

Registration number: 2387916

Charity registration number 701933

**LANDAU FORTE CHARITABLE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED

31 AUGUST 2010

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LANDAU FORTE CHARITABLE TRUST
REFERENCE AND ADMINISTRATION INFORMATION

Year ended 31 August 2010

Members/Directors

M R Landau (appointed President 28 September 2010) (M)
P G Ashworth (Chairman) (M)
O Polizzi, CBE (Deputy Chairman) (M)
T M Bell (M)
The Honourable Sir Rocco Forte (M)
D Gould, OBE (M)
The Honourable David McAlpine (M)
T R Ousley
S Whiteley
S Shooter (appointed 29 September 2009) (M)
H Sergeant (appointed 29 September 2009) (M)
Sir Murdo Maclean (appointed 4 February 2010) (M)

Key

(M) Member of the company /Trustees of the company

Chief Executive	S Whiteley
Executive Director of Finance & Administration and Company Secretary	J A Cox
Principal Landau Forte College, Derby	E A Coffey
Principal Landau Forte Academy, Tamworth,	D C Pickering
Principal Designate Landau Forte Academy, Post 16 Centre, Tamworth	P Morris
Status	Landau Forte Charitable Trust is a registered charity and a company limited by guarantee
Registered charity number	701933
Company number	2387916
Auditors	Cooper Parry LLP Chartered Accountants and Statutory Auditors Derby

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2010

The Directors are pleased to present their Annual Report together with the audited financial statements for the year ended 31 August 2010

Structure, Governance and Management

Constitution and Members Liability

In order to satisfactorily move from maintaining a single Academy to successfully establish and maintain multiple Academies, the Members identified the need to re-organise the existing company. To effect this re-organisation, a meeting of the Members of Landau Forte Trust was held on 29 September 2009. Prior to this date the company was known as Landau Forte College, a company limited by guarantee (no 2387916) and a registered charity (no 701933). At the meeting, the Members by way of a number of Written Resolutions approved a change in name of the company to Landau Forte Charitable Trust and amendments to the Memorandum and adopted a new set of Articles of Association, which are the primary governing documents of the Landau Forte Charitable Trust. The Charities Commission had approved the Written Resolutions and amended Memorandum and Articles of Association on 10 September 2009.

Following approval by Ordinary Resolution on 27 September 2006, the company had adopted an Amended Funding Agreement for the Landau Forte College in Derby and Scheme of Government approved by the Secretary of State for Education and Skills which remains.

The Principal Sponsors of the company are the Landau Charitable Foundation and the Honourable Sir Rocco Forte. The Principal Sponsors may appoint up to 6 members of the Company in addition to the elected Chairman of Directors, the Secretary of State on behalf of the Department for Education (or his appointed representative) and such additional trustees as the trustees may agree unanimously in writing. The minimum number of members allowed is three.

The number of trustees of the company shall not be less than 3 but (unless determined by ordinary resolution) shall not be subject to any maximum. To carry out the business of the Trust the Members have appointed a Board of Directors. The company has the following categories of Directors: Principal Sponsor Directors, Academy Directors, the Chief Executive, provision for one Parent Director for every 10 or fewer Academies.

The Articles require the company to appoint a Local Governing Board of Governors to manage the affairs of each of its Academies. The Local Governing Bodies for each Academy shall include the Principal, the Chief Executive of the Company, one Governor appointed by the Local Authority, one elected parent/carer of a student at the Academy and such other Governors as the Directors of the Company decide. The Chairman of the Local Boards of Governors shall be appointed by the Principal Sponsors of the Company.

During the year as part of the re-organisation of the existing company as noted above, the following have resigned as directors of the company:

R H Boissier, CBE (resigned 4 February 2010)
B D Coxon (resigned 1 March 2010)
K R Doble (resigned 4 February 2010)
Professor M J Gunn (resigned 4 February 2010)
J N Kirkland, OBE (M) (resigned 4 February 2010)
S Parveen (resigned 4 February 2010)
J G R Rudd (resigned 4 February 2010)
M Sharief (resigned 4 February 2010)
D A Shore (resigned 4 February 2010)

Principal Activity

The principal activity is to operate the Trust's Academies including Landau Forte College Derby, which was formerly the 14th City Technology College established in the UK. The Trust has now also developed an additional Academy in Tamworth, Staffordshire. During 2009-10, upon signing of the Funding Agreement with the Secretary of State on behalf of the Department for Education on 19 October 2009, the project entered the Implementation Phase. The Academy came into being on 1 September 2010 and opened to students on Monday 5 September 2010 in the school's existing buildings (please note the Academy has not been operating within the period covered by the financial statements).

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2010

As an Academy, Landau Forte College Derby specialises in Technology and Business Enterprise. Landau Forte Academy, Tamworth specialises in Science and Business Enterprise and both Academies have a clear focus upon Mathematics, English, Science and Modern Languages. The curriculum is enriched through inclusion of Arts, Humanities, Physical Education and Sport with a strong emphasis on preparing students for higher education and future employment.

The core business of each of the Trust's Academies is to provide full time education for children aged from 11 to 19 years old.

Currently in the academic year ending 31 August 2011 in Derby there are 1,152 students on roll including 316 who are Post 16 students. In Tamworth there are currently 973 students on roll including 82 Post 16 students. It is intended that by September 2012, the Academy in Tamworth will provide full time education for 1,820 children aged 11 – 19. There will be up to 960 students in the 11 – 16 Centre with up to a further 860 students in the Post 16 Centre. It is planned for the Post 16 centre to replace all school-based Post 16 provision in Tamworth by September 2012. As well as its core business each Academy serves its wider community and works to develop its links with local primary and secondary schools. Whereas the Academies are both part of the national Academies network, they are operated as independent institutions.

Governance

In the year ending 31 August 2010, the Trustees (were the Directors of the charitable company for the purpose of the Companies Act 2006 as well as other directors elected to the Board and Trustees for the purposes of the charity legislation). The Trustees and Directors who were in office at the date of the annual report are shown on page 1.

During the year the Trust's Board of Directors met formally 3 times. The Local Governing Board of Governors for the Academy in Derby held 5 formal meetings. In addition to these both the local Education and the Finance and General Purposes sub committees held 5 meetings each. On an individual basis, a number of the Trustees attended the Academies.

The Board of Directors along with the Department for Education (DfE), and Staffordshire Local Authority (LA), established a Project Steering Group (PSG) chaired by Margaret Bell to oversee the development of an Academy in Tamworth, Staffordshire. This group met on a monthly basis up to and including August 2010. A Design User Group (DUG) was established as a sub group of the PSG to oversee the construction of the buildings for the Academy in Tamworth. From 1 September 2010, the DUG now reports to the Local Board of Governors for the Academy in Tamworth and to the Board of Directors of the Trust. The DUG will continue to meet until the buildings are complete and fully handed over.

From February 2010 onwards, the shadow Local Board of Governors for Landau Forte Academy Tamworth met approximately every two months with the first formal meeting in August prior to the opening of the Academy in September 2010.

The induction provided for new Trustees, Directors and Local Governors depends on their existing experience, but may include meetings with the Chairman, Chief Executive, Academy Principals other Trustees, Directors or Governors and a tour of the Academies to meet staff and students.

Statement of Directors' responsibilities for the financial statements

The Directors are responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2010

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and group and of its incoming resources and application of resources, including income and expenditure, of the parent charitable company and group for that year. In preparing these financial statements, the directors 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent charitable company will continue in operation

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position for the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding of the assets of the group and the parent charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management

The Board of Directors are responsible for setting general policy with specific powers in accordance with the Scheme of Government delegated to the Chief Executive, Executive Director of Finance and Administration, Local Boards of Governors and the Academy Principals. The Board of Directors meets 4 times per year and receives reports from the Chief Executive and Executive Director of Finance and Administration. Each local board is responsible for adopting an annual development plan and annual budget, the latter also being agreed with the Board of Directors. The Local Boards of Governors monitor the performance of their respective Academy by the use of monthly financial information along with termly reports from the Principal Executive and Director of Finance and Administration for each of the 5 full Board of Governors Meetings and the 5 meetings for each of the Financial and General Purposes and Education Committees. This information is used to inform decision making about the future direction of the organisation and capital expenditure.

The Charitable Trust Executive consists of the Chief Executive and the Executive Director of Finance and Administration. Each Academy also has a Principal or Principal Designate who, together with the Trust Executive team, are responsible for the overall executive leadership and management of the Trust's Academies and the implementation of policy as laid down by the Board of Directors. Each Academy has an internal Executive team and a broader Senior Leadership Team which are responsible for all operational matters relating to curriculum, teaching, learning, student attainment, achievement, broader development and welfare.

Subsidiary Trading Company

The Trust 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 Trust. Further details of the profit for the year and the assets and liabilities are given in note 13 of the financial statements.

Risk Management

The Directors confirm that the major risks to which the Trust and its Academies are 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 Trust has ensured that the Academies have effective systems of internal financial controls as detailed below.

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2010

Statement on the Systems of Internal Financial Controls

Each Local Board of Governors has overall responsibility for ensuring their Academy effectively implements the Trust's system of control, financial and otherwise. This is to include keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure the financial statements comply with the Companies Act 2006. The Governors also have a responsibility for safeguarding the assets of the Academy and hence to take reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that

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

DFE conditions of grant also require each Local Board of Governors to

- designate a Responsible Officer to advise them on the discharge of their responsibilities as determined by the Secretary of State for Education 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 Academy, 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 Academy and of the surplus of the Academy for that year,
- prepare those financial statements in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Education (DfE) in respect of the relevant financial year,
- ensure that the Academy's accounting records and systems of internal control are such as to comply with the obligations placed on the Governing Body by the Secretary of State for Education
- ensure that grants made by the DfE have been applied for the purposes intended, and
- take reasonable steps to ensure that pensions deductions made by the Academy are calculated correctly and paid over as required to the Teachers' Pensions Agency and the Local Government Pension Scheme

Objectives and Activities

The vision for the Trust is to significantly contribute to the systemic improvement of education in England through the Academies (and Schools) programme by further raising the performance, hopes, aspirations and ambition of students, their families and local communities, generating self belief, self esteem and self confidence through practical steps

- 1 Focusing upon high quality teaching and learning, improving standards of attainment and achievement and student care and support and to transform the education of the young people served by each Academy
- 2 Providing outstanding opportunities for young people to develop healthy and active lifestyles, enjoy their learning and achievement, act and behave safely and become well prepared for adult life in a rapidly changing society
- 3 Actively promote high standards, self and mutual respect, good conduct and behaviour
- 4 Develop educational organisations which whilst contributing to community regeneration are places where students, staff and local community are proud to belong a place they, feel a part of and can make extended use of
- 5 Creating a culture which celebrates success within and beyond the Academies, for example in securing greater numbers of students progressing to higher education or employment with training
- 6 Implement leadership and accountability practices that demand and produce successful outcomes, which are effective and provide value for money
- 7 The ambition to establish each Academy as an *outstanding* school (Ofsted Grade 1) within 3 years of opening

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2010

Mission Statement

'In partnership with parents/carers and the wider community including business and industry, each Academy will provide a high quality education motivating and enabling its students to learn, to achieve and to develop the skills, capability and confidence to succeed in all aspects of their lives'

In fulfilling its mission through these Academies, the students would become

- 1 Well-qualified and well educated,
- 2 Capable, adaptable and confident,
- 3 Independent and autonomous learners,
- 4 Self reliant but importantly able to work productively and positively with others,
- 5 Marketable and employable and/or have the capacity, confidence and entrepreneurial spirit to become self employed,
- 6 Responsible and respected citizens

Ethos & Culture of the Trust's Academies

- 1 Student learning, attainment, achievement and well being are at the centre of strategic thinking, planning and actions
- 2 A 'can do' attitude is actively promoted and prevalent throughout the Academies
- 3 There is a culture of success where achievement is rewarded and celebrated
- 4 Underpinned by high aspirations and ambition for both students and staff there is an expectation for everyone to be determined and have a desire and commitment to continuously improve
- 5 The independent status of the Academies (and Schools) is fully embraced to encourage self confidence, a pro-active approach and taking responsibility for one's own actions whilst enabling rapid and appropriate response to changing circumstances
- 6 The Trust promotes a systematic, corporate, approach to key aspects of its work to secure consistency, high quality, the sharing of expertise, and efficiency e.g. planning of teaching and learning, personal tutorial support for students, development planning, financial planning, procurement and controls, management of Information and Communication Technology (ICT), human resource management
- 7 There is both replication and co-construction of educational approaches and systems between the Academies to secure the distinctive ethos and culture which characterises a Landau Forte Academy education and to ensure a fertile environment for future development and growth of the Academies

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2010

Strategic activities and achievements

Strategic activities and achievements of the Trust during the year included

- (i) The effective and efficient operation of the Academy in Derby successfully maintaining high levels of student attainment and achievement and progression rates to higher education and employment. This is exemplified through examination results and progression routes notably:

At KS4 where 96% of students gained 5 or more A* - C grades with 68% of students achieving 5 or more A* - C grades including English and Mathematics. At age 16, 65% of students remained in Post 16 education at the College with all students obtaining places for learning and training with the exception of one who has declined the offer made and a second student who has left the area.

At Post 16, the A level and equivalent pass rate was 99.5% (100% in 26 out of 28 subject areas) with 80% of grades being A* - C. 77% of students progressed into higher education with 65% of those going onto study Mathematics, Science, Technology or Business related degrees successfully reflecting the College specialism. 6% of students directly entered employment with 9% of students taking a gap year. One student's intentions remain unknown.
- (ii) The development and timely opening of the new Academy in Tamworth. The Academy successfully opened to staff on 1 September 2010 and to students on 5 September 2010.
- (iii) The Trust has generated income through LF Enterprises, its trading arm which is then covenanted back to the Trust for future investment in its activities.

Plans for Future Periods

Landau Forte College, Derby remains highly popular with parents, carers and students. A record number of 868 children applied for the 168 funded places at age 11 for September 2010 and the College is also heavily oversubscribed at Post 16 with a record number on roll of 316 students at Post 16. For 2011, there are currently 835 applicants for places in Year 7 but we are advised there may be as many as a further 150 applications still being processed.

Currently applications for Landau Forte Academy, Tamworth exceeds the 192 funded places in Year 7.

The key strategic activities for the Year 2010/11 are

- (i) Maintain the drive for continuous improvement of the operation of the College in Derby successfully improving the quality of learning leading to high levels of student attainment and achievement.
- (ii) Continue to explore the development of the site for the College in Derby.
- (iii) Secure early improvement in educational standards at the Academy in Tamworth.
- (iv) Ensure the new buildings for the Academy in Tamworth are constructed on time, within budget and in line with the specification given in the contractor's proposals.
- (v) Successfully open the new Post 16 Centre on time to students across Tamworth.
- (vi) Successfully decant the 11 – 16 Tamworth operation from the existing buildings to the new 11 – 16 building.
- (vii) Ensure both Academies operate within their agreed budgets.

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2010

- (viii) In the light of increasing financial constraints plan judiciously and carefully with the Academies for the Year 2011/12 onwards to secure the most effective use of resources so that educational quality and standards continue to improve whilst retaining a strong financial position
- (ix) Explore the feasibility of an additional Academy to the Trust family of Academies

The Trustees confirm that they have given due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities

Equal Opportunities

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

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are designed to ensure wheelchair access to all the main areas of the Academies. Both new buildings under construction are fully compliant with the Disability and Discrimination Act. The Trust's policy is to support, recruit and retain students and staff with disabilities. The Trust and its Academies do this by reviewing and adapting when necessary the physical environment, by providing adequate support, resources and appropriate training and career development

Financial Review

Financial Report for the Year

Most of the Trust's annual income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2010 and its associated expenditure are shown as restricted general funds in the Statement of Financial Activities. The Trust also receives grants for fixed assets from the DfE. In accordance with the Charities statement of recommended practice (SORP 2005) such grants are shown in the Statement of Financial Activities 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.

In 2010, the Directors have been advised by the actuary to the Local Government Pension Scheme that the pension liability has increased to £132,000 for the current shortfall in payments required to fund non-academic staff's final salary pension schemes (in accordance with Financial Reporting Standard 17). The Trust is required to fund these pensions under the requirements of the funding memorandum.

Investment Policy

The Directors seek to invest surplus funds in a manner to obtain the best possible return and these are invested with reputable and ethical investors.

Reserves Policy

The policy of the Directors 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 Trust has a number of designated and restricted funds, details of which can be found in notes 18-21 of the financial statements. The Trust has accumulated £732,000 of restricted capital cash and has detailed plans to spend these monies on future capital projects in line with its objectives.

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2010

Financial Position

The Trust held fund balances at 31 August 2010 of £22,294,000 (2009 £22,550,000), consisting of £9,331,000 of restricted funds and £12,963,000 of unrestricted funds

Provision of information to auditors

The Directors' at the time when this Directors' Report is approved have confirmed that

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

Approved by the Board of Directors and signed on behalf of the Board



J A COX
Company Secretary

14 January 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

LANDAU FORTE CHARITABLE TRUST

We have audited the financial statements of Landau Forte Charitable Trust for the year ended 31 August 2010 set out on pages 12 to 38. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors of the charitable company are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view. These are set out in the statement of directors' responsibilities.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the directors' report is consistent with those financial statements.

In addition we report to you if, in our opinion, the parent charitable company and group has not kept adequate accounting records, if the parent charitable company and group's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

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

Basis of audit 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and the parent 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.

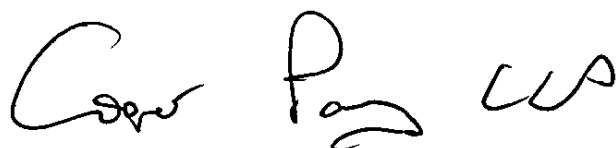
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

LANDAU FORTE CHARITABLE TRUST

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2010, and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006,
- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Education,
- proper accounting records have been kept by the Trust and the group in the year,
- grants made by the Department for Education have been applied for the purpose intended, and
- the information given in the Directors' report is consistent with the financial statements



Paul Rowley (Senior Statutory auditor)
For and on behalf of
COOPER PARRY LLP
Chartered Accountants
Statutory Auditor

Derby

24 January 2011

LANDAU FORTE CHARITABLE TRUST

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

Year ended 31 August 2010

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted capital funds £'000	Total 2010 £'000	Total 2009 £'000
Incoming resources						
Incoming resources from generated funds						
- Investment income	4	54	-	-	54	78
- Gross income from non - charitable trading	13	132	-	-	132	142
- Other incoming resources	5	333	86	-	419	330
Incoming resources from charitable activities						
- Funding for the Trust's educational operations	3	-	7,377	149	7,526	7,016
Total incoming resources		<u>519</u>	<u>7,463</u>	<u>149</u>	<u>8,131</u>	<u>7,566</u>
Resources expended						
Cost of generating funds						
- Costs relating to non-charitable Trading	13	36	-	-	36	43
Cost of charitable activities						
- Group educational operations	7	7	7,193	835	8,035	7,335
Governance costs	8	45	249	-	294	183
Total resources expended	6	<u>88</u>	<u>7,442</u>	<u>835</u>	<u>8,365</u>	<u>7,561</u>
Net (outgoing)/ incoming resources before transfers		431	21	(686)	(234)	5
Transfers between funds	18,19	-	-	-	-	-
Net (outgoing)/ incoming resources before other recognised gains and losses		431	21	(686)	(234)	5
Other recognised gains and losses						
Actuarial losses on defined benefit pension scheme	10	-	(24)	-	(24)	(1)
Net movement in funds		431	(3)	(686)	(258)	4
Fund balances brought forward at 1 September 2009		<u>1,879</u>	<u>72</u>	<u>9,948</u>	<u>11,899</u>	<u>11,895</u>
Fund balances carried forward at 31 August 2010		<u>2,310</u>	<u>69</u>	<u>9,262</u>	<u>11,641</u>	<u>11,899</u>
Reconciliation to balance sheet funds					2010 £'000	2009 £'000
Fund balances carried forward as at 31 August 2010					11,641	11,899
Revaluation reserves					10,653	10,651
					<u>22,294</u>	<u>22,550</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. All income and expenditure relates to continuing activities. The overall financial position at the year end is summarised in the balance sheet on page 16. The statement of financial activities together with the notes on pages 18 to 38, provide full information on the movement in funds of the Trust.

LANDAU FORTE CHARITABLE TRUST

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

Year ended 31 August 2010

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted capital funds £'000	Total 2010 £'000	Total 2009 £'000
Incoming resources						
Incoming resources from generated funds						
- Investment income	4	54	-	-	54	78
- Other incoming resources	5	428	86	-	514	427
Incoming resources from charitable activities						
- Funding for the Trust's educational operations	3	-	7,377	149	7,526	7,016
Total incoming resources		<u>482</u>	<u>7,463</u>	<u>149</u>	<u>8,094</u>	<u>7,521</u>
Resources expended						
Cost of charitable activities						
- Educational operations	7	7	7,193	835	8,035	7,335
Governance costs	8	44	249	-	293	181
Total resources expended	6	<u>51</u>	<u>7,442</u>	<u>835</u>	<u>8,328</u>	<u>7,516</u>
Net (outgoing)/ incoming resources before transfers		431	21	(686)	(234)	5
Transfers between funds	18,20	-	-	-	-	-
Net (outgoing)/ incoming resources before other recognised gains and losses		431	21	(686)	(234)	5
Other recognised gains and losses						
Actuarial losses on defined benefit pension scheme	10	-	(24)	-	(24)	(1)
Net movement in funds		431	(3)	(686)	(258)	4
Fund balances brought forward at 1 September 2009		<u>1,879</u>	<u>72</u>	<u>9,948</u>	<u>11,899</u>	<u>11,895</u>
Fund balances carried forward at 31 August 2010		<u>2,310</u>	<u>69</u>	<u>9,262</u>	<u>11,641</u>	<u>11,899</u>
Reconciliation to balance sheet funds					2010 £'000	2009 £'000
Fund balances carried forward as at 31 August 2010					11,641	11,899
Revaluation reserves					10,653	10,651
					<u>22,294</u>	<u>22,550</u>

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LANDAU FORTE CHARITABLE TRUST

PRO FORMA SUMMARY OF INCOME AND EXPENDITURE

Year ended 31 August 2010

		Group		Trust	
	Notes	2010	2009	2010	2009
		£'000	£'000	£'000	£'000
Income					
General annual grant	2	6,953	6,583	6,953	6,583
Other recurring DFE grant	3	1	2	1	2
Non recurring DFE grant	3	423	163	423	163
Investment income	4	54	78	54	78
Other income	5	419	330	514	427
Non-charitable trading activities	13	132	142	-	-
Amortisation of capital grants		778	570	778	570
Amortisation of non-capital grant funded assets		108	103	108	103
		<u>8,868</u>	<u>7,971</u>	<u>8,831</u>	<u>7,926</u>
Expenditure					
General annual grant related expenditure		7,018	6,677	7,018	6,677
Other DFE grant related expenditure		424	165	424	165
Other expenditure		1	3	-	1
Non-charitable trading activities	13	36	43	-	-
Depreciation	6	886	673	886	673
		<u>8,365</u>	<u>7,561</u>	<u>8,328</u>	<u>7,516</u>
NET INCOME		<u>503</u>	<u>410</u>	<u>503</u>	<u>410</u>

RECONCILIATION TO STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 August 2010

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Excess of income over expenditure as above	503	410	503	410
Amortisation of grants	(886)	(673)	(886)	(673)
Capital grants receivable	149	268	149	268
Actuarial losses on defined benefit pension scheme	(24)	(1)	(24)	(1)
Net movement in total funds per statement of financial activities	<u>(258)</u>	<u>4</u>	<u>(258)</u>	<u>4</u>

The pro forma summary of income and expenditure is derived from the statements of financial activities on pages 12 and 13 which, together with the notes to the accounts on pages 18 to 38, provide full information on the movements during the year on all the funds of the Trust

LANDAU FORTE CHARITABLE TRUST

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 August 2010

	Note	Trust and Group 2010 £'000	2009 £'000
Net outgoing resources excluding actuarial loss on defined benefit pension scheme		(234)	5
Actuarial losses on defined benefit pension scheme		(24)	(1)
Unrealised gain on investment	12	9	6
Total gains and losses recognised		<u>(249)</u>	<u>10</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year ended 31 August 2010

	Group 2010 £'000	2009 £'000	Trust 2010 £'000	2009 £'000
Reported surplus on ordinary activities as per proforma income and expenditure account	503	410	503	410
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the re-valued amount	212	238	212	238
Historical cost surplus on ordinary activities	<u>715</u>	<u>648</u>	<u>715</u>	<u>648</u>

The notes on pages 18 to 38 form part of these financial statements

LANDAU FORTE CHARITABLE TRUST

REGISTERED NUMBER: 2387916

BALANCE SHEET

Year ended 31 August 2010

	Notes	Group		Trust	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
Fixed assets					
Tangible assets	11	19,858	20,312	19,858	20,312
Investments	12	77	59	77	59
		<u>19,935</u>	<u>20,371</u>	<u>19,935</u>	<u>20,371</u>
Current assets					
Stocks	14	21	18	19	17
Debtors	15	335	109	417	172
Investments – short term deposits		3,050	2,100	3,050	2,100
Cash at bank and in hand		547	808	450	726
		<u>3,953</u>	<u>3,035</u>	<u>3,936</u>	<u>3,015</u>
Creditors , amounts falling due within one year	16	(1,428)	(756)	(1,411)	(736)
Net current assets		<u>2,525</u>	<u>2,279</u>	<u>2,525</u>	<u>2,279</u>
Creditors : amounts falling due after one year	17	(34)	-	(34)	-
Net assets excluding pension scheme liabilities		<u>22,426</u>	<u>22,650</u>	<u>22,426</u>	<u>22,650</u>
Defined benefit pension liability	10	(132)	(100)	(132)	(100)
Net assets including defined benefit pension liability		<u>22,294</u>	<u>22,550</u>	<u>22,294</u>	<u>22,550</u>
Funds					
Restricted funds:					
Restricted capital funds	18	9,262	9,948	9,262	9,948
Restricted fund – Williams Bursary	18	68	72	68	72
Restricted general fund	18	133	100	133	100
Pension reserve	18	(132)	(100)	(132)	(100)
Unrestricted funds:					
Designated unrestricted funds	19,20,21	1,160	870	1,160	870
Unrestricted fund	19,20	1,150	1,009	1,150	1,009
Revaluation reserve	19,20	10,633	10,633	10,633	10,633
Treasury revaluation reserve	19,20	20	18	20	18
		<u>22,294</u>	<u>22,550</u>	<u>22,294</u>	<u>22,550</u>

These financial statements were approved by the Board of Directors on 14 January 2011

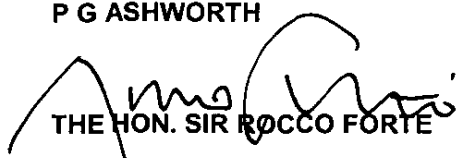
Signed on behalf of the Board



P G ASHWORTH

M R LANDAU




THE HON. SIR ROCCO FORTE

The notes on pages 18 to 38 form part of these financial statements

LANDAU FORTE CHARITABLE TRUST

CASH FLOW STATEMENT

Year ended 31 August 2010

	Notes	Group		Trust	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
Net cash inflow from operating activities	22	886	321	871	297
Returns on investments and servicing of finance					
Interest received		54	78	54	78
Interest paid		(1)	(3)	(1)	(3)
Capital expenditure and financial investment					
Purchase of tangible fixed assets	11	(432)	(175)	(432)	(175)
Purchase of fixed asset investments	12	(33)	-	(33)	-
Sale of fixed asset investments	12	24	-	24	-
Net cash inflow before management of liquid resources and financing		498	221	483	197
Management of liquid resources					
Investment in short term deposits		(950)	(150)	(950)	(150)
Financing					
New loan		48	-	48	-
Repayment of loan		(2)	-	(2)	-
Government capital grants	3	149	268	149	268
Payment of Williams Bursary		(4)	-	(4)	-
Net cash inflow from financing		191	268	191	268
(Decrease)/Increase in cash	22	(261)	339	(276)	315

Reconciliation of net cashflow to movement in funds for the year ended 31 August 2010

		Group		Trust	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
(Decrease)/increase in cash in the year	22	(261)	339	(276)	315
Cash inflow from increase in financing		(46)	-	(46)	-
Net funds at the start of the year		808	469	726	411
Net funds at the end of the year	22	501	808	404	726

The notes on pages 18 to 38 form part of these financial statements

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties and investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 and applicable accounting standards.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the parent charitable company and its subsidiary undertaking, LF Enterprises Limited. The results of the subsidiary are consolidated on a line by line basis.

The charitable company has availed itself of paragraph 4(1) of Schedule 1 of the Large and Medium sized Companies and Groups (Accounts and Directors' Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's and group's activities.

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.

Grants receivable

The General Annual Grant (GAG) and other recurring and non recurring grants received from the DFE are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

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 believed to be receivable with reasonable certainty.

Sponsorship

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

Interest receivable

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

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 Trust'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:

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

1 Accounting policies (continued)

<i>Cost category</i>	<i>Basis of apportionment</i>
Maintenance of premises	Capacity of accommodation utilised
Other occupancy costs	Capacity of accommodation utilised
Depreciation	Capacity of accommodation utilised

Governance costs

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' 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.

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 Trust.

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

Freehold land	- 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 DFE. This may result in assets which would otherwise be capitalised being charged to expenditure. The diminimus 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.

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

1 Accounting policies (continued)

Stock

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

Taxation

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

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

Pensions

Academy staff are members of one of two pension schemes which are defined benefit schemes or receive contributions to their own pension schemes. More details of the schemes are given in notes 9 and 10.

Defined Benefit Schemes

Teachers' Pension Scheme

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

Local Government Pension Scheme

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

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

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 Trust 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 Trust students for use in their further education.

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

2 General Annual Grant (GAG) – Trust

	2010 £'000	2009 £'000
A. Results and carry forward for the year		
Carry over from previous year	-	-
GAG allocation for current year	6,953	6,583
Total GAG available to spend	6,953	6,583
GAG revenue expenditure	(7,018)	(6,677)
Fixed assets purchased from GAG	-	-
Funded from prior year surplus	3	43
Funded from other non DFE grants	62	42
Funded from unrestricted reserves	-	9
GAG carried forward to next year	-	-
Less maximum permitted GAG carried forward at end of current year	(834)	(790)
GAG to surrender to DFE (12% rule breached if result is positive)	(834)	(790)
	(no breach)	(no breach)
B Use of GAG brought forward from previous year for general purposes		
General expenditure from GAG in current year	7,018	6,677
GAG allocation for current year	(6,953)	(6,583)
GAG allocation for previous year x 2%	-	-
Funded from prior year surplus	(3)	(43)
Funded from other non DFE grants	(62)	(42)
Funded from unrestricted reserves	-	(9)
GAG brought forward from previous year in excess of 2%, used on general expenditure in current year (2% rule breached if result is positive)	-	-
	(no breach)	(no breach)

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

3 Funding for the Group/Trust's Educational Operations

	Group and Trust	
	2010	2009
	£'000	£'000
DFE grants		
- General Annual Grant (GAG)	6,611	6,272
- Academy Standards Grant	342	311
- Graduate teacher programme	1	2
Non recurring grants		
- Capital Grants	149	268
- Academy feasibility grant	56	130
- Academy lead-in grant	346	-
- Start up grant B	21	33
	<u>7,526</u>	<u>7,016</u>

4 Investment income

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Bank interest	54	78	54	78
	<u>54</u>	<u>78</u>	<u>54</u>	<u>78</u>

5 Other income and expenditure

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Other income				
Local authority grants	86	41	86	41
Gift aid payment from wholly owned subsidiary	-	-	95	97
School meals income	298	283	298	283
Other	35	6	35	6
	<u>419</u>	<u>330</u>	<u>514</u>	<u>427</u>

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

6 Total resources expended

	Staff costs £'000	Depreciation £'000	Other costs £'000	Total 2010 £'000	Total 2009 £'000
a) Group					
Group's educational operations					
Direct costs of education	4,633	663	388	5,684	5,381
Allocated support costs	792	179	1,380	2,351	1,954
Governance costs including allocated support costs	103	44	147	294	183
Costs relating to non-charitable trading (see note 13)	-	-	36	36	43
	<u>5,528</u>	<u>886</u>	<u>1,951</u>	<u>8,365</u>	<u>7,561</u>
b) Trust					
Trust's education operations					
Direct costs of education	4,633	663	388	5,684	5,381
Allocated support costs	792	179	1,380	2,351	1,954
Governance costs including allocated support costs	103	44	146	293	181
	<u>5,528</u>	<u>886</u>	<u>1,914</u>	<u>8,328</u>	<u>7,516</u>

7 Charitable activities – Educational operations

	Group		Trust	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Direct costs of education				
Teaching and educational support staff costs	4,633	4,511	4,633	4,511
Depreciation	663	503	663	503
Books and educational supplies	192	180	192	180
Examination fees	129	111	129	111
Staff development and recruitment	61	53	61	53
External educational advice	(2)	15	(2)	15
Licences and subscriptions	8	8	8	8
	<u>5,684</u>	<u>5,381</u>	<u>5,684</u>	<u>5,381</u>

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

7 Charitable activities – Educational operations (continued)

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Allocated support costs				
Support staff costs	792	801	792	801
Depreciation	179	136	179	136
Property maintenance	441	169	441	169
Cleaning	25	13	25	13
Water	19	19	19	19
Heat and light	119	134	119	134
Rent and rates	36	36	36	36
Insurance	42	50	42	50
Postage and telephones	30	32	30	32
Pupil support	167	154	167	154
IT costs	205	135	205	135
Catering	296	275	296	275
	<u>2,351</u>	<u>1,954</u>	<u>2,351</u>	<u>1,954</u>
Total charitable activities	<u>8,035</u>	<u>7,335</u>	<u>8,035</u>	<u>7,335</u>

8 Governance costs

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Support staff costs	103	103	103	103
Legal and professional fees	7	(2)	7	(2)
Auditors' fees	17	17	16	16
Other services provided by the auditors	1	1	-	-
Reimbursed travel and expenses	57	26	58	26
Bank interest charges	1	3	1	3
Depreciation	44	34	44	34
Admissions	3	1	3	1
Consultancy	61	-	61	-
	<u>294</u>	<u>183</u>	<u>293</u>	<u>181</u>

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

9 Information regarding Trustees and employees

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Employees				
Wages and salaries	4,583	4,426	4,583	4,426
Social security costs	354	331	354	331
Other pension costs	544	607	544	607
Other staff costs	47	51	47	51
	<u>5,528</u>	<u>5,415</u>	<u>5,528</u>	<u>5,415</u>

The average number of persons employed (full time equivalent)

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Administration	52	49	52	49
Teachers	84	84	84	84
Educational support	25	25	25	25
	<u>161</u>	<u>158</u>	<u>161</u>	<u>158</u>

The number of employees paid over £60,000 during the year (salary plus taxable benefits, but excluding employer's pension contributions) was

£60,001 - £70,000	1	2	1	2
£70,001 - £80,000	-	-	-	-
£80,001 - £90,000	2	1	2	1
£90,001 - £100,000	-	1	-	1
£120,001 - £130,000	-	-	-	-
£150,001 - £160,000	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

For the above employees earning more than £60,000 per annum, retirement benefits payable under the Teachers Pension Scheme amounted to £41,242 (2009 £46,241) and to the Local Government Pension Scheme amounted to £9,624 (2009 £8,965)

Emoluments of Directors and Members

The Directors and members of the Trust did not receive any payment from the Trust 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 2010 amounted to £10,077 (2009 £5,787)

S Whiteley is both the Principal of the Trust and group and a governor but does not receive any remuneration for his role as a governor

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

9 Information regarding Trustees and employees (continued)

Trustees and officers insurance

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

The Trust also has in place Fidelity Guarantee insurance against losses of monies or other property belonging to the Trust as a consequence of dishonest or fraudulent acts, errors or omissions by Trustees 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, defined benefit 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, 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 and lecturers and from 1 January 2007, automatic for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Account

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 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review 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.

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

9 Information regarding Trustees and employees (continued)

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 million. 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 rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

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

A copy of the GA's 2004 valuation report can be found on the TeacherNet website at www.teachernet.gov.uk/pensions

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 account as they fall due.

The pension costs charge in the accounts represents the contribution payable by the Trust to the TPS (and to the personal pension plans of certain staff not belonging to the above scheme), and amounted to £448,062 (2009 £432,497). At 31 August 2010, contributions amounting to £54,295 (2009 £1,807) were payable to pension schemes and are included in creditors.

10 Local Government Pension Scheme

The Trust is one of several bodies included within the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit scheme.

The Trust has entered into an agreement to contribute to the final salary pensions of a number of their support staff. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions to the scheme are defined by a qualified actuary on the basis of financial valuations using the projected unit method. The pension scheme is administered on behalf of the Trust by Derbyshire County Council. The valuation was carried out on 31 July 2010, the Trustees have considered the movement in the assumptions from 31 July 2010 to 31 August 2010 and are satisfied that there has not been a material movement.

The last full actuarial valuation was undertaken on 31 March 2007 and updated to the balance sheet date by a qualified independent actuary. The last full valuation showed the market value of the scheme's assets totalled £2,088 million. The main assumptions used by the actuary were:

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2010	2009
Discount rate	5.5%	6.3%
Inflation	3.3%	3.7%
Future salary increases	4.8%	5.2%
Future pension increases	2.8%	3.7%

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

10 Local Government Pension Scheme (continued)

The amounts recognised in the balance sheet are as follows

	2010	2009
	£'000	£'000
Present value of funded obligations	575	349
Fair value of scheme assets	(443)	(249)
Net pension liability	<u>132</u>	<u>100</u>

The amounts charged to the statement of financial activities

	2010	2009
	£'000	£'000
Current service cost	125	247
Past service cost	(37)	3
Expected return on assets	(20)	(59)
Interest on pension scheme liabilities	28	25
Total	<u>96</u>	<u>216</u>

The amounts charged to the statement of financial activities are included within other pension costs (note 9)

The major categories of scheme assets as a percentage of total scheme assets are as follows

		2010	
	Long term expected rate of return	Percentage invested	Value at 31/08/10 £'000
Equities	7.5%	69%	307
Gilts/bonds	4.2%	20%	87
Property	6.5%	5%	22
Cash	0.5%	6%	27
		<u>100%</u>	<u>443</u>

Analysis of reserves.

	2010	2009
	£'000	£'000
Total reserves excluding pension liabilities	22,426	22,650
Pension reserve	(132)	(100)
Total reserves	<u>22,294</u>	<u>22,550</u>

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

10 Local Government Pension Scheme (continued)

Changes in the present value of the defined benefit obligation are as follows

	2010 £'000	2009 £'000
Opening defined benefit obligation	349	-
Current service cost	125	247
Past service cost	(37)	3
Member contributions	50	71
Interest on scheme liabilities	28	25
Benefits paid	4	39
Actuarial losses/(gains)	56	(36)
Closing defined benefit obligation	<u>575</u>	<u>349</u>

Changes in the fair value of the scheme assets are as follows

	2010 £'000	2009 £'000
Opening fair value of scheme assets	249	-
Expected return on scheme assets	20	59
Employer contributions	88	117
Member contributions	50	71
Benefits paid	4	39
Actuarial gain/(loss)	32	(37)
Closing defined benefit assets	<u>443</u>	<u>249</u>

The cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses was £24,000 (2009 £1,000)

The company expects to contribute £89,000 to its defined benefit pension scheme in 2010/2011

Amounts for the current and previous period are as follows

Defined benefit pension scheme

	2010 £'000	2009 £'000
Defined benefit obligation	(575)	(349)
Fair value of scheme assets	<u>443</u>	<u>249</u>
Deficit	<u>(132)</u>	<u>(100)</u>
Experience adjustments on scheme liabilities	-	-
Experience adjustments on scheme assets	32	37

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

11 Tangible fixed assets

	Freehold land £'000	Freehold buildings £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
Group					
Cost or valuation					
At 1 September 2009	1,165	19,894	2,015	1,992	25,066
Additions	-	15	152	265	432
Disposals	-	-	-	(723)	(723)
At 31 August 2010	1,165	19,909	2,167	1,534	24,775
Accumulated depreciation					
At 1 September 2009	-	1,133	1,629	1,992	4,754
Charge for the year	-	398	223	265	886
Disposals	-	-	-	(723)	(723)
At 31 August 2010	-	1,531	1,852	1,534	4,917
Net book value					
At 31 August 2010	1,165	18,378	315	-	19,858
At 31 August 2009	1,165	18,761	386	-	20,312

The above net value at 31 August 2010 represents fixed assets used for

	Freehold land £'000	Freehold buildings £'000	Furniture and equipment £'000	Total £'000
Direct charitable purposes:				
Educational provision	874	13,746	235	14,855
Support services	233	3,712	64	4,009
Other purposes:				
Governance	58	920	16	994
	1,165	18,378	315	19,858

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

11 Tangible fixed assets (continued)

Source of funding for assets acquired (cumulative)

Group	DFE capital grants £'000	Other DFE grants £'000	Other government grants £'000	Private sector sponsorship £'000	GAG capital grant £'000	Un- restricted capital £'000	Total £'000
At 31 August 2010	11,971	339	12	2,334	1,029	723	16,408
Surplus on revaluation							8,367
Total cost at 31 August 2010							24,775

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 Trust. The Directors are not aware of any material changes since the last valuation.

The net book value of freehold buildings determined according to the historical cost convention is £9,758,000 (2009 £9,929,000).

	Freehold land £'000	Freehold buildings £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
Trust					
Cost or valuation					
At 1 September 2009	1,165	19,894	2,000	1,992	25,051
Additions	-	15	152	265	432
Disposals	-	-	-	(723)	(723)
At 31 August 2010	1,165	19,909	2,152	1,534	24,760
Accumulated depreciation					
At 1 September 2009	-	1,133	1,614	1,992	4,739
Charge for the year	-	398	223	265	886
Disposals	-	-	-	(723)	(723)
At 31 August 2010	-	1,531	1,837	1,534	4,902
Net book value					
At 31 August 2010	1,165	18,378	315	-	19,858
At 31 August 2009	1,165	18,761	386	-	20,312

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

11 Tangible fixed assets (continued)

The above net book value at 31 August 2010 represents fixed assets used for

	Freehold land £'000	Freehold buildings £'000	Furniture and equipment £'000	Total £'000
Direct charitable purposes				
Educational provision	874	13,746	235	14,855
Support services	233	3,712	64	4,009
Other purposes:				
Governance	58	920	16	994
	<u>1,165</u>	<u>18,378</u>	<u>315</u>	<u>19,858</u>

Source of funding for assets acquired (cumulative)

Trust	DFE capital grants £'000	Other DFE grants £'000	Other government grants £'000	Private sector sponsorship £'000	GAG capital grant £'000	Un- restricted capital £'000	Total £'000
At 31 August 2010	<u>11,971</u>	<u>339</u>	<u>12</u>	<u>2,334</u>	<u>1,029</u>	<u>708</u>	<u>16,393</u>
Surplus on revaluation							<u>8,367</u>
Total cost at 31 August 2010							<u>24,760</u>

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 Trust. The Directors are not aware of any material changes since the last valuation.

The net book value of freehold buildings determined according to the historical cost convention is £9,758,000 (2009 £9,929,000).

12 Investments held as fixed assets

	UK listed Investments 2010 £'000
Valuation	
Valuation at 1 September 2009	59
Additions in the year	33
Revaluation at year end	9
Disposals	(24)
Valuation at 31 August 2010	<u>77</u>

The historical cost of investments held at 31 August 2010 was £63,033 (2009 £46,599). All investments are held within unrestricted funds and are summarised below.

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

12 Investments held as fixed assets (continued)

	2010 £'000	2009 £'000
Government securities		
5 00% Treasury £16,825 redeemable 2012	-	24
Treasury strip £29,774 redeemable 2018	39	35
Treasury strip £33,259 redeemable 2020	38	-
	<u>77</u>	<u>59</u>

	Shares in group undertakings £	Impairment £	Net Investment £
At 31 August 2009 and 2010	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 2010 £	Profit for the year £
L F Enterprises Limited (registered in England and Wales)		
Involve community of Derby in the use of facilities at Landau Forte Trust	106	-
	<u>—</u>	<u>—</u>

13 Result of trading subsidiary

	2010 £'000	2009 £'000
Turnover	132	142
Cost of sales	(34)	(41)
Gross profit	<u>98</u>	<u>101</u>
Administrative expenses (including gift aid of £95,140 (2009 £97,356) to the Trust)	(98)	(101)
Operating result	<u>-</u>	<u>-</u>
Taxation	-	-
Profit on ordinary activities after tax	<u>-</u>	<u>-</u>
Assets	108	93
Liabilities	(108)	(93)
	<u>-</u>	<u>-</u>

The costs relating to the non-charitable trading in the consolidated SOFA includes both the cost of sales and administrative expenses excluding the gift aid payment

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

14 Stocks

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Restaurant	7	7	7	7
Stationery	8	6	8	6
Goods for resale	6	5	4	4
	<u>21</u>	<u>18</u>	<u>19</u>	<u>17</u>

15 Debtors

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Trade debtors	9	10	-	-
Amounts due from subsidiary company	-	-	91	73
Other debtors	172	7	172	7
Prepayments and accrued income	154	92	154	92
	<u>335</u>	<u>109</u>	<u>417</u>	<u>172</u>

All debtors are due within one year

16 Creditors: Amounts falling due within one year

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Loans	12	-	12	-
Trade creditors	115	111	111	109
Taxation and social security	222	109	222	109
Accruals and other creditors	1,079	536	1,066	518
	<u>1,428</u>	<u>756</u>	<u>1,411</u>	<u>736</u>

The loan is an unsecured interest free loan which is repayable in instalments and will end in March 2014

17 Creditors. Amounts falling due after one year

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Loans	34	-	34	-
	<u>34</u>	<u>-</u>	<u>34</u>	<u>-</u>

The loan is an unsecured interest free loan which is repayable in instalments and will end in March 2014

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

18 Restricted funds' Group and Trust

	Balance at 31 August 2009 £'000	Incoming resources £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2010 £'000
Restricted fixed assets funds					
Government capital grants	8,828	149	(778)	-	8,199
Private sector capital sponsorship	1,120	-	(57)	-	1,063
	<u>9,948</u>	<u>149</u>	<u>(835)</u>	<u>-</u>	<u>9,262</u>
Restricted general funds					
Williams Bursary	72	-	(4)	-	68
Restricted general	100	7,463	(7,430)	-	133
Pension reserve	(100)	-	(8)	(24)	(132)
	<u>10,020</u>	<u>7,612</u>	<u>(8,277)</u>	<u>(24)</u>	<u>9,331</u>

Restricted funds represent funds received towards the general running of the Trust, capital expenditure and student bursaries. These funds are defined in the accounting policies in note 1.

The other movements recognises the £24,000 actuarial loss on the defined benefit scheme.

19 Unrestricted funds. Group

	Balance at 31 August 2009 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2010 £'000
Major property repair fund	525	-	-	175	700
Endowment fund	345	-	-	115	460
Unrestricted fund	1,009	519	(88)	(290)	1,150
Premises revaluation reserve	10,633	-	-	-	10,633
Treasury revaluation reserve	18	-	-	2	20
	<u>12,530</u>	<u>519</u>	<u>(88)</u>	<u>2</u>	<u>12,963</u>

The transfers column represents the transfer of unrestricted funds to the following: £175,000 to the major property repair fund and £115,000 to the endowment fund. The treasury revaluation is £2,000 which is the net effect of the £9,000 revaluation in year and the £7,000 realised in the year via a disposal.

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

20 Unrestricted funds: Trust

	Balance at 31 August 2009 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2010 £'000
Major property repair fund	525	-	-	175	700
Endowment fund	345	-	-	115	460
Unrestricted fund	1,009	482	(51)	(290)	1,150
Premises revaluation reserve	10,633	-	-	-	10,633
Treasury revaluation reserve	18	-	-	2	20
	<u>12,530</u>	<u>482</u>	<u>(51)</u>	<u>2</u>	<u>12,963</u>

The transfers column represents the transfer of unrestricted funds to the following £175,000 to the major property repair fund and £115,000 to the endowment fund. The treasury revaluation is £2,000 which is the net effect of the £9,000 revaluation in year and the £7,000 realised in the year via a disposal.

21 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 Trust. The Directors 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 Trust to undertake specific capital projects.

As part of their on-going requirement to mitigate risk, the Directors 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 Trust	
	2010 £'000	2009 £'000
Major property repair fund	700	525
Endowment fund	460	345
	<u>1,160</u>	<u>870</u>

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

22 Notes to cash flow statement

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
a) Reconciliation of operating surplus to net cash inflow from operating activities				
Excess of income over expenditure	503	410	503	410
Bank interest payable	1	3	1	3
Bank interest receivable	(54)	(78)	(54)	(78)
Amortisation of grants	(886)	(673)	(886)	(673)
Depreciation of tangible fixed assets	886	673	886	673
Loss on disposal of fixed assets	-	2	-	2
Gain on disposal of investment	(3)	-	(3)	-
(Increase)/decrease in stock	(3)	2	(2)	1
(Increase)/decrease in debtors	(226)	49	(245)	30
Decrease/(increase) in creditors	660	(166)	663	(170)
Provision for pension service and interest cost in year	96	216	96	216
Cash contributions to defined benefit pension scheme	(88)	(117)	(88)	(117)
Net cash inflow from operating activities	886	321	871	297

b) Reconciliation of net cash flows to movement in net funds

	Group		Trust	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Net funds at 1 September 2009	808	469	726	411
Increase in cash in the year	(261)	339	(276)	315
Movement in net debt	(46)	-	(46)	-
Net funds at 31 August 2010	501	808	404	726

Group	At start of year	Cashflows	At end of year
	£	£	£
Cash at bank and in hand	808	(261)	547
	808	(261)	547
Debt due within one year	-	(12)	(12)
Debt due after one year	-	(34)	(34)
Net funds	808	(307)	501

Company	At start of year	Cashflows	At end of year
	£	£	£
Cash at bank and in hand	726	(276)	450
	726	(276)	450
Debt due within one year	-	(12)	(12)
Debt due after one year	-	(34)	(34)
	726	(322)	404

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2010

23 Contingent liabilities

In accordance with the Trust 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 Trust shall if it does not re-invest the proceeds, repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust 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 Trust's site and premises and other assets held for the purposes of the Trust, 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

24 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted capital funds £'000	Total £'000
Fixed assets	11,405	-	8,530	19,935
Net current assets	1,592	201	732	2,525
Long term liabilities	(34)	(132)	-	(166)
	<u>12,963</u>	<u>69</u>	<u>9,262</u>	<u>22,294</u>

25 Related party transactions

Disclosure of related party transactions within the group is not required under FRS 8 Related Party Transactions as consolidated accounts for the group are publicly available

26 Post balance sheet event

The Landau Forte Academy Tamworth opened in the predecessor school buildings on 1 September 2010 and opened to students on 5 September 2010. There is ongoing construction of new Academy buildings to the value of £32m

27 Ultimate controlling party

The Trust and its academies are controlled by the Members