

Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated 27 November 2012

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 AUGUST 2012**

		Unrestricted funds	Restricted funds	Fixed Asset fund	Total 2012	Total 2011(9 Months)
	Notes	£'000	£'000	£'000	£'000	£'000
<b>Incoming Resources</b>						
<i>Generated Funds</i>						
- Voluntary Income	3	72	720	-	792	593
- Voluntary Income (transfers on conversion)	3	-	-	-	-	6,706
- Activities for Generating Funds	4	-	15	-	15	6
<i>Charitable Activities</i>						
- Educational Operations	5	-	6,526	-	6,526	4,944
<b>Total Incoming Resources</b>		<b>72</b>	<b>7,261</b>	<b>-</b>	<b>7,333</b>	<b>12,249</b>
<b>Resources Expended</b>						
- Costs of generating Voluntary Income	6	-	559	-	559	399
<i>Charitable Activities</i>						
- Educational Operations	7	-	6,285	175	6,460	5,068
<i>Governance Costs</i>	8	-	31	-	31	38
<i>Other Resources Expended</i>						
- Transfers on conversion	6	-	-	-	-	697
- LGPS Pension Finance Costs	6/17	-	29	-	29	22
<b>Total Resources Expended</b>	<b>6</b>	<b>-</b>	<b>6,904</b>	<b>175</b>	<b>7,079</b>	<b>6,224</b>
<b>Net Incoming/(Outgoing) Resources before Transfers</b>		<b>72</b>	<b>357</b>	<b>(175)</b>	<b>254</b>	<b>6,025</b>
Gross transfers between funds	15	-	(71)	71	-	-
<b>Net Incoming/(Outgoing) Resources before Other Recognised Gains and Losses</b>		<b>72</b>	<b>286</b>	<b>(104)</b>	<b>254</b>	<b>6,025</b>
<b>Other recognised gains and losses</b>						
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	17	-	(195)	-	(195)	68
<b>Net movement in funds</b>		<b>72</b>	<b>91</b>	<b>(104)</b>	<b>59</b>	<b>6,093</b>
Fund balances at 1 September 2011		245	(543)	6,391	6,093	-
<b>Fund balances at 31 August 2012</b>		<b>317</b>	<b>(452)</b>	<b>6,287</b>	<b>6,152</b>	<b>6,093</b>

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

	<b>2012</b>	<b>2011(9 Months)</b>
	<b>£'000</b>	<b>£'000</b>
<b>Income</b>		
General Annual Grant (GAG)	6,146	4,751
Other DfE / EFA Grants	60	52
Other Government Grants	24	183
Capital Income	117	(205)
Fixed Assets donated to Academy	-	6,465
Other Income	986	1,003
<b>Total Income</b>	<b>7,333</b>	<b>12,249</b>
<b>Expenditure</b>		
General Annual Grant (GAG) related expenditure	5,910	4,414
Other DfE / EFA Grants related expenditure	60	52
Other Government Grant related expenditure	24	183
Expenditure Funded from Capital Income (not capitalised)	77	84
Other Expenditure	-	702
Expenditure Funded from Other Income	833	619
Depreciation	175	170
<b>Total Expenditure</b>	<b>7,079</b>	<b>6,224</b>
<b>Excess of Income over Expenditure</b>	<b>254</b>	<b>6,025</b>

The summary income and expenditure account is derived from the statement of financial activities on page 16 which, together with the notes on pages 20 to 45, provides full information on the movements during the year on all funds of the charity

All of the Academy's activities derive from continuing operations during the above financial periods

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

<b>Net Income/(Expenditure) for the year</b>	<b>254</b>	<b>6,025</b>
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	(195)	68
<b>Total Recognised Gains and Losses for the year</b>	<b>59</b>	<b>6,093</b>

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET**

**AS AT 31 AUGUST 2012**

		2012		2011(9 Months)	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	11		6,287		6,391
<b>Current assets</b>					
Debtors	12	145		178	
Cash at bank and in hand		1,217		773	
		<u>1,362</u>		<u>951</u>	
<b>Creditors amounts falling due within one year</b>	13	<u>(476)</u>		<u>(374)</u>	
<b>Net current assets</b>			<u>886</u>		<u>577</u>
<b>Total assets less current liabilities</b>			<u>7,173</u>		<u>6,968</u>
<b>Creditors amounts falling due after more than one year</b>	14		<u>(192)</u>		<u>(241)</u>
<b>Net assets excluding pension liability</b>			<u>6,981</u>		<u>6,727</u>
<b>Defined benefit pension liability</b>	17		<u>(829)</u>		<u>(634)</u>
<b>Net assets</b>			<u><u>6,152</u></u>		<u><u>6,093</u></u>
<b>Funds</b>					
<b>Restricted Funds</b>	15				
General Annual Grant (GAG) Fund			494		337
Capital Fund			(241)		(289)
Fixed Asset Fund			6,287		6,391
Other Income Fund			124		43
LGPS Fund			(829)		(634)
<b>Unrestricted Funds</b>	15				
Other Income Fund			317		245
			<u>6,152</u>		<u>6,093</u>

The accounts were approved by the Governors, and authorised for issue on 20/11/12

C Jacobs  
Chair of Governors

Company  
Registration  
No 07406122

*C. Jacobs*

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2012**

		<b>2012</b>	<b>2011(9</b>
	<b>Notes</b>	<b>£'000</b>	<b>Months)</b>
			<b>£'000</b>
<b>Net cash inflow from operating activities</b>	<b>18</b>	<b>446</b>	<b>544</b>
<b>Cash transferred on conversion</b>	<b>3</b>	<b>-</b>	<b>241</b>
<b>Returns on investments and servicing of finance</b>			
Investment income		-	-
<b>Net cash inflow from returns on investments and servicing of finance</b>		<b>-</b>	<b>-</b>
<b>Capital expenditure and financial investments</b>			
Payments to acquire tangible fixed assets	(71)	(97)	
Capital Grants	24	67	
Other Capital Income	93	(272)	
<b>Net cashflow from capital activities</b>		<b>46</b>	<b>(302)</b>
<b>Increase in cash</b>	<b>19</b>	<b>492</b>	<b>483</b>

All of the Academy's activities derive from continuing operations during the above financial periods

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2012**

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**1 Accounting policies**

**1.1 Basis of preparation**

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards and the Charities SORP 2005

The Standard Format for the financial statements as required by the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP 2005') and the Academies Accounts Direction issued by the EFA

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

**1.3 Incoming resources**

**Grants Receivable**

Grants are included in the statements 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

**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 company is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the company 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 statements of the financial activities on a receivable basis

**Other Income**

Income is included in the statement of financial activities on a cash received basis or on an accruals basis where the receipt is assured with reasonable certainty and is receivable at the balance sheet date



**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2012**

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**1 Accounting Policies**

**(continued)**

**1.4 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 company'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.

**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's educational operations.

**Governance Costs**

Governance costs include the costs attributable to the company'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**

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

Restricted funds comprise grants from the DfE / EFA and other donors which are to be used for specific purposes as explained in note 15.

Restricted Fixed Asset funds are resources which are to be applied to specific purposes according to the source of funding for the related fixed assets.

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

---

**1 Accounting Policies**

**(continued)**

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost or valuation less 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 are depreciated over their expected useful economic life. The related grants are credited to an appropriate restricted fund in the statement of financial activities and carried forward in the balance sheet.

Depreciation is charged in the statement of financial activities at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings 50 years (Straight Line)

ICT / Computer equipment 5 years (Straight Line)

Fixtures, fittings & equipment 10 years (Straight Line)

**1.6 Fixed Asset Transfer from Predecessor School**

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 included at a nominal value of £1.

**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).

**1.7 Leasing and hire purchase commitments**

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.

**DARTFORD GRAMMAR SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

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**1 Accounting Policies**

**(continued)**

**1.8 Pensions**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy. More details of the schemes are given in note 17.

**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 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 17, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

**Local Government Pension Scheme**

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

Further details are set out in note 17 to the financial statements.

**1.9 Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

<b>2</b>	<b>General Annual Grant (GAG)</b>	<b>2012</b>	<b>2011(9</b>
		<b>£'000</b>	<b>Months)</b>
<b>a</b>	<b>Results and Carry Forward for the year</b>		<b>£'000</b>
	GAG brought forward from previous year	337	-
	GAG allocation for current year	6,146	4,751
	<b>Total GAG available to spend</b>	<b>6,483</b>	<b>4,751</b>
	Recurrent expenditure from GAG	(5,910)	(4,414)
	Fixed Assets purchased from GAG	(31)	-
	Other purchases from GAG	(48)	-
	<b>GAG Carried Forward to Next Year</b>	<b>494</b>	<b>337</b>
	Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(738)	(570)
	<b>GAG to surrender to DfE / EFA</b>	<b>(244)</b>	<b>(233)</b>
	(12% rule breached if result is positive)	<i>no breach</i>	<i>no breach</i>
<b>b</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	5,910	4,414
	GAG allocation for current year	(6,146)	(4,751)
	GAG allocation for previous period x 2%	(95)	-
	<b>GAG Brought Forward from previous period in excess of 2%, used on recurrent expenditure in current year</b>	<b>(331)</b>	<b>(337)</b>
	(2% rule breached if result is positive)	<i>no breach</i>	<i>no breach</i>

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**3 Voluntary Income**

	Unrestricted funds	Restricted funds	Total 2012	Total 2011(9 Months)
	£'000	£'000	£'000	£'000
Voluntary Fund	-	594	594	442
Academy Trips	-	54	54	38
Donations	72	-	72	64
Other Income	-	72	72	49
	<u>72</u>	<u>720</u>	<u>792</u>	<u>593</u>
Transfers on Conversion				
School Reserves	-	-	-	241
Fixed Assets	-	-	-	6,465
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,706</u>
	<u>72</u>	<u>720</u>	<u>792</u>	<u>7,299</u>

**4 Activities for Generating Funds**

	Restricted funds	Total 2012	Total 2011(9 Months)
	£'000	£'000	£'000
Lettings Income	15	15	6
	<u>15</u>	<u>15</u>	<u>6</u>

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**5 Funding for Academy's Educational Operations**

	Restricted funds £'000	Total 2012 £'000	Total 2011(9 Months) £'000
<b>General Annual Grant (GAG)</b>	6,146	6,146	4,751
<b>Other DfE / EFA Grants</b>			
Other Grants	49	49	52
Pupil Premium	11	11	-
<b>Other Government Grants</b>			
LA Standards Fund Grant	24	24	183
<b>Capital Grants</b>			
DfE Capital Grant	24	24	67
Other Capital Grants	93	93	53
Loan liability transferred from school	-	-	(325)
<b>Other Income</b>			
Teacher Training	55	55	64
Salary Recovery	34	34	6
Other Income	90	90	93
	<u>6,526</u>	<u>6,526</u>	<u>4,944</u>

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**6 Total resources expended**

	Staff costs	Depreciation	Other costs	Total 2012	Total 2011(9 Months)
	£'000	£'000	£'000	£'000	£'000
Costs of Generating Voluntary Income	-	-	559	559	399
Costs of Activities for Generating Funds	-	-	-	-	-
Academy's Educational Operations					
Direct Costs	4,619	140	420	5,179	4,064
Allocated Support Costs	609	35	637	1,281	1,004
	5,228	175	1,057	6,460	5,068
Governance costs	-	-	31	31	38
Other					
LGPS Deficit Inherited on Conversion	-	-	-	-	697
LGPS Pension Finance Cost	-	-	29	29	22
	-	-	29	29	719
	5,228	175	1,676	7,079	6,224

Details of fees payable to Auditors are set out in note 8 (Governance Costs)

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**7 Charitable Activities - Academy's Educational Operations**

	Restricted funds	Fixed Asset fund	Total 2012	Total 2011(9 Months)
	£'000	£'000	£'000	£'000
<b>Direct Costs</b>				
Teaching and Educational Support	4,619	-	4,619	3,525
Depreciation	-	140	140	170
Educational Supplies and Services	173	-	173	170
Examination Fees	163	-	163	153
Educational Consultancy	11	-	11	5
School Trips and Activities	59	-	59	32
Staff Development	14	-	14	9
Other Direct Costs	-	-	-	-
	<u>5,039</u>	<u>140</u>	<u>5,179</u>	<u>4,064</u>
<b>Allocated Support Costs</b>				
Support Staff Costs	638	-	638	491
LGPS Staff Costs	(29)	-	(29)	(17)
Depreciation	-	35	35	-
Maintenance of Premises	159	-	159	147
Furniture and Equipment	3	-	3	1
Cleaning	25	-	25	27
Water	11	-	11	8
Fuel	113	-	113	106
Rates	24	-	24	12
Insurance	32	-	32	37
Security	3	-	3	6
Administrative Costs	108	-	108	94
Catering	19	-	19	22
Bank Interest & Charges	5	-	5	3
Staff Expenses	23	-	23	15
Technology Costs	105	-	105	52
Other Support Costs	7	-	7	-
	<u>1,246</u>	<u>35</u>	<u>1,281</u>	<u>1,004</u>
<b>Total</b>	<u>6,285</u>	<u>175</u>	<u>6,460</u>	<u>5,068</u>



**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

<b>8 Governance costs</b>	<b>Restricted funds</b>	<b>Total 2012</b>	<b>Total 2011(9 Months)</b>
Legal and Professional	19	19	27
Fees payable to Auditors			
Audit Fees	7	7	6
Other Fees	5	5	5
	<u>31</u>	<u>31</u>	<u>38</u>

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**9 Staff Costs**

**Number of employees**

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

	2012 Number	2011(9 Months) Number
Teachers	91	91
Administration and Support	33	45
Management	7	4
	<u>131</u>	<u>140</u>

**Employment costs**

	2012 £'000	2011(9 Months) £'000
Wages and salaries	4,328	3,322
Social security costs	348	246
Other pension costs	552	431
	<u>5,228</u>	<u>3,999</u>
Agency Supply and Other Salary Related Costs	-	-
Total Staff Costs	<u>5,228</u>	<u>3,999</u>

Included in the amounts above is an Ex-Gratia payment of £4,000

The number of employees whose annual remuneration was £60,000 or more was

	2012 Number	2011(9 Months) Number
£60,001 - £70,000	2	2
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

The above employees earning more than £60,000 p a 3 participated in the Teachers' Pension Scheme During the period, pension contributions for these staff amounted to £32,692 (2011 £22,790)

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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**10 Governors (Trustees)**

**Governors' Remuneration and Expenses**

The Headmaster and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headmaster and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration during the year covered by these accounts was as follows:

W J Oakes (Headmaster)	£101,065
L Wiechula (Staff Governor)	£58,201
A Humphreys (Staff Governor)	£55,342

During the 9 month accounting period to 31 August 2011, W J Oakes remuneration was £72,140

During the year ended 31 August 2012, expenses totalling £14,496 (2011(9 Months) £5,986) were reimbursed to 3 Governors (2011(9 Months) 3), of which a significant amount relates to purchases on behalf of the school and reimbursed.

**Governors' and Officers' Insurance**

In accordance with normal commercial practice the company purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, error or omissions occurring whilst on company business. Cover of up to £2,000,000 on any one claim was purchased, the cost of which is £1,224 (2011 £1,276).

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**11 Tangible fixed assets**

	Leasehold land and buildings £'000	Freehold land and buildings £'000	Fixtures, fittings & equipment £'000	Total £'000
<b>Cost or valuation</b>				
At 1 September 2011	5,997	526	38	6,561
Additions	10	-	61	71
<b>At 31 August 2012</b>	<b>6,007</b>	<b>526</b>	<b>99</b>	<b>6,632</b>
<b>Depreciation</b>				
At 1 September 2011	153	13	4	170
Charge for the year	152	13	10	175
<b>At 31 August 2012</b>	<b>305</b>	<b>26</b>	<b>14</b>	<b>345</b>
<b>Net book value</b>				
<b>At 31 August 2012</b>	<b>5,702</b>	<b>500</b>	<b>85</b>	<b>6,287</b>
At 31 August 2011	5,844	513	34	6,391

The Academy occupies the leasehold buildings at a peppercorn rent under the terms of a 125 year lease that commenced on 01 December 2010. The landlords are three of the trustees of a separately registered charitable trust, "Dartford Grammar School" (charity number 307836), who act in this matter on behalf of the registered charity. The Academy occupies the playing fields and sports pavilion on a freehold basis.

**12 Debtors**

	2012 £'000	2011(9 Months) £'000
Other debtors	105	136
Prepayments and accrued income	40	42
	<b>145</b>	<b>178</b>

**DARTFORD GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

<b>13 Creditors amounts falling due within one year</b>	<b>2012</b>	<b>2011(9 Months)</b>
	<b>£'000</b>	<b>£'000</b>
Local Authority loans	49	48
Trade creditors	51	81
Taxes and social security costs	109	112
Accruals	38	100
Deferred income	229	33
	<u>476</u>	<u>374</u>

Deferred Income of £229k represents resources deferred in the year and carried forward at 31st August 2012

<b>14 Creditors amounts falling due after more than one year</b>	<b>2012</b>	<b>2011(9 Months)</b>
	<b>£'000</b>	<b>£'000</b>
Local Authority loans	192	241
<b>Analysis of loans</b>		
Wholly repayable	241	289
Included in current liabilities	(49)	(48)
	<u>192</u>	<u>241</u>
<b>Loan maturity analysis</b>		
Debt due in one year or less	48	48
In more than one year but not more than two years	49	49
In more than two years but not more than five years	144	150
In more than five years	-	42
	<u>241</u>	<u>289</u>

The Academy inherited a Kent County Council loan from its predecessor school. An interest rate of 0.5% above the Bank of England rate is charged, and the loan is due to be fully repaid by 2017.

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**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**15 Funds**

	Movement in funds				Balance at 31 August 2012 £'000
	Balance at 1 September 2011 £'000	Incoming resources £'000	Resources expended £'000	Gains, Losses and Transfers £'000	
General Annual Grant	337	6,146	(5,910)	(79)	494
Other DfE / EFA Grants	-	60	(60)	-	-
Other Government Grants	-	24	(24)	-	-
Other Income	43	914	(833)	-	124
<b>Restricted General Funds</b>	<b>380</b>	<b>7,144</b>	<b>(6,827)</b>	<b>(79)</b>	<b>618</b>
DfE / EFA Capital Grant Loan	- (289)	117 -	(77) -	(40) 48	- (241)
<b>Restricted Capital Fund</b>	<b>(289)</b>	<b>117</b>	<b>(77)</b>	<b>8</b>	<b>(241)</b>
<b>Restricted Fixed Asset Fund</b>	<b>6,391</b>	<b>-</b>	<b>(175)</b>	<b>71</b>	<b>6,287</b>
<b>Restricted LGPS Fund</b>	<b>(634)</b>	<b>-</b>	<b>-</b>	<b>(195)</b>	<b>(829)</b>
<b>Total Restricted Funds</b>	<b>5,848</b>	<b>7,261</b>	<b>(7,079)</b>	<b>(195)</b>	<b>5,835</b>
<b>Total Unrestricted Funds</b>	<b>245</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>317</b>
<b>Total Funds</b>	<b>6,093</b>	<b>7,333</b>	<b>(7,079)</b>	<b>(195)</b>	<b>6,152</b>

**DARTFORD GRAMMAR SCHOOL**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**15 Funds**

(continued)

The Restricted General Funds are used to fund the general operating costs of the Academy. The company is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% can be used for general purposes at the discretion of the company, but any balance over 2% must be used for premises expenditure.

The Restricted Other Income Fund of £124k represents the Academy's Voluntary Fund balance of £77k and other general funds of £47k which remains unspent, but earmarked for particular purposes.

The Restricted Fixed Asset Fund are resources which are to be applied to specific purposes according to the source of funding for the related fixed asset.

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

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

**16 Analysis of net assets between funds**

	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total Funds £'000
<b>Fund balances at 31 August 2012 are represented by</b>				
Tangible fixed assets	-	-	6,287	6,287
Current assets	317	1,045	-	1,362
Creditors: amounts falling due within one year	-	(476)	-	(476)
Creditors: amounts falling due after more than one year	-	(192)	-	(192)
Defined benefit pension liability	-	(829)	-	(829)
	<u>317</u>	<u>(452)</u>	<u>6,287</u>	<u>6,152</u>

**DARTFORD GRAMMAR SCHOOL**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

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**17 Pension and other post-retirement benefit commitments**

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £nil (2011 £nil) were payable to the scheme at 31 August and are included within creditors

**Teachers' Pension Scheme**

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

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

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

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

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%



**DARTFORD GRAMMAR SCHOOL  
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**FOR THE YEAR ENDED 31 AUGUST 2012**

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**17 Pension and other post-retirement benefit commitments**

**(continued)**

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

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

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £149,000 (2011: £119,000), of which employer's contributions totalled £116,000 (2011: £93,000) and employees' contributions totalled £33,000 (2011: £26,000). The agreed contribution rates for future years are 23.1% for employers and a range between 5.8% and 7.5% for employees according to salary levels.

The employer's contribution rate includes additional contributions of 7.9% over a period of 20 years, so as to eliminate the pension fund deficit.

The LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did subsequently, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

**DARTFORD GRAMMAR SCHOOL**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

**17 Pension and other post-retirement benefit commitments**

**(continued)**

The major assumptions used by the actuary were

	2012	2011(9
	%	Months)
		%
Rate of increase in salaries	4.10	4.90
RPI Increases	2.70	3.40
CPI Increases	1.90	2.60
Rate of increase in pensions in payment	1.90	2.60
Discount rate	3.90	5.40

**Sensitivity Analysis**

	Assets at 31	Liabilities at 31	(Deficit)/Surplus
	August 12	August 12	At 31 August 12
	£'000	£'000	£'000
Central	547	(1,376)	(829)
<b>Sensitivity 1</b>			
+0.1% pa discount rate	547	(1,341)	(794)
<b>Sensitivity 2</b>			
-0.1% pa discount rate	547	(1,412)	(865)
<b>Sensitivity 3</b>			
+1 year mortality rate	547	(1,325)	(778)
<b>Sensitivity 4</b>			
-1 year mortality rate	547	(1,428)	(881)

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

	2012	2011(9
	Years	Months)
		Years
Retiring today		
Males	20	20
Females	24	24
Retiring in 20 years		
Males	22	22
Females	26	26

**DARTFORD GRAMMAR SCHOOL**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**17 Pension and other post-retirement benefit commitments** **(continued)**

The values of the assets in the scheme are as follows

	2012	2012	2011(9	2011(9
	%	£'000	Months)	Months)
			%	£'000
Equities	70 00	384	73 00	303
Bonds	13 00	71	14 00	58
Property	10 00	55	9 00	37
Other assets	7 00	37	4 00	16
Total market value of assets		547		414
Present value of scheme liabilities		(1,376)		(1,048)
Net pension liability		(829)		(634)

The expected rate of return on scheme assets is 5.2%

**Analysis of the amounts recognised in the statement of financial activities**

	2012	2011(9
	£'000	Months)
		£'000
Employer Service Cost	(87)	(76)
Deficit Inherited as at 01 January 2011	-	(697)
Employers Contribution	116	93
Total operating charge	29	(680)

**DARTFORD GRAMMAR SCHOOL**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**17 Pension and other post-retirement benefit commitments**

**(continued)**

**Analysis of the amount shown as other finance expenditure**

	<b>2012</b>	<b>2011(9 Months)</b>
	<b>£'000</b>	<b>£'000</b>
Expected Return on Employee Share of Scheme Assets	29	15
Interest on Pension Liabilities	(58)	(37)
Net surplus/(deficit)	<u>(29)</u>	<u>(22)</u>

**Analysis of amount recognised in the statement of total recognised gains and losses**

	<b>2012</b>	<b>2011(9 Months)</b>
	<b>£'000</b>	<b>£'000</b>
Actuarial Gains/(Losses) on Assets	21	(12)
Actuarial Gains/(Losses) on Liabilities	(216)	80
Actuarial Gain/(Loss) recognised in the statement of total recognised gains and losses	<u>(195)</u>	<u>68</u>

**Movement in Surplus/(Deficit) during the year**

	<b>2012</b>	<b>2011(9 Months)</b>
	<b>£'000</b>	<b>£'000</b>
Deficit in scheme at 01 September 2011	(634)	-
Operating charge	29	(680)
Other finance income	(29)	(22)
Actuarial losses	(195)	68
Deficit in scheme at 31 August 2012	<u>(829)</u>	<u>(634)</u>

**DARTFORD GRAMMAR SCHOOL**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

**17 Pension and other post-retirement benefit commitments** **(continued)**

**Movements in the Present Value of Defined Benefit Obligations were as follows**

	<b>2012</b>	<b>2011(9</b>
	<b>£'000</b>	<b>Months)</b>
		<b>£'000</b>
Opening Defined Benefit Obligations	(1,048)	-
Interest Cost	(58)	(37)
Actuarial (Losses) Gains	(216)	80
Contributions by Scheme Participants	(33)	(26)
Other Movements	(21)	(1,065)
	<u>(1,376)</u>	<u>(1,048)</u>

Included with Other Movements is £nil (2011 £969,000) in relation to the obligations inherited by the Academy, £(66,000) of benefits/transfers paid, and £87,000 (2011 £76,000) of current service costs

**Movements in the Fair Value of Academy's share of scheme assets**

	<b>2012</b>	<b>2011(9</b>
	<b>£'000</b>	<b>Months)</b>
		<b>£'000</b>
Opening fair value of Scheme Assets	414	-
Actuarial Gains (Losses)	21	(12)
Contributions by Employer including unfunded	116	93
Contributions by Scheme Participants	33	26
Other Movements	(37)	307
	<u>547</u>	<u>414</u>

Included within Other Movements is £nil (2011 £292,000) of assets inherited by the Academy, £29,000 (2011 £15,000) relating to expected return on plan assets, and £(66,000) of benefits/transfers paid

**DARTFORD GRAMMAR SCHOOL**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**17 Pension and other post-retirement benefit commitments**

**(continued)**

**Defined benefit (continued)**

**History of experience gains and losses**

	<b>2012</b>	<b>2011(9 Months)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Present value of defined benefit obligations	(1,376)	(1,048)	-	-	-
Fair value of share of scheme assets	547	414	-	-	-
	<u>(829)</u>	<u>(634)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Experience adjustment on scheme liabilities	-	-	-	-	-
Percentage of liabilities	-	-	-	-	-
Experience adjustment on scheme assets	21	(12)	-	-	-
Percentage of assets	3.84%	2.90%	-	-	-

**DARTFORD GRAMMAR SCHOOL**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

<b>18 Net cash (outflow)/inflow from operating activities</b>	<b>2012</b>	<b>2011(9 Months)</b>
	<b>£'000</b>	<b>£'000</b>
Reconciliation to changes in resources		
Changes in resources before revaluations	254	6,025
Cash transferred on conversion	-	(241)
Depreciation of tangible fixed assets	175	170
Decrease/(increase) in debtors	33	(178)
Increase in creditors	101	326
Non cash donations	-	(6,465)
Capital Income	(117)	205
FRS17 Deficit Inherited on Conversion	-	697
Other FRS17 Charges	-	5
	<u>446</u>	<u>544</u>

<b>19 Reconciliation of net cash flow to movement in net funds</b>	<b>2012</b>	<b>2011(9 Months)</b>
	<b>£'000</b>	<b>£'000</b>
Increase in cash	444	773
Local Authority Loans	48	(289)
Movement in net funds	492	484
Net funds at 1 September 2011	484	-
Net funds at 31 August 2012	<u>976</u>	<u>484</u>

<b>20 Analysis of net cash less debt</b>	<b>At 1 September 2011</b>	<b>Cash flow</b>	<b>Non-cash changes</b>	<b>At 31 August 2012</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	773	444	-	1,217
Debt due within one year	(48)	48	(49)	(49)
Debt due after one year	(241)	-	49	(192)
	<u>484</u>	<u>492</u>	<u>-</u>	<u>976</u>

**DARTFORD GRAMMAR SCHOOL**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**21 Commitments under operating leases**

At 31 August 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012	2011(9 Months)
	£'000	£'000
Expiry date		
Between two and five years	36	21

**22 Capital commitments**

During the year the academy commenced a sixth form extension project. At 31 August 2012 the estimated costs to completion are £760k, the majority of which is due to be funded from capital grant with a contribution from GAG reserves of £60k.

**23 Related parties**

The Academy occupies the leasehold buildings at a peppercorn rent under the terms of a 125 year lease that commenced on 01 December 2010. The landlords are three of the trustees of a separately registered charitable trust, "Dartford Grammar School" (charity number 307836), who act in this matter on behalf of the registered charity. The unincorporated registered charitable trust (which bears the same name as the incorporated, exempt charitable company) is a related party by virtue of all of its trustees also being Governors (trustees) of the charitable company. No premium was payable in the lease and no balances were outstanding at the period end.

A donation of £71,900 (2011: £30,541) was receivable in the period from Dartford Sports Centre (trading as the Becket Sport Centre), a company incorporated in the U.K. (England and Wales), company number 04417789. This is a related party because both of its directors are Governors (trustees) of the charitable company. The charitable company also acts as a payroll bureau for Dartford Sports Centre, processing salaries and making payments for which it is subsequently reimbursed. There is however no charge made for this service. The balances outstanding at the end of the period was £71,900 (2011: £30,541), included in debtors (other debtors).

The Academy also acts as payroll bureau for Dartford Arts Centre (trading as the Mick Jagger Centre), a company incorporated in the U.K. (England and Wales), company number 03958793. This is a related party by virtue of one of the Governors and a member of the Academy management being trustees. There is no charge made for this service and no transactions beyond making salary payments and receiving re-imbursements. There were no balances outstanding at the period end.



**DARTFORD GRAMMAR SCHOOL  
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NOTES TO THE ACCOUNTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2012***

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**24 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