

ARCHBISHOP SENTAMU ACADEMY
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31ST AUGUST 2009

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Company Limited by Guarantee
Registration Number: 6544825
(England and Wales)

Charity Registration Number: 1125446

Archbishop Sentamu Academy

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The following pages do not form part of the statutory financial statements:

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)
Period ended 31 August 2009**

Reference and Administrative Details of the Academy, its Governors and Advisors

Governors (Trustees)	Bishop Richard Frith (Chairman)	Appointed 1 September 08
	Canon Ann Lees *	Appointed 26 March 08
* = members of the Finance and General Purposes committee	John Holmes	Appointed 23 September 09
	Maddy Ruff *	Appointed 26 March 08
	Graeme Brook	Appointed 18 May 09
	Mike Westerdale	Appointed 16 September 09
	Philip Ashton * (Responsible Officer)	Appointed 1 September 08
	Richard Davies	Appointed 26 March 08
	Andrew Chubb	Appointed 1 September 08
	Steve Fergusson	Appointed 18 March 09
	Mike Pinnock	Appointed 18 March 09, Resigned 18 May 09
Secretary	Prima Secretary Limited	
Senior managers		
- Principal	Andrew Chubb	
- Senior Vice Principal	Mike Westerdale	
- Vice Principal	Chris Mulqueen	
- Finance Director	Steve Kelly	Appointed 19 January 09
Registered Office	Diocesan House Aviator Court Clifton Moor York YO30 4WJ	
Company Registration Number	6544825	
Charity Registration Number	1125446	
Auditors	Clive Owen & Co LLP Chartered Accountants Registered Auditors 140 Coniscliffe Road Darlington Co Durham DL3 7RT	
Bankers	Yorkshire Bank Hull Financial Solutions Centre 1 Earls Court Henry Boot Way Priory Park East Hull HU4 7DY	

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)
Period ended 31 August 2009**

Reference and Administrative Details of the Academy, its Governors and Advisors

Solicitors

Dickinson Dees LLP
St Ann's Wharf
112 Quayside
Newcastle Upon Tyne
NE1 3DX

Eversheds LLP
Bridgewater Place
Water Lane
Leeds
LS11 5DR

Stone King Sewell LLP
16 St. Johns Lane
London
EC1M 4BS

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)
Period ended 31 August 2009**

Report of the Governors

The governors present their report together with the financial statements of the charitable company for the period ended 31 August 2009. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies on pages 17 to 19 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 1985, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee with no share capital (registration no. 6544825) and a registered charity (registration no 1125446). The charitable company incorporated on 26 March 2008 and registered as a charity on 18 August 2008.

The charitable company's memorandum and articles of association are the prime governing documents of the Academy.

One member of the charitable company is nominated by the Secretary of State for Children, Schools and Families and together with the person holding the position of Bishop of Hull, the Principal of York St John, the Rural Dean, and the person holding the position of Director of Education for the York Diocese the board may, providing they agree unanimously, appoint and remove other members to and from the Governing Body.

The numbers of governors shall be not less than three.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Governors

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

The term of office for any governor shall be 4 years, subject to remaining eligible to be a particular type of governor any governor may be re-appointed or re-elected.

During the period under review the governors held 6 meetings. In addition, there was a full day's facilitated training event covering Governors' responsibilities and changes in the new Charities SORP. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)
Period ended 31 August 2009**

Report of the Governors (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Responsibilities of the Governors

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year. In preparing financial statements giving a true and fair view, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

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

Organisational Structure

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

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

The Senior Leadership Team are the Principal, one Senior Vice Principal, four Assistant Vice Principals and the Finance Director. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Leadership Team always contain a Governor. Some spending control is devolved to Subject Team Leaders, with limits above which a Senior Leadership Team member must countersign.

Subsidiary company

The Academy owns 100% of the issued ordinary shares of Archie Student Activities Limited a company incorporated in England (registration no.6817443) which will begin trading in the new academic year.

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)
Period ended 31 August 2009**

Report of the Governors (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations

The Diocese of York are sponsors to Archbishop Sentamu Academy and since the Academy's founding have remitted £1,000 to assist the Academy in achieving its objectives. This was donated from The Holbeck Charitable Trust.

Risk management

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

Statement on the system of internal finance control

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

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

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance and HR committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)
Period ended 31 August 2009**

Report of the Governors (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement on the system of internal finance control (continued)

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the governors have appointed Philip Ashton, a governor, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. Once a term the RO reports to the governing body, via the Finance and HR committee on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

These visits include, but are not limited to, reviewing transactions and supporting documentation in bank reconciliations, monthly payroll, orders, supplier invoices, payments, petty cash and tendering processes.

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

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The principal object and activity of the charitable company is the operation of Archbishop Sentamu Academy, to provide education for students of all abilities between the ages of 11 and 19, with emphasis on Health Sciences and Business Enterprise.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State. This scheme of government specifies, amongst other things, the basis for admitting students to the Academy and the catchment area from which the students are drawn.

The main objectives of the Academy during the period ended 31 August 2009 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry, commerce and the local PCT; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Public Benefit

The charity's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the Charity's charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission and the Trustees have paid due regard to this guidance in deciding what activities the charity should undertake.

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)
Period ended 31 August 2009**

Report of the Governors (continued)

OBJECTIVES AND ACTIVITIES (continued)

Strategies and activities

The Academy's main strategy is to provide its students with "Life in all its fullness". To this end, the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff;
- the placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- a system of other clubs to allow students to explore the Academy's specialisms in a practical and project-oriented way. This includes the opportunity for students to run their own business; and
- a careers advisory service to help students obtain employment or move on to higher education.

Equal opportunities policy

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

Disabled persons

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

ACHIEVEMENTS AND PERFORMANCE

The academy is now in its second year of operation, and is already oversubscribed, having admitted above its overall PAN. Furthermore, the Academy has obtained permission from the DCSF to open a sixth form for its students, in subjects based on its specialisms, ahead of schedule (the sixth form was due to open in 2011). Exam results for 2009 were the best in the history of the institution. Although the floor target for 5+ A* to C was missed by 2%, 76% of students gained 5 or more GCSEs at C grade and above. The overall measure for value-added, "CVA EM", gave the Academy a score of 1037, placing it at the 4th centile overall of all schools nationally. This was a very creditable achievement, and was testimony to the inclusive nature of its policies and practices, which aim to ensure that all students are "pushed to achieve", whatever their starting point.

In order to ensure that standards are continually being raised, the Academy operated a rigorous "Quality Assurance Framework", which includes observing all teachers teach, data analysis and exercise book trawls. The Principal recently commissioned a full review of the Academy's operations using the new Ofsted framework. Pleasingly, the inspectors rated the overall effectiveness of the Academy to be "Good" – a significant achievement at the start of what is only our second year of operation.

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)
Period ended 31 August 2009**

Report of the Governors (continued)

FINANCIAL REVIEW

Financial report for the period

Most of the Academy's income is obtained from the DCSF in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DCSF during the period ended 31 August 2009 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DCSF and its partners Hull PCT and Hull City Council. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2009, total expenditure of £6,686,464 was more than covered by recurrent grant funding from the DCSF together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds) was £1,619,000.

At 31 August 2009 the net book value of fixed assets was £268,000 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy picked up a past service deficit of £298,000 which is included within the total pension scheme deficit under FRS17 shown in note 21.

Reserves policy

The governors review the reserve level of the Academy annually. This review currently looks at the considerable number of new initiatives being supported throughout the Academy and ensure sufficient reserves are retained for such activities to be sustainable long term, where appropriate.

Given the commissioning of our new site in September 2011, the governors review looks at the 5 year plan and currently reserves planning is driven by future requirements on the new site brought back to the current year end reports.

This significant future expenditure leads the academy to view the maximum short term carried forward funding as desirable and will only convert such aspirations to more formula driven reserves once future plans become concrete. The Academy intends to continue building up free reserves to the maximum allowable carry forward under DCSF guidance.

Financial position

The Academy held fund balances at 31 August 2009 of £1,245,000 comprising £1,470,000 of restricted funds and £301,000 of unrestricted general funds and a pension reserve deficit of £526,000.

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)
Period ended 31 August 2009**

Report of the Governors (continued)

PLANS FOR FUTURE YEARS

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher education once they leave. The Academy will also increase its recruitment up to the new agreed levels.

The Academy aims in the future to work increasingly closely with its local community, especially through the Preston Road New Development Company (PRNDC). To achieve this we are drawing up a community development plan in full partnership with the PRNDC, based on an identification and analysis of need. The plan's aim is to establish ways to benefit the wider community and to ensure that both the Academy's and PRNDC's facilities, curricular materials and expertise are used for the benefit of students and the wider community alike, developing a synergy between the two organisations.

As a result of the admission of students beyond the Academy PAN and the short term nature of the site we are currently occupying, the Academy has commissioned two additional science labs in modular buildings sited on the grounds for the remaining period on this site.

They were commissioned at the beginning of the next Academic Year and financial information about the rental is contained within note 18 to these accounts.

AUDITORS

The auditors, Clive Owen & Co LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

APPROVAL

The report of the governors was approved by the governors on 23 November 2009 and signed on their behalf by:



**Bishop Richard Frith,
Chairman**

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

Report of the Independent Auditors to the Members of Archbishop Sentamu Academy

We have audited the financial statements of Archbishop Sentamu Academy for the period ended 31 August 2009 which comprise financial statements such as the Statement of Financial Activities, the Balance Sheet, the Income and Expenditure Account, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the 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, the Governors (who act as trustees for the charitable activities of Archbishop Sentamu Academy and are also the directors of Archbishop Sentamu Academy for the purposes of company law) are responsible for the preparation of the Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). They are also responsible for ensuring that grants made by the Department for Children, Schools and Families have been applied for the purposes intended and that the Academy's system of internal controls are such as to comply with the obligations placed on the governing body by the Secretary of State for Children, Schools and Families.

Our responsibility is to audit the financial statements in accordance with the 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. It is also our responsibility to report whether grants made by the Department for Children, Schools and Families have been applied for the purposes intended and whether the Academy's system of internal controls is such as to comply with the obligations placed on the governing body by the Secretary of State for Children, Schools and Families. We also report to you if the 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 transactions with the charity is not disclosed.

We report to you whether in our opinion the information given in the Governors' report is consistent with the audited accounts. Our responsibilities do not extend to any other information.

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 Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

Report of the Independent Auditors to the Members of Archbishop Sentamu Academy

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. We also carried out such works as we considered necessary to express our opinion on whether grants made by the Department for Children, Schools and Families have been applied for the purposes intended and whether the Academy's system of internal controls is such as to comply with the obligations placed on the governing body by the Secretary of State for Children, Schools and Families.

Opinion

In our opinion:

- a) the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the charitable company's state of affairs as at 31 August 2009, and of its incoming resources and application of resources, including its income and expenditure, in the period then ended and have been properly prepared in accordance with the Companies Act 1985;
- b) 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 period;
- c) proper accounting records have been kept by the Academy throughout the financial period;
- d) grants made by the Department for Children, Schools and Families have been applied for the purposes intended;
- e) we are satisfied that the Academy's systems of internal controls are such as to comply with the obligations placed on the governing body by the Secretary for Children, Schools and Families and we have not identified any material weaknesses;
- f) the information given in the Report of the Governors is consistent with the financial statements.



Clive Owen & Co LLP
Chartered Accountants
Registered Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

23 November 2009

Archbishop Sentamu Academy
(A Company Limited by Guarantee)

Statement of Financial Activities
for the Period Ended 31 August 2009

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2009 £000
Incoming resources					
<i>Incoming resources from generated funds:</i>					
. Voluntary income	2	258	-	122	380
. Activities for generating funds	3	-	-	-	-
Investment Income	4	23	-	-	23
<i>Incoming resources from charitable activities:</i>					
. Funding for the Academy's educational operations	5	-	7,980	74	8,054
Total incoming resources		281	7,980	196	8,457
Resources expended					
<i>Cost of generating funds:</i>					
. Costs of generating voluntary Income		-	-	-	-
. Investment management costs					
<i>Charitable activities:</i>					
. Academy's educational operations	7	-	6,629	44	6,673
<i>Governance costs</i>	8	-	13	-	13
Total resources expended	6		6,642	44	6,686
Net incoming resources before transfers		281	1,338	152	1,771
Gross transfers between funds	16	20	(136)	116	-
Net incoming/(outgoing) resources before other recognised gains and losses		301	1,202	268	1,771
Other recognised gains and losses					
Actuarial (losses)/gains on defined benefit pension schemes	21	(228)	-	-	(228)
Pension deficit for staff transferred from LEA	21	(298)	-	-	(298)
Net movement in funds		(225)	1,202	268	1,245
Total funds brought forward at 26 March 2008		-	-	-	-
Funds carried forward at 31 August 2009		(225)	1,202	268	1,245

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Income and Expenditure Account
for the Period Ended 31 August 2009**

	Note	2009 £000s
Income		
General Annual Grant (GAG)	1	4,966
DCSF capital grants	5	74
Other DCSF grants	5	2,620
Other Government grants	5	136
Other grants and income	5	258
Private sponsorship and donations	2	380
Gift Aid payment from subsidiary		-
Interest and receivable	4	23
Total income		8,457
Expenditure	6	
General Annual Grant (GAG) related expenditure		4,573
Other DCSF grant expenditure		1,705
Other grant expenditure		136
Depreciation	12	58
Other expenditure		214
Total expenditure		6,686
Excess of income over expenditure		1,771

**Statement of Total Recognised Gains and Losses
for the Period Ended 31 August 2009**

		2009 £000s
Excess of income over expenditure		1,771
Actuarial (losses)/gains on defined benefit pension schemes	21	(228)
Pension deficit for staff transferred from LEA	21	(298)
Total recognised gains and losses for the period		1,245
Net movement to/(from) funds		
Restricted funds		1,470
Unrestricted fund		(225)
		1,245

The income and expenditure account and statement of total recognised gains and losses are derived from the statement of financial activities on page 12 which, together with the notes to the financial statements on pages 16 to 33 provides full information on the movements during the period on all the funds of the Academy.

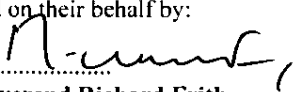
All of the Academy's activities derived from continuing operations during the above two financial periods.

Archbishop Sentamu Academy
(A Company Limited by Guarantee)

Balance Sheet
31 August 2009

	Note	2009 £000s
Fixed assets		
Tangible assets	12	268
Investments	13	-
		<u>268</u>
Current assets		
Stock		-
Debtors	14	382
Cash at bank and in hand		1,738
		<u>2,120</u>
Current liabilities		
Creditors: Amounts falling due within one year	15	661
Net current assets		<u>1,459</u>
Total assets less current liabilities		<u>1,727</u>
Net assets excluding pension liability		<u>1,727</u>
Pension scheme liability	21	(482)
Net assets including pension liability		<u>1,245</u>
Funds		
<i>Income funds</i>		
Restricted funds		
Restricted fixed asset fund	16	268
Restricted general fund	16	1,202
		<u>1,470</u>
Unrestricted funds		
General fund		257
Pension reserve	21	(482)
Total unrestricted funds		<u>(225)</u>
		<u>1,245</u>

The financial statements on pages 12 to 33 were approved by the governors on 23 November 2009 and signed on their behalf by:



Rt Reverend Richard Frith
Chairman

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Cash Flow Statement
31 August 2009**

	2009 £000s
Operating activities	
RECEIPTS	
Recurrent grants received from the DCSF	
General Annual Grant (GAG)	5,414
Other grants	-
Other receipts from the DCSF	2,168
Other receipts from Government	134
Private sponsorship	-
Other receipts	251
	<u>7,967</u>
PAYMENTS	
Staff costs	3,382
Other cash payments	3,166
	<u>6,548</u>
Net cash inflow from operating activities	<u>1,419</u>
Returns on investments and servicing of finance	
Interest received	21
Interest paid	-
	<u>21</u>
Taxation	<u>-</u>
Capital (expenditure)/income	
Capital grants from DCSF	104
Other capital grants received from central and local government	-
Capital funding received from sponsors	122
Purchase of tangible fixed assets	(296)
Receipts from sale of tangible fixed assets	-
	<u>(70)</u>
Management of liquid resources and financing	1,370
Increase in creditors	368
Increase in cash	<u>1,738</u>
Reconciliation of net cash flow to movement in net funds	
Increase in cash	<u>1,738</u>
Change in net funds	1,738
Net funds at 26 March 2008	-
Net funds at 31 August 2009	<u>1,738</u>

Note 1

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Cash Flow Statement (continued)
31 August 2009**

1 Analysis of changes in net funds	At 31 August 2009 £'000s
Cash in hand and at bank	233
Current asset investments	<u>1,505</u>
	<u>1,738</u>

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

PRINCIPAL ACCOUNTING POLICIES

Format of financial statements

The standard format for the financial statements as required by the Companies Act 1985 schedule 4 part I has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP 2005') and reflects the activities of the Academy.

Basis of accounting

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

Incoming resources

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

Sponsorship income

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

Donations

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

Donated services and gifts in kind

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

Interest receivable

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

Resources expended

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

Allocation of costs

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

Governance costs

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

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

PRINCIPAL ACCOUNTING POLICIES (continued)

Fund accounting

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

Restricted funds comprise grants from the DCSF and other donors which are to be used for specific purposes as explained in note 16.

Tangible fixed assets

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

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

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

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

Leasehold Improvements	Over residual period of lease
Fixtures, fittings and equipment	20% on cost
ICT Equipment	33.33% on cost
Motor Vehicles	25% on cost

Investments

The Academy's share holding in the wholly owned subsidiary, Archie Student Activities Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Leased assets

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

Taxation

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

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

PRINCIPAL ACCOUNTING POLICIES (continued)

Pensions

Academy staff are members of one of two pension schemes both of which are defined benefit schemes. More details of the schemes are given in note 21.

Defined Benefit Schemes

Teachers' Pension Scheme

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

Local Government Pension Scheme

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

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

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

	2009 £000s
1 GENERAL ANNUAL GRANT (GAG)	
a. Results and Carry Forward for the Period	
GAG brought forward from previous period	-
GAG allocation for current period	<u>4,966</u>
Total GAG available to spend	4,966
Recurrent expenditure from GAG	<u>(4,574)</u>
Fixed assets purchased from GAG	<u>(82)</u>
GAG carried forward to next year	310
Maximum permitted GAG carry forward at the end of current period (12% of allocation for current period)	<u>(596)</u>
GAG to surrender to DCSF	<u>N/A</u>
2 VOLUNTARY INCOME	2009 £000s
Private sponsorship	
. Donations for Fixed Assets	122
Donations of equipment from predecessor school	<u>258</u>
	<u>380</u>
3 ACTIVITIES FOR GENERATING FUNDS	2009 £000s
Hire of facilities	<u>-</u>
4 INVESTMENT INCOME	2009 £000s
Gift Aid payment from wholly owned subsidiary	-
Bank Interest	<u>23</u>
	<u>23</u>

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

5 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	2009 £000s
- General Annual Grant (GAG) (note 1)	4,966
- Start up Grant a	887
- Start up Grant b	560
- Implementation Grant	437
- Earmarked Annual Grant	155
- Redundancy funding	136
- Standards Fund	445
- Capital grants	74
	<u>7,660</u>
Other Government grants	
- Aim Higher	21
- Specialist Schools and Academies Trust	21
- SSCo	18
- Harnessing Technology	14
- GTP Funding	62
Other grants and income	
- Insurance Claims – staff sickness policy	30
- E-Learning Foundation – netbook scheme	88
- Uniform sales	6
- Contribution to trips/educational visits	20
- School Production ticket sales	4
- Recharge shared site costs	56
- LEA share of staffing costs (pay award etc)	34
- Facilitating IT Diploma	15
- Arts Council	5
	<u>394</u>
	<u>8,054</u>

6 RESOURCES EXPENDED

	Staff Costs £000s	Deprec- iation £000s	Other costs £000s	Total 2009 £000s
Costs of generating voluntary income	-	-	-	-
Academy's educational operations				
- Direct costs	3,407	36	795	4,238
- Allocated support costs	562	22	1,851	2,435
	<u>3,969</u>	<u>58</u>	<u>2,646</u>	<u>6,673</u>
Governance costs including allocated support costs	-	-	13	13
	<u>3,969</u>	<u>58</u>	<u>2,659</u>	<u>6,686</u>

The method used for the apportionment of support costs is disclosed in the accounting policies on page 17.

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

7 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	2009 £000s
<i>DIRECT COSTS</i>	
Teaching and educational support staff costs	3,407
Depreciation	36
Staff development	149
Learning Resources (not ICT)	219
Examination Fees	98
Educational consultants and external provision	249
Learning resources ICT	80
	4,238
<i>ALLOCATED SUPPORT COSTS</i>	
Support staff costs	562
Depreciation	22
Uniforms	96
Maintenance of premises and equipment	232
Furniture and equipment not capitalised	188
Cleaning	97
Rent and rates	18
Heat and light	97
Insurance	103
Security	16
Transport	-
Catering	119
Technology costs	250
Office Costs (including licences, post, telephones, payroll)	93
Bank interest and charges	14
Other support costs	17
External Consultants	511
	2,435
	6,673

8 GOVERNANCE COSTS

	2009 £000s
Support costs	-
Legal and professional fees	-
Audit fees	13
Governors' reimbursed expenses	-
	13

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

9 STAFF COSTS

The average number of persons (including senior management team) employed by the Academy during the period ended 31 August 2009 expressed as full time equivalents was as follows:

	2009 No.
<i>Charitable Activities</i>	
Teachers	56
Administration and support	59
Management	3
	<u>118</u>
<i>Governance activities</i>	-
	<u>118</u>
Staff costs comprise:	2009 £000s
Wages and salaries	3075
Social security costs	224
Other pension costs	333
	<u>3,632</u>

Two employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the period ended 31 August 2009. The total emoluments of these employees were in the following ranges:

	2009 No.
£60,000 - £70,000	-
£70,001 - £80,000	1
£80,001 - £90,000	-
£90,001 - £100,000	-
£100,001 - £110,000	-
£110,001 - £120,000	1

All of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the period ended 31 August 2009, pension contributions for these staff amounted to £19,176.

10 GOVERNORS' REMUNERATION AND EXPENSES

The governors of the Academy did not receive any payment from the Academy nor did they receive any reimbursement of travel and subsistence expenses incurred in the course of their duties.

Interests in transactions

Right Reverend R M Frith is a director of the The York Diocesan Board of Finance Ltd to which the Academy paid £31,218 during the period ended 31 August 2009 in respect of RE teaching and chaplaincy.

R Davies is a non-executive director of NHS Hull PCT from which the company received monies of £126,776 towards fixed assets during the period ended 31 August 2009.

An investment in Archie Student Activities Limited is held by the Academy. At the period ended 31 August 2009 the Academy was owed £517 from this wholly owned subsidiary.

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

11 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim, however this forms part of a wider policy and the cost of cover is not isolated.

12 TANGIBLE FIXED ASSETS

	Leasehold Land and building £000s	Fixtures, Fittings & Equipment £000s	Computer Equipment & software £000s	Motor Vehicles £000s	Total £000s
Cost					
Additions	29	25	248	24	326
Disposals	-	-	-	-	-
At 31 August 2009	29	25	248	24	326
Depreciation					
Charged in period	5	3	47	3	58
Disposals	-	-	-	-	-
At 31 August 2009	5	3	47	3	58
Net book values					
At 31 August 2009	24	22	201	21	268

The above net book value at 31 August 2009 represents fixed assets used for:

	Leasehold Land and buildings £000s	Furniture, Fittings & Equipment £000s	Computer Equipment & software £000s	Motor Vehicles £000s	Total £000s
Educational provision	-	15	122	-	137
Support services	24	7	79	21	131
Governance	-	-	-	-	-
Generating funds	-	-	-	-	-
	24	22	201	21	268

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

12 TANGIBLE FIXED ASSETS (CONTINUED)

Source of funding for assets acquired (cumulative to date)

	2009 £'000s
DCSF capital grants	74
Other DCSF grants	24
Other government grants	-
Private sector capital sponsorship	122
General purpose fund (grant income)	83
Value of assets donated	23
Cost of fixed assets at 31 August 2009	326
Less: Accumulated depreciation	(58)
Net book value of fixed assets at 31 August 2009	268

13 INVESTMENTS

	2009 £'000s
Investment in wholly owned subsidiary company at cost (£2)	-

The Academy owns 100% of the issued ordinary shares of Archie Student Activities Limited, a company incorporated in England (registration no 6817443). The principal business activity of Archie Student Activities Limited will be the development of student led business in many areas.

The investment is shown in the balance sheet at cost.

No accounts have been prepared for the period to 31st August 2009 as the company has yet to start trading.

14 DEBTORS

	2009 £000s
Trade debtors	-
Prepayments and accrued income	377
Sundry debtors	5
Amount due from subsidiary undertaking	-
	382

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £000s
Trade creditors	258
Taxation and social security	80
Sundry creditors	30
Accruals and deferred income	293
	661

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

16 RESTRICTED FUNDS

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

	Incoming resources	Resources Expended	Gains, losses and transfers	Balance at 31 August 2009
	£000s	£000s	£000s	£000s
Restricted general funds				
General Annual Grant (GAG)	4,966	4,587	(69)	310
Start Up Grant a	887	-	-	887
Start Up Grant b	560	532	(23)	5
Implementation	437	437	-	-
Earmarked Annual Grant	155	155	-	-
Redundancy Funding	136	136	-	-
Standards Fund	445	445	-	-
Aim Higher	21	21	-	-
SSAT	21	21	-	-
SSCo	18	18	-	-
Harnessing Technology	14	14	-	-
GTP	62	62	-	-
Insurance Claims	30	30	-	-
E-learning Foundation	88	88	-	-
Uniform Sales	6	6	-	-
Contribution to trips/visits	20	20	-	-
School Production	4	4	-	-
Recharges site costs	56	12	(44)	-
LEA share of staff costs	34	34	-	-
IT Diploma	15	15	-	-
Arts Council	5	5	-	-
	7,980	6,642	(136)	1,202
Restricted fixed asset funds				
DCSF capital grants	74	9	23	88
Capital expenditure from GAG	-	-	69	69
Private sector capital sponsorship	122	35	24	111
	196	44	116	268
	8,176	6,686	(20)	1,470

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

16 RESTRICTED FUNDS (continued)

Notes

- (i) General Annual Grant must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2009 are represented by:

	Unrestricted Funds £000s	Restricted general funds £000s	Restricted fixed asset funds		Total £000s
			Public £000s	Private £000s	
Tangible fixed assets	69	-	183	16	268
Investments	-	-	-	-	-
Current assets	188	1,863	69	-	2,120
Current liabilities	-	(661)	-	-	(661)
Pension scheme liability	(482)	-	-	-	(482)
	(225)	1,202	252	16	1,245

18 CAPITAL COMMITMENTS

**2009
£000s**

Contracted for, but not provided in the financial statements

111,837

Authorised by governors, but not yet contracted

-

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

19 LEASE COMMITMENTS

Operating leases

At 31 August 2009 the Academy had annual commitments under non-cancellable operating leases as follows:

**2009
£000s**

Operating leases which expire:

. Within one year

-

. Within two to five years

10

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

20 CONTINGENT LIABILITIES

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

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

21 PENSION COMMITMENTS

Pensions	2009 £'000
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Other pension costs comprise:

Defined benefit scheme-regular cost	333
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Included in creditors at 31 August 2009 is £29,592 of contributions due to pension schemes.

Since 1 September 2008 there have been two pension schemes available to certain employees of the Academy. These are the Teachers' Pension Scheme and the Local Government Pension Scheme, both of which are defined benefit schemes.

The total contribution made to the Teachers' Pension Scheme for the period ended 31 August 2009 was £397,574 of which employer's contributions totalled £273,454 and employees' contributions totalled £124,120.

The total contribution made to the Local Government Pension Scheme for the period ended 31 August 2009 was £100,412, of which employer's contributions totalled £59,539 and employees' contributions totalled £40,873.

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

21 PENSION COMMITMENTS (continued)

The agreed contribution rates for the period ended 31 August 2009 were as follows:

	2009	
	Employers	Employees
Teachers Pension Scheme	14.1%	6.4%
Local Government Pension Scheme		
Employer rate	16.4%	
Employee rates		
Up to £12,000		5.5%
£12,001 to £14,000		5.8%
£14,001 to £18,000		5.9%
£18,001 to £30,000		6.5%
£30,001 to £40,000		6.8%
£40,001 to £75,000		7.2%
£75,000 and above		7.5%

Local Government Pension Scheme

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The following information is based upon a full actuarial valuation of the fund at 31 March 2007, updated to 31 August 2009 by a qualified independent actuary.

The major assumptions used by the actuary were:

	At 31 August 2009
Rate of increase in pensions	3.4%
Rate of increase in salaries	4.9%
Inflation	6.7%
Discount rate for liabilities	5.4%

The assumed life expectations from age 65 are:

Non-pensioners

Males	22.6
Females	25.5

Pensioners

Males	21.5
Females	24.4

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

21 PENSION COMMITMENTS (continued)

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were:

	Long-term rate of return expected at 31 August 2009	Value at 31 August 2009 £'000	Long-term rate of return expected at 1 September 2008	Value at 1 September 2008 £'000
Equities	7.2%	546	7.5%	422
Gilts	-	-	-	-
Other Bonds	4.7%	75	5.5%	52
Property	5.2%	27	5.5%	26
Cash	4.3%	34	4.6%	24
Total fair value of assets		682		524
Present value of scheme liabilities		(1,164)		(822)
Net pension surplus/(liability)		(482)		(298)

Analysis of amount chargeable to income and expenditure account

	2009 £'000
Employer service cost (net of employee contributions)	101
Interest on obligation	58
Expected return on Scheme assets	(44)
Past service cost	-
Total operating charge	115
Actual return on Scheme assets	(42)

**Amounts recognised in the statement of total recognised gains and losses
(STRGL)**

	2009 £'000
Actual return less expected return on pension scheme assets	(86)
Experience gains and losses	-
Changes in assumptions underlying the present value of the scheme liabilities	(142)
Actuarial (loss)/gain recognised in pension scheme	(228)
Increase/(decrease) in irrecoverable surplus from membership fall	-
Actuarial (loss)/gain recognised in STRGL	(228)

**Archbishop Sentamu Academy
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2009**

21 PENSION COMMITMENTS (continued)

Reconciliation of opening and closing balances of the Defined Benefit Obligation

	2009 £'000
Opening Defined Benefit Obligation	822
Service cost	101
Interest costs	58
Actuarial losses/(gains)	142
Estimated benefits paid (net of transfers in)	-
Past service cost	-
Contributions by Scheme participants	41
Closing Defined Benefit Obligation	<u>1,164</u>

Reconciliation of opening and closing balances of Scheme assets

	2009 £'000
Opening fair value of Scheme assets	524
Change in asset valuation	-
Expected return on Scheme assets	44
Actuarial gains /(losses)	(86)
Contributions by employer	159
Contributions by Scheme participants	41
Estimated benefits paid (net of transfers in)	-
Fair value of Scheme assets at end of period	<u>682</u>

Reconciliation of opening & closing balances of the net pension (liability)/asset

	2009 £'000
Pension liability acquired from LEA	298
Change in asset valuation	-
Service cost	101
Employer contributions	(159)
Past service costs	-
Other finance income	14
Settlements/Curtailments	-
Actuarial (loss)/gain	228
(Deficit)/surplus in the scheme at 31 August 2009	<u>482</u>

**Archbishop Sentamu Academy
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**Notes to the Financial Statements
For the Period Ended 31 August 2009**

21 PENSION COMMITMENTS (continued)

Amounts for the current and previous periods

	2009 £'000
Defined Benefit Obligation	(1,164)
Scheme assets	682
(Deficit)/surplus	(482)
Experience adjustments on scheme liabilities	-
Percentage of liabilities	
Experience adjustments on scheme assets	(86)
Percentage of assets	12.6%
Cumulative Actuarial Gains and Losses	(228)

Projected pension expense for the year to 31 August 2010

	2010 £'000
Projected amount credited to:	
Service cost	134
Interest cost	68
Return on assets	(51)
Total	<u>151</u>
Employer contributions	<u>120</u>

It must be appreciated in accordance with the Charity Commission publication, 'Charity Reserves and Defined Benefit Pension Schemes' that where, under FRS17, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset that can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that the equivalent amount is already committed and is no longer available to the trustees to further the charity's objectives.

The Teachers' Pension Scheme

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 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 and lecturers are able to opt out of the TPS.

**Archbishop Sentamu Academy
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**Notes to the Financial Statements
For the Period Ended 31 August 2009**

21 PENSION COMMITMENTS (continued)

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 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.

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 nominal fund built up from past contributions. The total contribution rate payable is the sum of SCR and the supplementary contribution rate.

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

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.

22 MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.