

LANDAU FORTE COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED
31 AUGUST 2007

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LANDAU FORTE COLLEGE

FINANCIAL STATEMENTS

Year ended 31 August 2007

CONTENTS

	Page
Reference and Administration Information	1 - 2
Report of the Governors	3 - 13
Independent Auditors Report	14 - 15
Consolidated Statement of Financial Activities (including Income and Expenditure Account)	16
Statement of Financial Activities - College (including Income and Expenditure Account)	17
Proforma Summary of Income and Expenditure	18
Statement of Total Recognised Gains and losses	19
Note of Historical Cost Profits and Losses	19
Balance Sheet	20
Cash Flow Statement	21
Notes Relating to Financial Statements	22 - 39

LANDAU FORTE COLLEGE

Reference and Administration Information:

Year ended 31 August 2007

Governors (Trustees)

The Lord Forte of Ripley (Life President) (deceased 1 March 2007)	
P G Ashworth (Chairman)	(E) (F)
T M Bell (Vice Chairman)	(E)
R H Boissier, CBE	
B D Coxon	
K R Doble	(E)
The Honourable Sir Rocco Forte	
K P Fulton	(E)
D Gould, OBE	(E)
Dr B S Jackson, OBE	(F)
J N Kirkland, OBE	
M R Landau	(F)
D McAlpine	
T R Ousley	(F) (RO)
Professor J Powers, DL (resigned 27 September 2006)	(E)
J G R Rudd	(F)
D A Shore	(F)
C G Williamson	
S Whiteley (appointed 27 September 2006)	
A Nath (appointed 19 February 2007)	

Key

(RO) Responsible Officer
(E) Education Committee
(F) Finance and General
Purposes Committee

The Company Secretary	J A Cox
Principal	S Whiteley
Vice Principal	E A Coffey
Vice Principal	B J Collins
Director of Finance and Administration	J A Cox
Status	The College is a registered charity under the Charities Act 1993
Registered charity number	701933
Company number	2387916

LANDAU FORTE COLLEGE

Reference and Administration Information (continued)

Year ended 31 August 2007

Principal address and registered office	Landau Forte College Fox Street Derby DE1 2LF
Bankers	Lloyds Bank Plc 43 Irongate Derby DE1 3FT
Auditors	Cooper Parry LLP 3 Centro Place Pride Park Derby DE24 8RF
Solicitors	Geldards LLP Number 1 Pride Place Pride Park Derby DE24 8QR
Quantity surveyors/construction project managers	AYH Plc 1 Hagley Road Birmingham B16 8TG

LANDAU FORTE COLLEGE

GOVERNORS' REPORT

Year ended 31 August 2007

The Governors are pleased to present their Annual Report together with the audited financial statements for the year ended 31 August 2007

Structure, Governance and Management

Principal Activity

The principal activity is the operation of Landau Forte College, which is an Academy and formerly the 14th City Technology College established in the UK. In the year since the formal conversion there has been additional financial investment from the Department for Children, Schools and Families (DCSF) and the reserves of the College. A new learning centre has been constructed which features a Business Enterprise Centre, an E-Learning Centre, a Presentation Suite, Workshops for 2 and 3 Dimensional Art and Design and a model teaching space that is electronically linked and used in the training and development of teachers.

As an Academy the College specialises in Technology and Business Enterprise with a clear focus upon Mathematics, English, Science and Modern Languages. The curriculum is further enriched through the Arts, Humanities, Physical Education and Sport with a strong emphasis on preparing students for higher education and future employment.

The core business is to provide full time education for children from 11 to 19 years old who reside within the City of Derby. Currently there are 1,060 students on the roll including 267 who are Post 16 students. As well as its core business the College serves the wider community and works to develop its links with local primary and secondary schools. Whereas the College is part of the national Academies network, it is owned and operated as an independent institution.

Following approval by Ordinary Resolution on 27 September 2006, the college has adopted an Amended Funding Agreement and Scheme of Government approved by the Secretary of State for Education and Skills.

Constitution and Members Liability

Landau Forte College is a company limited by guarantee (no. 2387916) and a registered charity (no. 701933). The company's Memorandum and Articles as amended and approved at the meeting of 27 September 2006 are the primary governing documents of the College.

The first and second sponsors of the company are the Landau Foundation and RF Hotels Plc, who may appoint up to 6 members of the company along with the elected Chairman of Governors and the Secretary of State for Education and Skills representative.

The Articles require the company to appoint a Board of Governors to manage the affairs of the College. This must consist of at least 3 governors and up to a maximum of 20. The principal sponsors may appoint up to 8 Sponsor Governors, whilst one Governor is appointed by the Local Authority, one is an elected parent Governor and a co-opted Governor can be appointed by the Board of Governors.

Governors

The Governors are the directors of the charitable company for the purpose of the Companies Act 1985 and trustees for the purposes of charity legislation.

The Governors who were in office at the date of the annual report, and those who served throughout the year are shown on page 1.

During the year the governors held 5 formal meetings. In addition both the Education and Finance General and Purposes sub committees held 5 meetings each. On an individual basis governors attended the College on other occasions to help and advise the College.

The training and induction provided for new governors would depend on their existing experience, but includes meetings with staff members, other governors and a tour of the College to meet staff and students.

LANDAU FORTE COLLEGE

GOVERNORS' REPORT

Year ended 31 August 2007

Governors (continued)

During the year, Lord Forte a Founder of the College and it's Life President sadly died aged 98. The College is indebted to his foresight and generosity in ensuring that Forte Plc became the second major sponsor alongside the Landau Charitable Foundation in establishing the College.

The Board of Governors has, in the year, received the resignation of Professor Jonathan Powers. The Board would like to convey its sincere thanks and gratitude to him for the knowledge and wisdom that he has brought over many years to the governance of the College. Councillor Amar Nath and the Principal, Stephen Whiteley were also appointed as Governors in the year.

Statement of Governors' Responsibilities for the Financial Statements

United Kingdom company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs at the end of the financial year and of the profit or loss of the College for that period. In preparing the College's financial statements the Governors are required to

- select suitable accounting policies, consistent with DCSF guidance and apply those policies consistently,
- make judgements and estimates that are reasonable and prudent,
- follow applicable accounting standards, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with DCSF regulations and the Companies Act 1985. The Governors must also take reasonable steps to protect the assets of the College and to deter and detect fraud and other irregularities.

Management

The Governors are responsible for setting general policy, adopting an annual development plan and budget. They monitor the performance of the College by use of monthly financial information along with termly reports from the Principal and Director of Finance and Administration to each of the 5 full Board of Governors Meetings and the 5 meetings of the Financial and General Purposes and Education Committees. This information is used to inform decision making about the future direction of the College and capital expenditure.

The College Executive consists of the Principal and Chief Executive, Director of Finance and Administration and two Vice Principals. They are responsible for the overall executive leadership and management of the College and the implementation of policy as laid down by the Board of Governors. The College has a broader Senior Leadership Team (which includes as appropriate members of the College Executive) which is responsible for all operational matters relating to the curriculum, teaching, learning, student development and welfare.

Subsidiary Trading Company

The College owns 100% of the issued share capital of LF Enterprises Limited, a company incorporated in England. All profits of the subsidiary are transferred by gift aid to the College. Further details of the profit for the year and the assets and liabilities are given in note 12 of the financial statements.

Risk Management

The Governors confirm that the major risks to which the College is exposed have been reviewed and systems have been established to mitigate those risks. Where significant financial risk still remains they have ensured that they have in place adequate insurance cover. The College has an effective system of internal financial controls as detailed below.

LANDAU FORTE COLLEGE

GOVERNORS' REPORT

Year ended 31 August 2007

Statement on the Systems of Internal Financial Controls

The Governors have overall responsibility for ensuring the College has an effective and appropriate system of control, financial and otherwise. This includes keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enables them to ensure the financial statements comply with the Companies Act 1985. The Governors also have a responsibility for safeguarding the assets of the College and hence to take reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that

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

DCSF conditions of grant also require the Governors to

- designate a Responsible Officer to advise them on the discharge of their responsibilities as determined by the DCSF or contained in the Funding Agreement and through the Responsible Office,
- take reasonable steps to ensure the efficient, economical and effective management of the resources and expenditure of the College, including funds, capital assets and equipment, and staff,
- ensure that financial considerations are taken fully into account in reaching decisions and in their execution,
- prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus of the College for that year,
- prepare those financial statements in accordance with the Financial Reporting and Annual Accounts requirements issued by the DCSF in respect of the relevant financial year,
- ensure that the College's accounting records and systems of internal control are such as to comply with the obligations placed on the Governing Body by the DCSF,
- ensure that grants made by the DCSF have been applied for the purposes intended, and
- take reasonable steps to ensure that pensions deductions made by the College are calculated correctly and paid over as required to the Teachers' Pensions Agency

Objectives and Activities

The Mission Statement and Key Objectives

'In partnership with parents, the local community and Industry, Landau Forte College seeks to provide a high quality, technologically and vocationally focused education which empowers each individual, giving everyone the motivation to learn and the capability to achieve success'

In working towards the Mission there is a key objective within each of the following seven areas of activity

In relation to students

- Equipping students with the qualifications, personal skills and attitudes required for successful adult life and creating an environment in which all people are valued and respected

In relation to the curriculum

- Providing a broad, balanced, rigorous and innovative curriculum which will both meet the requirements of the National Curriculum and have a technological and vocational focus

In relation to staff

- Recruiting, retaining and developing a high quality staff committed to working at Landau Forte College

In relation to parents

- Actively engaging parents and carers as partners in the education of their children

LANDAU FORTE COLLEGE

GOVERNORS' REPORT

Year ended 31 August 2007

The Mission Statement and Key Objectives (continued)

In relation to the operation of the College

- Ensuring that the operation of the College is efficient and that sufficient resources are deployed effectively to achieve the objectives

In relation to industry and the local community

- Developing close and mutually beneficial partnerships with industry and the local community

In relation to monitoring systems

- Establishing effective systems for monitoring which will inform the process of continuous improvement

Strategy and Activities

The College's core purpose and its strategy are embedded within the Mission Statement and Key Objectives. To this end activities include

- provision of a broad curriculum with a strong focus upon Technology and Business Enterprise with a clear emphasis on Mathematics, English and Science,
- provision of personalised learning pathways for 14-19 year olds most suited to their aptitudes, abilities and aspirations,
- the enhancement of communication and international understanding through the study of European languages including French, German and Spanish and the oriental language of Mandarin Chinese,
- securing curriculum richness, cultural diversity and broadened knowledge and understanding through the study of Humanities, the Performing Arts, Physical Education and Sport,
- high quality teaching and learning including the appropriate use of E-learning, ICT and multi media technology to provide a basis for high levels of achievement including the attainment of appropriate academic and vocational qualifications,
- work shadowing, work placement, business case studies and simulations, career education and guidance for students to broaden their knowledge of the world of work and to support those students as they progress through the College into higher education and employment,
- continuing professional development and training for all staff,
- enrichment and extension activities including sport, the performing arts, visual arts, scientific, technological, cultural (including national and international activities), outdoor education (inc Duke of Edinburgh Award, World Challenge, work placement and community service) and entrepreneurial activities which enable students to explore and develop their interests, abilities and aptitudes,
- personal tutorial support and partnership with parents to secure the progress, welfare and guidance of all our students

Equal Opportunities

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

LANDAU FORTE COLLEGE

GOVERNORS' REPORT

Year ended 31 August 2007

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths have been designed to ensure wheelchair access to all the main areas of the College. The College's policy is to support, recruit and retain students and staff with disabilities. The College does this by adapting the physical environment, by providing adequate support resources and through training and career development.

Creditor Payment policy

It is the College's policy to pay amounts due to all its suppliers in accordance with the terms of payment agreed with each supplier at the time of the transaction.

At the period end, the College's trade creditors represented 45 days (2006 26 days)

Achievement and Performance

The College has reached the end of the 1st year of operation as an Academy following on from 14 years successful operation as a City Technology College. Review of student performance data, financial data and the College performance indicators demonstrate that the consistent high level of performance achieved when the College was a CTC has been maintained and provides a strong foundation for further development as an Academy.

To ensure that standards are being continually raised the College operates a staff review and development process (performance management) including observation of teaching and learning. Data and information is used to analyse performance and to set both individual and collective student performance targets at all Key Stages i.e. ages 14, 16 and 18.

The College operates an ongoing cyclical process for College improvement. The College Improvement Plan is the product of clear planning and development processes which have involved all College staff through subject, function and project teams, the Senior Management and College Executive teams, the Governors Education and Finance and General Purposes Committees and the full Board of Governors. The process takes full account of DCSF guidance. The plan outlines the evaluation profile, context for development and whole College priorities in respect of (i) Curriculum Teaching and Learning, and, (ii) Leadership, Management and Infrastructure along with Action Plans.

Review 2006/2007

(i) Curriculum, Teaching and Learning

1 Academic and Vocational Qualifications

In the 2006/2007 Academic Year the achievements of the students remained strong in all Key Stages. The Key Stage 3 results at age 14 in Mathematics, English and Science remained consistently high, with the College performing well above the national average.

The proportion of grades achieved at A* - C was 81% with the percentage of A* and A grades being 19.4%. GCSE, Applied GCSE and BTEC First Diploma results have remained high with 83% of students achieving 5 or more A* - C grades (2006 86%, 2005 77%, 2004 80%, 2003 82%,) against the national average of 55%. At this stage for students aged 16, 85% have progressed into further education and 15% are moving into employment with training.

In the AS and A2 Level examinations the College have again maintained high standards of performance. At A2 Level, 97% of examinations taken were at least at pass grades. 83% of the students leaving the College at age 18 went straight onto university, 9% of students are taking a gap year and a further 8% are opting for employment.

LANDAU FORTE COLLEGE

GOVERNORS' REPORT

Year ended 31 August 2007

2. Business, Industry, Community and International Links

Work placement programmes continue to be successful with 87% of Year 12 students completing a placement in January 2007. 99.3% of Year 10 students completed a placement in April with 70% of those placed for two weeks. 24 students have completed a WRAP (Work Related Achievement Programme) during the academic year, this programme is designed to support a number of the most challenging or 'at risk' students. The programme has also included two students in the Post 16 bracket effectively supporting their route into employment at age 18. 99% of Year 11 students have achieved the ASDAN Foundation for Work Award. This is a 25% increase on last year and has been supported by the extensive work undertaken in developing the Virtual Learning Environment for Careers Education and Guidance.

Educational visits continue to be wide ranging involving both local and national business and utilising industry links, community groups and visiting speakers. The College Enrichment week included international visits to Spain, Germany and Switzerland and as a residential experience for 96% of our year 9 students. The College community has benefited from highly capable language assistants from France and Germany and for the fourth successive year, a teacher from China. A visit to China as part of our 'China project' is planned for October 2007. The College also ran a skiing visit to Italy in March 2007.

The links with feeder and other primary schools continues, with master classes in Literacy, Numeracy and ICT which involves specialist staff teaching local Year 6 primary students either in their own school or primary school children attending the College for learning sessions. A primary school day for Year 6 students from four local schools took place in May in a range of subject areas.

3 Application of Technology to Learning

As part of the new building project and conversion to Academy status there has been a major upgrading of the ICT infrastructure, hardware and software. The upgrade was completed on time and within budget.

The cross curricular ICT group continues to share good practice. By August 2007, all teaching and learning spaces had interactive electronic whiteboards, data projectors and lap top docking stations. All major curriculum areas have access to an ICT desk and/or lap top stations for student learning. The College website has incorporated the new features of the Academy and therefore the development of the digital learning environment has been further extended.

Through the E-Learning Foundation 16 PCs were distributed to student homes. Progress has been made on the increased use of digital audio and video in the curriculum and the installation of a studio this year will provide further digital video production and editing facilities.

The College has continued to provide Moodle hosting of Virtual Learning Environment's for two local schools with one additional school joining the scheme this year.

4. Assessment Recording And Reporting

Phase four of the development of the use of data to assist in student target setting and the further refinement of the Reporting Cycle has been successfully implemented. Formal data target setting continues to be an integral part of the assessment and monitoring process for every student in every year group and across every curriculum area in the College.

LANDAU FORTE COLLEGE

GOVERNORS' REPORT

Year ended 31 August 2007

5. Student Support

An audit of the current provision for extension and enrichment was undertaken with a re-launch of the policy which took place at the start of the new academic year. An on-line programme of extension opportunities has been implemented and is broadcast using the plasma screens situated around the College. The policy for Educational Visits was reviewed in line with DCSF guidelines with further training of programme leaders. The Enrichment Week programme was reviewed and now includes a residential visit for all year 7 students and the incorporation of WOSH Plus into the Year 9 Enterprise activities.

The bi-annual drugs awareness week took place in term 5 involving a range of visiting speakers and workshops including the Police (Youth Involvement) and drugs prevention agencies.

During the year a series of gatherings raised the profile of tackling bullying and racism with a detailed survey conducted with students. 83% of students think that the College deals well or very well with bullying. The Student Relationships Policy and Guidelines has been re-drafted and was launched at the beginning of the new academic year.

Following consultation with the Student Council and Staff, the Student Organiser has been reviewed, re-designed and provided for all students (and staff) for the new academic year 2007-08. Training was provided for all staff in the effective use of the organiser with students to aid their organisation and learning.

(ii) Review of Leadership, Management and Infrastructure 2006-2007

1 Academy Conversion

The College was formally established as an Academy from 1 September 2006. The construction of the new learning centre was completed on time and within budget. Re-modelling of the existing building is taking place and works remain on schedule and within budget. There remain ongoing planned activities to secure the timely completion of all scheduled academy conversion works by 31 March 2008.

2 Federation

Given the intensity of the conversion process, construction phase and ensuring that high quality performance is maintained, only a limited amount of time was available for discussions concerning federation. The possibilities of developments with a partner school in Bradford were aborted by the partner school and their sponsors. Discussions have taken place concerning the College partnering a local school, although whilst there is a softening of attitudes a local federation remains only a remote possibility. Most recent discussions have taken place with Staffordshire County Council concerning intervention, support and federation with a school in Staffordshire.

3 The College Day

The College has retained its existing arrangements for the structure of the working day but plans have been developed to secure greater efficiency from the timetable in respect of the core subjects including starting KS4 science in Year 9 and scheduling of English and Mathematics together on the timetable.

4. Leadership and Accountability Framework

The College has developed the leadership structure to utilise the expertise of existing staff and secure strong capacity in the leadership team with the prospect of a federation on the horizon. Mathematics staffing has been enhanced with the recruitment of a new Director of Studies enabling the existing Director of Studies to take on a whole College role for numeracy across the curriculum and also act as a divisional director and investigate possible Training School Status. With the conversion and the advent of the new building, the support staff team has been increased in both the site and buildings. There has been an increase in technical support for art and design, e learning centre support and data analysis support. The increase in student numbers has led to the tutorial staff team being increased by 4.

LANDAU FORTE COLLEGE

GOVERNORS' REPORT

Year ended 31 August 2007

Leadership and Accountability Framework (continued)

A revised Review and Development Model (Performance Management) is being piloted with the Senior Leaders which provides a sharper framework for managing performance. This model will be further rolled out with the staff in 2007-08. A 360 degree framework is being considered but is still in developmental stages. In-house leadership training was undertaken for senior leaders exploring the key differences between leadership and management with a particular focus upon leadership behaviours. Following detailed discussions with individual staff, Governors and students, some re-structuring of the senior leadership team has taken place.

5. External Partnerships

The College has continued to work effectively with its partners including student taster sessions at the College for West Park School students, staff input to learning sessions, primary school projects – numeracy, literacy, e-learning, and the hosting of a learning day at the College. The College has participated in the Derby City 14 – 19 partnership developments and the Managed Moves Scheme with the Local Authority. There is strong individual involvement from a number of staff with local subject development groups. Staff and students have contributed to SSAT regional and national conferences in Warwickshire, Birmingham, and Nottinghamshire and have supported the development and growth of the Academy and Colleges Association.

We have had input from our fourth Chinese teacher this year and this has helped lay the foundation for a visit to China in October, for a small group of students and staff. Overseas visits and work placement have all taken place throughout the year for students.

Financial Review

Financial Report for the Year

Most of the College's annual income is obtained from the DCSF in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2007 and the associated expenditure is shown as restricted general funds in the Statement of Financial Activities (SOFA). The College also receives grants for fixed assets from the DCSF. In accordance with the Charities statement of Recommended Practice (SORP 2005) such grants are shown in the SOFA as restricted income in the restricted capital funds. The restricted fixed asset fund balance is reduced by annual amortisation charges over the expected useful life of the assets concerned.

At 1 September 2007 when the College became an Academy, the basis of the recurrent budget was changed to reflect the funding levels already received by Derby City Local Authority Schools. General Annual Grant expenditure [and the fixed assets purchased from General Annual Grant] was less than the corresponding grant receipts for the year. The College additionally generated unrestricted funds from its trading company and bank interest received. During the year, the Board of Governors decided to make prudent provision for specific major capital works and specific educational development activities by establishing a Designated Unrestricted Fund. The total funding received has ensured that the College has been able to successfully convert from a CTC to Academy, therefore meeting all of its key objectives for the year. These are reflected through the construction of the College's New Learning Centre, a re-modelled original building and importantly the achievements and attainment of the students.

Reserves Policy

The policy of the Governors is to transfer recognised surpluses to reserves for investment in tangible fixed assets in all ways possible to assist our tutorial staff to achieve increasing academic standards. The College has a number of designated and restricted funds, details of which can be found in note 16, 17 and 18 of the financial statements.

LANDAU FORTE COLLEGE

GOVERNORS' REPORT

Year ended 31 August 2007

Financial Position

The College held fund balances at 31 August 2007 of £11,621,000 (2006 £8,075,000), consisting of £10,608,000 of restricted funds and £1,013,000 of unrestricted funds. The College is not aware that it has any pension fund deficits as the assets and liabilities of the College can not be determined within the TPS schemes and the contributions to the LGPS are limited in 2006/07.

Plans for Future Periods

The College remains highly popular with parents, carers and students, a record number of 803 children applied for the 168 funded places at age 11 for September 2007 and the College is also heavily oversubscribed at Post 16. For 2008 there are currently 638 applicants for places in Year 7 with applications still being received.

All applications for entry at age 11 are now via the Local Authority ensuring that the College is now part of the Local Authority Co-ordinated Admissions process for the whole of the City of Derby. The College has two catchment areas, one of which is focused upon the 5 most socially deprived wards within the City – the Arboretum, Abbey, Derwent, Normanton and Sinfyn as determined by 2001 census data and a second which encompasses an area 4.75 miles radius from the College.

College Priorities 2007/08

Our determination to raise further standards of achievement remains strong. In the year 2007/2008 our priorities for curriculum, teaching and learning following reflection on the 2006/7 results include:

(i) Curriculum, Teaching, Learning, Achievement

1. Review and refresh the KS3 Curriculum in light of the national curriculum review ensuring an emphasis upon cross team curriculum planning and development.
2. Implement the principles of *learning to learn* within teaching and learning at KS3.
3. Core Curriculum – introduce KS4 science curriculum into Year 9.
4. Focus on raising standards in the core subjects with further development of Literacy, Numeracy and ICT across the curriculum at KS3 and 4.
5. Develop a sharper and tighter focus on the Design and Technology specialist curriculum areas in Year 9 in preparation for Year 10.
6. Re-visit principles of Effective Learning across the curriculum through further development of the 'coaching' model.
7. Review our approach to the assessment for learning and assessment of learning including the College Marking Policy.
8. Retain the focus upon raising standards of achievement in KS4 in English, Mathematics and Modern Languages through effective teaching and learning and the timing and structure of learning sessions.
9. Raise standards of achievement at Post 16 in Mathematics and Modern Languages through effective teaching and learning.
10. Consider implementing a 14 – 19 Curriculum Review in light of A level and GCSE reform with possible further development of the vocational curriculum through the consideration of Specialist Diplomas and industry standard qualifications. Explore the feasibility of introducing International Baccalaureate.

LANDAU FORTE COLLEGE

GOVERNORS' REPORT

Year ended 31 August 2007

Curriculum, Teaching, Learning, Achievement (continued)

- 11 Continue with preparation of students for the world of work, economic well being and healthy lifestyle through our approaches to Business Enterprise and individual advice and guidance
- 12 Relationships with and between students – review managing behaviour through student incentives and actions
- 13 Using the evidence of the bullying and racist behaviour investigation Revise and implement the student Relationships Policy
- 14 Continue to coach individuals to increase the effectiveness of the Personal Tutor

(ii) Leadership, Management and Infrastructure

Academy Development

- 1 Formally open the New Learning Centre
- 2 Complete the ICT and multi-media upgrade for the whole campus
- 3 Complete the upgrade and enhancement of the existing building

Federation

- 1 Seek to establish Formal Federation with another school

College Performance

- 1 College to seek Training School Status
- 2 College to seek to achieve High Performing School Status (through consistent high levels of attainment and achievement)

Staffing, Facilities, Buildings, External Provision

- 1 Seek to enhance provision for sport and the arts – through coaching and instrumental tuition
- 2 Develop structure and capacity in staffing (tutorial, support, financial, administrative, technical, site, peripatetic) to secure Academy progress, federation and future income generation
- 3 Investigate and launch summer school/coaching activities
- 4 Investigate development of crèche/nursery facilities
- 5 Develop educational advice and consultation services for other schools and colleges

Disclosure of Information to Auditors

So far as the governors are aware, there is no relevant audit information (information needed by the College's auditors in connection with preparing their report) of which the College's auditors are unaware Each Governor has taken all the steps that they ought to have taken as a Governor in order to make themselves aware of any relevant audit information and to establish that that College's auditors are aware of that information

LANDAU FORTE COLLEGE


GOVERNORS' REPORT

Year ended 31 August 2007

Auditors

Cooper Parry LLP was the appointed auditor for the Year 2006/07. Cooper Parry LLP, are willing to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

The report of the governors was approved by the governors on **5 December 2007** and signed on their behalf by



J A COX

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

LANDAU FORTE COLLEGE

We have audited the financial statements of Landau Forte College on pages 16 to 39 for the year ended 31 August 2007. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the charitable company's 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 described in the statement of Governors' Responsibilities on page 4, the Governors (who are also directors of Landau Forte College for the purpose of company law) are responsible for the preparation of the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Governors' Report is consistent with those financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Governors' remuneration and other transactions is not disclosed.

We read the Governors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS' OF

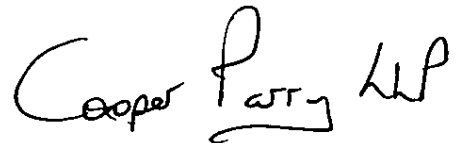
LANDAU FORTE COLLEGE

Opinion

In our opinion

- 1 the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable affairs of the group and College as at 31 August 2007 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985,
- 2 the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children Schools and Families in respect of the relevant financial year,
- 3 proper accounting records have been kept by the College and Group throughout the financial year,
- 4 grants made by the Department for Children Schools and Families have been applied for the purpose intended, and
- 5 the information given in the Governors' Report is consistent with the financial statements

DERBY



COOPER PARRY LLP

Chartered Accountants

Registered Auditor

17 January 2008

LANDAU FORTE COLLEGE

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

Year ended 31 August 2007

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted capital funds £'000	Total 2007 £'000	Total 2006 £'000
Incoming resources						
Incoming resources from charitable activities						
- Funding for the College's educational operations		-	6,093	3,268	9,361	4,984
Incoming resources from generated funds						
- Investment income	4	87	-	-	87	28
- Gross income from non-charitable trading	12	164	-	-	164	164
Other incoming resources	5	182	8	-	190	192
Total incoming resources		<u>433</u>	<u>6,101</u>	<u>3,268</u>	<u>9,802</u>	<u>5,368</u>
Resources expended						
Cost of generating funds						
- Costs relating to non-charitable trading	12	45	-	-	45	42
Cost of charitable activities						
- Group educational operations	7	-	5,497	555	6,052	5,124
Governance costs	8	10	120	29	159	139
Total resources expended	6	<u>55</u>	<u>5,617</u>	<u>584</u>	<u>6,256</u>	<u>5,305</u>
Net incoming resources before transfers		<u>378</u>	<u>484</u>	<u>2,684</u>	<u>3,546</u>	<u>63</u>
Fixed assets purchased from GAG	16	-	(380)	380	-	-
Net incoming resources		<u>378</u>	<u>104</u>	<u>3,064</u>	<u>3,546</u>	<u>63</u>
Net movement in funds						
Fund balances brought forward at 1 September 2006		<u>635</u>	<u>63</u>	<u>7,377</u>	<u>8,075</u>	<u>8,012</u>
Fund balances carried forward at 31 August 2007		<u>1,013</u>	<u>167</u>	<u>10,441</u>	<u>11,621</u>	<u>8,075</u>
Reconciliation to balance sheet reserves					2007 £'000	2006 £'000
Fund balances carried forward as at 31 August 2007					11,621	8,075
Revaluation reserves					10,641	10,639
					<u>22,262</u>	<u>18,714</u>

The statement of financial activities analyses all the capital and incoming resources and expenditure of the group during the year and reconciles the movements in funds and in line with FRS3, incorporates the income and expenditure account. The overall financial position at the year end is summarised in the balance sheet on page 20.

LANDAU FORTE COLLEGE

**STATEMENT OF FINANCIAL ACTIVITIES - COLLEGE
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

Year ended 31 August 2007

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted capital funds £'000	Total 2007 £'000	Total 2006 £'000
Incoming resources						
Incoming resources from charitable activities						
- Funding for the College's educational operations		-	6,093	3,268	9,361	4,984
Incoming resources from generated funds						
- Investment income	4	86	-	-	86	28
Other incoming resources	5	297	8	-	305	314
Total incoming resources		<u>383</u>	<u>6,101</u>	<u>3,268</u>	<u>9,752</u>	<u>5,326</u>
Resources expended						
Cost of charitable activities						
- College educational operations	7	-	5,497	555	6,052	5,124
Governance costs	8	5	120	29	154	139
Total resources expended	6	<u>5</u>	<u>5,617</u>	<u>584</u>	<u>6,206</u>	<u>5,263</u>
Net incoming resources before transfers		<u>378</u>	<u>484</u>	<u>2,684</u>	<u>3,546</u>	<u>63</u>
Fixed assets purchased from GAG	16	-	(380)	380	-	-
Net incoming resources		<u>378</u>	<u>104</u>	<u>3,064</u>	<u>3,546</u>	<u>63</u>
Net movement in funds						
Fund balances brought forward at 1 September 2006		<u>635</u>	<u>63</u>	<u>7,377</u>	<u>8,075</u>	<u>8,012</u>
Fund balances carried forward at 31 August 2007		<u>1,013</u>	<u>167</u>	<u>10,441</u>	<u>11,621</u>	<u>8,075</u>
Reconciliation to balance sheet reserves					2007 £'000	2006 £'000
Fund balances carried forward as at 31 August 2007					11,621	8,075
Revaluation reserves					10,641	10,639
					<u>22,262</u>	<u>18,714</u>

The statement of financial activities analyses all the capital and incoming resources and expenditure of the College during the year and reconciles the movements in funds and in line with FRS3 incorporates the income and expenditure account. The overall financial position at the year end is summarised in the balance sheet on page 20.

LANDAU FORTE COLLEGE

PRO FORMA SUMMARY OF INCOME AND EXPENDITURE

Year ended 31 August 2007

		Group		College	
	Notes	2007	2006	2007	2006
		£'000	£'000	£'000	£'000
Income					
General annual grant	2	5,539	4,544	5,539	4,544
Other recurring DCSF grant	3	111	120	111	120
Non recurring DCSF grant	3	443	30	443	30
Investment income	4	87	28	86	28
Other income	5	190	192	305	314
Non-charitable trading activities	12	164	164	-	-
Amortisation of grants		584	321	584	321
		<u>7,118</u>	<u>5,399</u>	<u>7,068</u>	<u>5,357</u>
Expenditure					
General annual grant related expenditure		5,072	4,777	5,072	4,777
Other DCSF grant related expenditure		545	150	545	150
Other expenditure	5	10	15	5	15
Non-charitable trading activities	12	45	42	-	-
Depreciation		584	321	584	321
		<u>6,256</u>	<u>5,305</u>	<u>6,206</u>	<u>5,263</u>
NET POSITION		<u>862</u>	<u>94</u>	<u>862</u>	<u>94</u>

RECONCILIATION TO STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 August 2007

	Group		College	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Excess of income over expenditure as above	862	94	862	94
Amortisation of grants	(584)	(321)	(584)	(321)
Capital grants receivable	3,268	290	3,268	290
Net movement in total funds per statement of financial activities	<u>3,546</u>	<u>63</u>	<u>3,546</u>	<u>63</u>

The pro forma summary of income and expenditure is derived from the statements of financial activities on pages 16 and 17 which, together with the notes to the accounts on pages 22 to 39, provides full information on the movements during the year on all the funds of the College

LANDAU FORTE COLLEGE

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 August 2007

	College and Group 2007 £'000	2006 £'000
Net incoming resources	3,546	63
Unrealised gain on Investment	<u>2</u>	<u>3</u>
Total gains and losses recognised	<u>3,548</u>	<u>66</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	Group 2007 £'000	2006 £'000	College 2007 £'000	2006 £'000
Reported surplus on ordinary activities	862	94	862	94
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the re-valued amount	<u>160</u>	<u>7</u>	<u>160</u>	<u>7</u>
Historical cost surplus on ordinary activities	<u>1,022</u>	<u>101</u>	<u>1,022</u>	<u>101</u>

The notes on pages 22 to 39 form part of these financial statements

LANDAU FORTE COLLEGE

BALANCE SHEET

Year ended 31 August 2007

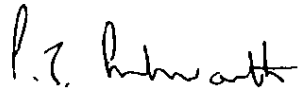
	Notes	Group		College	
		2007 £'000	2006 £'000	2007 £'000	2006 £'000
Fixed assets					
Tangible assets	10	21,401	18,234	21,401	18,234
Investments	11	45	43	45	43
		<u>21,446</u>	<u>18,277</u>	<u>21,446</u>	<u>18,277</u>
Current assets					
Stocks	13	21	24	15	18
Debtors	14	380	228	436	249
Investments – short term deposits		1,350	-	1,350	-
Cash at bank and in hand		381	752	323	719
		<u>2,132</u>	<u>1,004</u>	<u>2,124</u>	<u>986</u>
Creditors* amounts falling due within one year	15	<u>1,316</u>	<u>567</u>	<u>1,308</u>	<u>549</u>
Net current assets		<u>816</u>	<u>437</u>	<u>816</u>	<u>437</u>
Net assets		<u>22,262</u>	<u>18,714</u>	<u>22,262</u>	<u>18,714</u>
Funds					
Restricted funds.					
Restricted capital funds	16	10,441	7,377	10,441	7,377
Restricted fund – Williams Bursary	16	63	63	63	63
Restricted general fund	16	104	-	104	-
Unrestricted funds*					
Designated unrestricted funds	17	290	-	290	-
Unrestricted fund	17	723	635	723	635
Revaluation reserve	17	10,633	10,633	10,633	10,633
Treasury revaluation reserve	17	8	6	8	6
		<u>22,262</u>	<u>18,714</u>	<u>22,262</u>	<u>18,714</u>

These financial statements were approved by the Board of Governors on

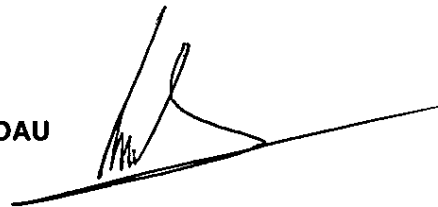
5 December 2007

Signed on behalf of the Board of Governors

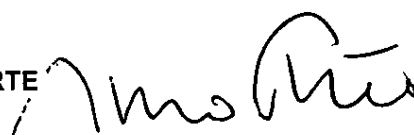
P G ASHWORTH



M R LANDAU



THE HON. SIR ROCCO FORTE
Governors



The notes on pages 22 to 39 form part of these financial statements

LANDAU FORTE COLLEGE

CASH FLOW STATEMENT

Year ended 31 August 2007

	Notes	Group		College	
		2007 £'000	2006 £'000	2007 £'000	2006 £'000
Net cash inflow from operating activities	20	1,377	54	1,352	83
Returns on investments and servicing of finance					
Interest received	4	87	28	86	28
Interest paid	5	(2)	(3)	(1)	(3)
Capital expenditure					
Purchase of tangible fixed assets	10	(3,751)	(93)	(3,751)	(93)
Net cash (outflow)/inflow before management of liquid resources and financing		(2,289)	(14)	(2,314)	15
Management of liquid resources					
Investment in short term deposits		(1,350)	300	(1,350)	300
Financing					
Repayment of bank loans		-	(100)	-	(100)
Government capital grants	16	3,266	174	3,266	174
Private sector contributions	16	2	13	2	13
Payment of Williams Bursary		-	(1)	-	(1)
Net cash inflow from financing		3,268	86	3,268	86
(Decrease)/increase in cash	20	(371)	372	(396)	401

The notes on pages 22 to 39 form part of these financial statements

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

1 Accounting policies

Basis of accounting

The standard format for the balance sheet and profit and loss account as required by the Companies Act 1985 Schedule 4 part 1 has been adopted 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 reflects the activities of the College

Format of accounts

The financial statements are prepared in accordance with applicable UK accounting standards and the Charities SORP 2005. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding year

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold properties and investments

Allocation of cost between direct provision of education and other expenditure

In accordance with the charities SORP, expenditure has been analysed between the costs of generating funds, the College'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. Other costs allocated include

Cost category

Basis of apportionment

Maintenance of premises
Other occupancy costs
Depreciation

Capacity of accommodation utilised
Capacity of accommodation utilised
Capacity of accommodation utilised

Governance costs

Governance costs include the costs attributable to the College's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses. Such costs include both direct and allocated support costs

Investments

Fixed asset investments are shown at the market value on the last business day of the year. Any unrealised loss or gain is taken to the treasury revaluation reserve. Current asset investments are stated at the lower of cost and net realisable value

Shares in subsidiaries held as fixed assets are stated at cost less provision for any impairment

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

1 Accounting policies (continued)

Tangible fixed assets

Freehold buildings are held at valuation. All such assets were given a full valuation in October 2006 on the basis of insurance reinstatement value, by Paul Bayliss, a registered member of the Chartered Insurance Institute for Ecclesiastical Insurance, who is independent of the College. All other assets are held at cost. Depreciation on assets under the course of construction is not charged until they are brought in to use.

Tangible fixed assets are depreciated over their estimated useful lives at the following rates:

Freehold land	- nil
Assets under the course of construction	- nil
Freehold buildings	- 2%
Furniture and equipment	- 20%-25% straight line
Computer equipment and software	- 100% in year of acquisition

Assets are capitalised in accordance with the guidelines set down by the Department for Children, Schools and Families. This may result in assets which would otherwise be capitalised being charged to expenditure. The minimum level used for asset capitalisation was £5,000 during the year.

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

Taxation

The College was established under S105 Education Reform Act 1988 and has charitable status. As a charity, it enjoys exemption from tax under S505 Income and Corporation Taxes 1988 on certain categories of income.

The cost of Value Added Tax incurred by the College has been included in the income and expenditure account or capitalised as part of the fixed assets additions in the year.

Pension

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS is a statutory, contributory, final salary scheme which is administered by Capita Teachers' Pensions on behalf of the Department for Children, Schools and Families. As the College's share of the scheme assets and liabilities can not be ascertained this has been accounted for on the basis of contributions payable in the year.

Non-teaching staff may be eligible to receive contributions to their own personal or Stakeholder pension schemes. The assets of such schemes are held separately from those of the company, being invested with various insurance companies. The pension costs for such schemes included in the accounts, represent the employers' contributions payable in the year.

Costs include normal and supplementary contributions. The regular cost is the normal contribution, expressed as a percentage of salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Variations from the regular pension cost are met by a supplementary contribution. This occurs if as a result of the actuarial investigation, it is found that the accumulated liabilities for benefits to past and present members are not fully covered by normal contributions to be paid in the future and by the fund built up from past contributions. The normal and supplementary contributions are charged to the income and expenditure account in the year.

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

1 Accounting policies (continued)

Non-teaching staff were eligible to contribute to the Local Government Pension Scheme (LGPS) during the year. The LGPS is a statutory and contributory final salary scheme which is administered by Derbyshire County Council. In the year to 31 August 2007 the amounts deducted and paid over to the LGPS were not considered material and so for the current year, the full provisions of FRS17 were not implemented, and the scheme was accounted for on the basis of contributions payable during the year.

Stock

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

Funds

Restricted capital funds represent funds received towards capital expenditure by way of

- Grants from the Government
- Private donations and sponsorship
- Surpluses on GAG income which have been used for capital purposes

Any amounts used for capital purposes by the College from its unrestricted funds are allocated to an unrestricted capital fund.

The Williams Bursary is a restricted fund and represents a capital sum of £50,000 from which the income generated may only be used to fund bursaries to selected College students for use in their further education.

Grants receivable

The General Annual Grant (GAG) and other recurring and non recurring grants received from the DCSF are credited directly to the statement of financial activities.

Fixed asset grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not matched to relevant expenditure during the period is shown in the restricted capital funds in 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 receivable by the balance sheet date.

Sponsorship

The value of sponsorship provided to the College is recognised in the statement of financial activities in the period it is receivable.

Consolidation

The consolidated accounts of the group incorporate the accounts of the College and its subsidiary undertaking.

Interest receivable

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

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

2 General Annual Grant (GAG) – College

	2007 £'000	2006 £'000
A. Results and carry forward for the year		
Carry over from previous year	3	44
GAG allocation for current year	5,539	4,544
Total GAG available to spend	5,542	4,588
GAG revenue expenditure	(5,072)	(4,585)
Fixed assets purchased from GAG	(380)	-
GAG carried forward to next year	90	3
Less maximum permitted GAG carried forward at end of current year	(665)	(545)
GAG to surrender to DCSF (12% rule breached if result is positive)	(575) (no breach)	(542) (no breach)
B. Use of GAG brought forward from previous year for general purposes.		
General expenditure from GAG in current year	5,072	4,585
GAG allocation for current year	(5,539)	(4,544)
GAG allocation for previous year x 2%	(91)	(87)
GAG brought forward from previous year in excess of 2%, used on general expenditure in current year (2% rule breached if result is positive)	(558) (no breach)	(46) (no breach)

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

3 Funding for the College's Educational Operations

	Group and College	
	2007	2006
	£'000	£'000
Department for Children Schools and Families grants		
- General Annual Grant (GAG)	5,372	4,544
- Academy Standards Grant	167	-
- Teacher threshold	110	99
- Graduate teacher programme	1	-
- Community grant	-	21
Non recurring DCSF grants		
- Academy feasibility grant	12	30
- Implementation grant	50	-
- Start up grant A	51	-
- Start up grant B	330	-
	<u>6,093</u>	<u>4,694</u>

Exceptional item

Landau Forte College converted to Academy status on 1 September 2006. The conversion was a major platform for the future development of the College enabling the construction of a new learning centre and extensive modifications to the existing buildings. To enable these physical works and extensive development of the curriculum to be carried out, the DCSF has provided additional capital and income grants in the year of £3.3 million and £0.4 million respectively. These grants are in part of a one off nature and their exceptional effect on the surplus for the year is unlikely to be repeated in future years.

4 Investment income

	Group		College	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Bank interest	<u>87</u>	<u>28</u>	<u>86</u>	<u>28</u>

5 Other income and expenditure

	Group		College	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Other income				
Local authority inclusion grant	7	-	7	-
Gift aid payment from wholly owned subsidiary	-	-	115	122
School meals income	<u>183</u>	<u>192</u>	<u>183</u>	<u>192</u>
	<u>190</u>	<u>192</u>	<u>305</u>	<u>314</u>
Other expenditure				
Admissions and appeals costs	3	-	1	-
Legal and professional	5	12	3	12
Bank interest and charges	<u>2</u>	<u>3</u>	<u>1</u>	<u>3</u>
	<u>10</u>	<u>15</u>	<u>5</u>	<u>15</u>

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

6 Total resources expended

	Staff costs £'000	Depreciation £'000	Other costs £'000	Total 2007 £'000	Total 2006 £'000
a) Group					
Group's educational operations	3,665	437	313	4,415	3,944
Direct costs of education	547	118	972	1,637	1,180
Governance costs including allocated support costs	81	29	49	159	139
Costs relating to non-charitable trading	-	-	45	45	42
	<u>4,293</u>	<u>584</u>	<u>1,379</u>	<u>6,256</u>	<u>5,305</u>
b) College					
College's education operations	3,665	437	313	4,415	3,944
Direct costs of education	547	118	972	1,637	1,180
Governance costs including allocated support costs	81	29	44	154	139
	<u>4,293</u>	<u>584</u>	<u>1,329</u>	<u>6,206</u>	<u>5,263</u>

7 Charitable activities – Educational operations

	Group		College	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Direct costs of education				
Teaching and educational support staff costs	3,665	3,403	3,665	3,403
Depreciation	437	241	437	241
Books and educational supplies	178	191	178	191
Examination fees	94	81	94	81
Staff development	29	19	29	19
External educational advice	5	2	5	2
Licences and subscriptions	7	7	7	7
	<u>4,415</u>	<u>3,944</u>	<u>4,415</u>	<u>3,944</u>

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

7 Charitable activities – Educational operations (continued)

	Group		College	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Allocated support costs				
Support staff costs	547	500	547	500
Depreciation	118	64	118	64
Property maintenance	378	15	378	15
Cleaning	8	10	8	10
Water	18	15	18	15
Heat and light	102	91	102	91
Rent and rates	28	23	28	23
Insurance	43	42	43	42
Travel and subsistence	-	1	-	1
Postage and telephones	27	26	27	26
Pupil support	102	98	102	98
IT costs	114	137	114	137
Catering	152	158	152	158
	<u>1,637</u>	<u>1,180</u>	<u>1,637</u>	<u>1,180</u>
	<u>6,052</u>	<u>5,124</u>	<u>6,052</u>	<u>5,124</u>

8 Governance costs

	Group		College	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Support staff costs	81	72	81	72
Legal and professional fees	5	14	5	14
Auditors remuneration	16	14	12	14
Reimbursed travel and expenses	26	20	26	20
Bank interest charges	2	3	1	3
Depreciation	29	16	29	16
	<u>159</u>	<u>139</u>	<u>154</u>	<u>139</u>

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

9 Information regarding Governors and employees

Interests in transactions

During the year, the College made the following related party transactions on normal commercial terms

Accrued buildings costs of £2,479,387 (2006 £12,288) are included within the accounts which relate to transactions with B & K Property Services. This company is a subsidiary within the Bowmer & Kirkland Group of which J N Kirkland is Group Chairman

During the year the College engaged AYH Plc as consultants to advise on the formal tender process for the selection of the main contractor with regard to the new learning centre. A two part tender process was agreed and part one invitations were sent to seven contractors. Using a formal scoring procedure two tenders were selected to proceed to the second stage. Second stage selection involved consideration of price, design engineering and programme and resulted in the selection of Bowmer and Kirkland as the main contractor. The DCSF had a monitoring role on all tender stages and were satisfied with the selection process. J N Kirkland was not present at any of the meetings during the tender process.

	Group		College	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Employees				
Wages and salaries	3,574	3,338	3,574	3,338
Social security costs	296	274	296	274
Other pension costs	371	329	371	329
Other staff costs	34	25	34	25
	<u>4,275</u>	<u>3,966</u>	<u>4,275</u>	<u>3,966</u>
 The average number of persons employed (full time equivalent)				
	No.	No.	No.	No.
Administration	36	39	36	39
Teachers	72	71	72	71
Educational support	22	21	22	21
	<u>130</u>	<u>131</u>	<u>130</u>	<u>131</u>
 The number of employees paid over £60,000 during the year (salary plus taxable benefits, but excluding employers pension contributions) was				
£60,001 - £70,000	2	3	2	3
£70,001 - £80,000	1	-	1	-
£110,001 - £120,000	-	1	-	1
£120,001 - £130,000	1	-	1	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

For the above employees earning more than £60,000 per annum, retirement benefits payable under defined contribution schemes amounted to £5,110 (2006 £5,000) and to the Teachers Pension Scheme amounted to £31,556 (2006 £29,000)

Emoluments of Governors

The Governors of the College did not receive any payment from the College other than the reimbursement of travel and other subsistence costs incurred in the course of their duties. Travel and subsistence costs reimbursed in the year to 31 August 2007 amounted to £7,107 (2006 £7,496)

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

9 Information regarding Governors and employees (continued)

Governors and officers insurance

In accordance with normal commercial practice the College has in place insurance against losses arising from the wrongful acts of Governors or officers of the College. The policy provides cover up to £1,000,000 for any one claim.

The College also has in place Fidelity Guarantee insurance against losses of monies or other property belonging to the College as a consequence of dishonest or fraudulent acts, errors or omissions by Governors or employees. Cover is provided up to £100,000 for any one claim.

Teachers' Pension Scheme – Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, final salary scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities (LAs), to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers or lecturers and from 1 January 2007 automatic too for teachers or lecturers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

The Teachers' Pension Account

Although teachers are employed by LAs and various other 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' Pension Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001, the account will be 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years, with a supporting interim valuation in-between, the Government Actuary ('GA'), using normal actuarial principles, conducts an actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

Contributions are assessed in two parts. First, a standard contribution is determined. This is the contribution, expressed as a percentage of the salary of a teacher/lecturer entering service, which would 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 normal contributions to be paid in future and by the fund built up from past contributions.

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

9 Information regarding Governors and employees (continued)

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report to 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 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The real rate of earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

From 1 January 2007, and as part of the cost sharing agreement between employer and union representatives, the standard contribution rate will be 19.75% plus a supplementary contribution rate 0.75%, a total contribution rate 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost sharing agreement will also introduce, for the first time from the 2008 valuation, a 14% cap on employer contributions payable.

A copy of the report can be found on the Department for Children, Schools and Families' website at www.dfes.gov.uk/insidedfes/reports.html

Contributions

Under FRS 17 'Retirement Benefits', the scheme is a multi-employer scheme and contributions are treated as a defined contribution and charged to the profit and loss accounts as they fall due.

The pension costs charge in the accounts represents the contribution payable by the College to the TPS (and to the personal pension plans of certain staff not belonging to the above scheme), and amounted to £371,000 (2006 £329,000). At 31 August 2007, contributions amounting to £426 (2006 £1,468) were payable to pension schemes and are included in creditors.

Local Government Pension Scheme

In July 2007 the College began the deduction of contributions from non teaching staff to enable them to join the Local Government Pension Scheme (LGPS) which is a defined benefit scheme based on final pensionable salary. The scheme is administered by Derbyshire County Council.

As the scheme had only just commenced at the College by the year end, it has not been possible to realistically measure the amount relating to the College's share of the Derbyshire County Council scheme. Pension costs have therefore been included on the basis of contributions paid/payable.

Contributions in the year amounted to £10,000 (2006 £nil), the amount outstanding at the year end amounted to £nil (2006 £nil).

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

10 Tangible fixed assets

	Freehold land £'000	Freehold buildings £'000	Assets under the course of construction £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
Group						
Cost or valuation						
At 1 September 2006	1,165	16,850	-	2,069	763	20,847
Additions	-	-	3,275	297	179	3,751
At 31 August 2007	1,165	16,850	3,275	2,366	942	24,598
Accumulated depreciation						
At 1 September 2006	-	-	-	1,850	763	2,613
Charge for the year	-	337	-	68	179	584
At 31 August 2007	-	337	-	1,918	942	3,197
Net book value						
At 31 August 2007	1,165	16,513	3,275	448	-	21,401
At 31 August 2006	1,165	16,850	-	219	-	18,234

Assets under the course of construction relate to building costs for the new learning centre that was not complete until post year end. The building came in to use on 1 September 2007.

The above net value at 31 August 2007 represents fixed assets used for

	Freehold land £'000	Freehold buildings £'000	Assets under the course of construction £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
Direct charitable purposes:						
Educational provision	874	12,384	2,457	336	-	16,051
Support services	233	3,304	655	90	-	4,282
Other purposes:						
Governance	58	825	163	22	-	1,068
	1,165	16,513	3,275	448	-	21,401

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

10 Tangible fixed assets (continued)

Source of funding for assets acquired (cumulative)

Group	DCSF capital grants £'000	Other DCSF grants £'000	Other government grants £'000	Private sector sponsorship £'000	GAG capital grant £'000	Unrestricted capital £'000	Total £'000
At 31 August 2007	12,439	164	12	2,324	557	734	16,230
Surplus on revaluation							8,368
Total cost at 31 August 2007							24,598

Freehold buildings are held at valuation. All such assets were given a full valuation in October 2006 on the basis of insurance reinstatement value, by Paul Bayliss a registered member of the Chartered Insurance Institute for Ecclesiastical Insurance, who are independent of the College. The Governors are not aware of any material changes since the last valuation.

Assets under the course of construction are held at cost.

The net book value of freehold buildings determined according to the historical cost convention is £6,090,000 (2006 £6,250,000).

College	Freehold land £'000	Freehold buildings £'000	Assets under the course of construction £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
Cost or valuation						
At 1 September 2006	1,165	16,850	-	2,054	763	20,832
Additions	-	-	3,275	297	179	3,751
At 31 August 2007	1,165	16,850	3,275	2,351	942	24,583
Accumulated depreciation						
At 1 September 2006	-	-	-	1,835	763	2,598
Charge for the year	-	337	-	68	179	584
At 31 August 2007	-	337	-	1,903	942	3,182
Net book value						
At 31 August 2007	1,165	16,513	3,275	448	-	21,401
At 31 August 2006	1,165	16,850	-	219	-	18,234

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

10 Tangible fixed assets (continued)

The above net book value at 31 August 2007 represents fixed assets used for

	Freehold land £'000	Freehold buildings £'000	Assets under the course of construction £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
Direct charitable purposes:						
Educational provision	874	12,384	2,457	336	-	16,051
Support services	233	3,304	655	90	-	4,282
Other purposes:						
Governance	58	825	163	22	-	1,068
	<u>1,165</u>	<u>16,513</u>	<u>3,275</u>	<u>448</u>	<u>-</u>	<u>21,401</u>

Source of funding for assets acquired (cumulative)

College	DCSF capital grants £'000	Other DCSF grants £'000	Other government grants £'000	Private sector sponsorship £'000	GAG capital grant £'000	Unrestricted capital £'000	Total £'000
At 31 August 2007	<u>12,439</u>	<u>164</u>	<u>12</u>	<u>2,324</u>	<u>557</u>	<u>719</u>	<u>16,215</u>
Surplus on revaluation							<u>8,368</u>
Total cost at 31 August 2007							<u>24,583</u>

11 Investments held as fixed assets

	UK listed investments £'000
Valuation	
Valuation at 31 August 2006	43
Revaluation at year end	<u>2</u>
Valuation at 31 August 2007	<u>45</u>

The historical cost of investments held at 31 August 2007 was £37,125 (2006 £37,125)

All investments are held within unrestricted funds and are summarised below

	2007 £'000	2006 £'000
Government securities		
7 25% Treasury £20,300 redeemable 2007	25	24
5 00% Treasury £16,825 redeemable 2012	<u>20</u>	<u>19</u>
	<u>45</u>	<u>43</u>

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

11 Investments held as fixed assets (continued)

	Shares in group undertakings £	Impairment £	Net Investment £
At 31 August 2006 and 2007	2	(2)	-
	<u>—</u>	<u>—</u>	<u>—</u>

The shares in group undertakings represent 100% of the equity share capital of

Nature of activity	Aggregate amount of capital and reserves at 31 August 2007 £	Profit for the year £
L F Enterprises Limited (registered in England and Wales)	106	-
Involve community of Derby in the use of facilities at Landau Forte College	<u>—</u>	<u>—</u>

12 Result of trading subsidiary

	2007 £'000	2006 £'000
Turnover	164	164
Cost of sales	(45)	(42)
Gross profit	<u>119</u>	<u>122</u>
Administrative expenses (including gift aid of £115,353 to the College)	(120)	(123)
Operating loss	(1)	(1)
Interest received	1	1
Profit on ordinary activities before tax	-	-
Taxation	-	-
Profit on ordinary activities after tax	<u>-</u>	<u>-</u>
Assets	91	84
Liabilities	(91)	(84)
	<u>-</u>	<u>-</u>

13 Stocks

	Group	Group	College	College
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Restaurant	8	9	8	9
Stationery	3	3	3	3
Goods for resale	10	12	4	6
	<u>21</u>	<u>24</u>	<u>15</u>	<u>18</u>

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

14 Debtors

	Group		College	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Trade debtors	7	18	-	-
Amounts due from subsidiary company	-	-	83	65
Other debtors	1	143	1	143
Prepayments and accrued income	372	67	352	41
	<u>380</u>	<u>228</u>	<u>436</u>	<u>249</u>

All debtors are due within one year

15 Creditors: Amounts falling due within one year

	Group		College	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Trade creditors	759	194	758	194
Taxation and social security	89	80	89	80
Accruals	468	293	461	275
	<u>1,316</u>	<u>567</u>	<u>1,308</u>	<u>549</u>

16 Restricted funds

	Balance at 31 August 2006 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2007 £'000
Restricted fixed assets funds					
Government capital grants	5,995	3,266	(549)	380	9,092
Private sector capital sponsorship	1,382	2	(35)	-	1,349
	<u>7,377</u>	<u>3,268</u>	<u>(584)</u>	<u>380</u>	<u>10,441</u>
Restricted general funds					
Williams Bursary	63	-	-	-	63
Restricted general	-	6,101	(5,617)	(380)	104
	<u>-</u>	<u>6,101</u>	<u>(5,617)</u>	<u>(380)</u>	<u>104</u>
Total restricted funds	<u>7,440</u>	<u>9,369</u>	<u>(6,201)</u>	<u>-</u>	<u>10,608</u>

Restricted funds represent funds received towards capital expenditure and student bursaries. These funds are defined in the accounting policies on page 22.

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

17 Unrestricted funds

	Balance at 31 August 2006 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2007 £'000
Major Property Repair Fund	-	-	-	175	175
Endowment Fund	-	-	-	115	115
Unrestricted fund	635	433	(55)	(290)	723
Premises revaluation reserve	10,633	-	-	-	10,633
Treasury revaluation reserve	6	2	-	-	8
	<u>11,274</u>	<u>435</u>	<u>(55)</u>	<u>-</u>	<u>11,654</u>

Transfers between funds relate to allocation of surpluses generated in the year to designated unrestricted capital reserves for the funding of future capital purchases and renovations

18 Designated unrestricted funds

Unrestricted reserves have been allocated to an Endowment Fund to provide for future major capital and specific educational projects for the furtherance of the charitable aims of the College. Governors have recognised that the nature of annual income grant funding does not allow for the accumulation of funds for major capital projects. It is hoped that the establishment of an Endowment Fund will enable the College to meet specific requirements.

As part of their on-going requirement to mitigate risk, the Governors have made prudent provision for anticipated specific major property repair expenditure likely to occur within the forthcoming 10 years by allocating reserves to a Major Property Repair Fund.

	Group and College 2007 £'000	2006 £'000
Endowment Fund	175	-
Major Property Repair Fund	115	-
	<u>290</u>	<u>-</u>

19 Capital commitments

At the year end the College was contracted to various parties with regard to the completion of the new learning centre. Amounts contracted for but not provided for in the accounts amounted to £1.4m (2006 £nil).

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

20 Notes to cash flow statement

	Group		College	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
a) Reconciliation of operating surplus to net cash inflow from operating activities				
Excess of income over expenditure	862	94	862	94
Bank interest paid	2	3	1	3
Bank interest received	(87)	(28)	(86)	(28)
Amortisation of grants	(584)	(321)	(584)	(321)
Depreciation of tangible fixed assets	584	321	584	321
Decrease/(increase) in stock	3	(4)	3	(2)
Decrease/(increase) in debtors	(152)	(1)	(187)	26
Increase/(decrease) in creditors	749	(10)	759	(10)
Net cash inflow from operating activities	1,377	54	1,352	83
b) Reconciliation of net cash flows to movement in net funds				
Net funds at 1 September 2006	752	280	719	218
Decrease/(increase) in cash in the year	(371)	372	(396)	401
Repayment of bank loans	-	100	-	100
Net funds at 31 August 2007	381	752	323	719
c) Analysis of net funds			Group	College
			£'000	£'000
Cash at bank and in hand at 1 September 2006			752	719
Decrease in cash in the year			(371)	(396)
Cash at bank and in hand at 31 August 2007			381	323

21 Contingent liabilities

In accordance with the College Funding Agreement, and during the agreement's lifetime, if any asset is sold or disposed of by other means, for which a capital grant was originally received, the College shall if it does not re-invest the proceeds, repay to the Secretary of State for Children Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the College serving notice, the College shall repay to the Secretary of State and the First and Second Sponsors, sums determined by reference to

- The value at that time of the College's site and premises and other assets held for the purposes of the College, and
- The extent to which expenditure incurred in providing these assets was met by payments by the Secretary of State and the First and Second Sponsors, under the Funding Agreement

No liability exists at the year end

LANDAU FORTE COLLEGE

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2007

22 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted capital funds £'000	Total £'000
Fixed assets	11,005	-	10,441	21,446
Net current assets	649	167	-	816
	<u>11,654</u>	<u>167</u>	<u>10,441</u>	<u>22,262</u>