



REGISTERED NUMBER 06545396

Registrar's
Copy

Sirius Academy
(A Company Limited by Guarantee)

**Annual Report and
Financial Statements**

31 August 2011

SATURDAY



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24/12/2011
COMPANIES HOUSE

Smailes Goldie

Chartered Accountants

Sirius Academy (Registered Number: 06545396)
(A Company Limited by Guarantee)

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Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

Reference and Administrative Details

			Appointed
Directors (Trustees):	N Porteus ⁽ⁱ⁾⁽ⁱⁱ⁾	Chairman	26 03 2008
	A Henderson ⁽ⁱ⁾⁽ⁱⁱ⁾	Vice Chairman	26 03 2008
	Dr E McMahon		24 07 2008
	Dr C Taylor ⁽ⁱ⁾⁽ⁱⁱ⁾		01 09 2009
	J Omond ⁽ⁱⁱ⁾		05 10 2009
	Cllr A Bell ⁽ⁱ⁾		05 10 2009
	S Allen ⁽ⁱⁱ⁾		22 03 2010

⁽ⁱ⁾ member of the Finance, Resources and General Purposes committee

⁽ⁱⁱ⁾ member of the Quality, Standards and Student Support committee

E Latimer and I Spencer resigned as directors on 31 August 2011 J Flatman and M Warren resigned as directors on 1 October 2011 and 31 October 2011 respectively

Secretary	M Clark	(resigned 08 10 2010)
	K Mohan	(appointed 13 12 2010, resigned 31 03 2011)
	A Hirst	(appointed 31 03 2011, resigned 31 08 2011)
	S Bentley	(appointed 07 09 2011)

Senior Managers	Dr C Taylor	Principal
	K Sinclair	Vice Principal
	J Sherwood	Vice Principal
	M McKeown	Vice Principal

M Clark, K Barnes and A Hirst were members of the Senior Management Team in the year ended 31 August 2011 but resigned from the Academy on the dates noted above

Registered Office	296 Anlaby Park Road South Hull HU4 7JB
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Company Number	06545396 (England and Wales)
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Auditors	Smailes Goldie Regent's Court Princess Street Hull HU2 8BA
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Bankers	The Co-operative Bank Pennine House Leeds LS1 5RN	HSBC Bank plc Merit House Priory Park West Hessle HU13 9PB

Solicitors	Dickinson Dees St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX
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Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

Report of the Directors

31 August 2011

The directors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2011

ACHIEVEMENTS AND PERFORMANCE

Sirius Academy opened in September 2009 on the site of Pickering High Sports College with all students from the predecessor school being transferred to the new Academy. Hull College is the major sponsor with the local authority as an associate sponsor. In September 2011 the Academy moved to a new state-of-the-art £48.5 million building, which is part of the Hull BSF programme. The Academy moved to a new building shared with Ganton Special School and the local authority's Education Service for Hearing and Vision. The Academy has joint specialisms in sport and environmental science.

The Academy was reported by Ofsted (November 2011) to be developing at a fast pace and offering a good education for its students. The Principal and Board of Directors provide strong and effective leadership. The Academy is now oversubscribed which is testament to its growing reputation within the local community.

GCSE results are improving significantly year-on-year and students are making increasingly better progress than the national average for the majority of indicators. The reported results in 2011 placed the Academy in the top 3% of schools nationally for the progress that students made. The proportion of Year 11 students achieving five or more GCSE passes at grades A* to C has risen by 30 percentage points in the last two years. 92% of students in Year 11 achieved 5 or more A*-C grades and all students gained at least one qualification to prepare them for a successful future.

The quality of teaching and learning is good. Students are cared for very well. The Academy is very inclusive and students treat each other with respect. Visitors describe the students as very polite and welcoming.

Students' attitude to learning is a strength of the school. Behaviour is good. Celebration assemblies and the coveted status of 'expert learner' contribute to the unique ethos of Sirius. The specialist subjects are leading developments in the sixth form. The rugby academy, run in partnership with Hull FC Rugby League Club and the strong link with The Deep have greatly enhanced the opportunities on offer to our learners. Sport and science also play a key part in the very effective transition work with feeder primary schools.

The move to the new building was managed very well and caused minimum disruption to learning. Partnerships are extremely strong and make an outstanding contribution to the work of the Academy. Self-evaluation is accurate and development planning is very thorough. There is a growing momentum for further improvement and morale is increasingly high. The Academy has gained national accreditations for Healthy School Status, the Information, Care and Guidance Award (gold), Careers Mark, and Inclusion Mark.

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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Report of the Directors

31 August 2011

FINANCIAL REVIEW

Financial report for the year

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE along with other restricted grants from other sources and their associated expenses are shown as restricted funds in the statement of financial activities.

The Academy generated unrestricted income during the year of £100,344 (2010 £104,829). This was mainly generated from catering charges and hire of the Academy's facilities. The costs of activities for generating funds were £61,719 (2010 £96,008).

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charity Commission '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 is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2011, total restricted revenue expenditure of £7,533,735 (2010 £7,579,465) was more than covered by recurrent grant funding from the DfE, together with other grants. The restricted net incoming resources before transfers for the year (excluding restricted fixed asset funds) were £88,777 (2010 £406,861).

At 31 August 2011 the net book value of fixed assets was £26,990 (2010 £43,975) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

Reserves policy

The directors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The educational obligations that the Academy has on a day-to-day basis are funded from its restricted reserves that were provided for this purpose. The directors need to ensure that the Academy has sufficient working capital to cover delays between receipt of grants and spending, and to be able to deal with unexpected emergencies that may arise such as urgent maintenance. The Academy's current level of general reserves is £980,605 (2010 £902,828). Taking into account the nature of the Academy's income streams, the directors are of the view that reserves at this level are sufficient to cover its working capital needs.

Financial position

The Academy held fund balances at 31 August 2011 of £816,843 (2010 £286,764) comprising £769,397 (2010 £277,943) of restricted funds and £47,446 (2010 £8,821) of unrestricted general funds.

PLANS FOR FUTURE YEARS

The Academy has a strategic three year plan which outlines developments for the future. In summary the plan focuses on five key areas:

- To raise standards of attainment in line with the national benchmark of the percentage of students who achieve 5 or more A*-C grades including English and Mathematics
- To recruit students to the Academy through the specialisms of sport and environmental science to ensure that the capacity and facilities of the new build are maximised
- To further develop the post 16 offer to provide a broad range of academic and vocational courses for 200 learners
- To build stronger links with parents and carers to enable greater parental engagement to support all students and their engagement in learning opportunities
- To strengthen community partnerships to ensure that the new facilities generate a realistic income stream to reinvest in student focused activities

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Report of the Directors

31 August 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and is registered as an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The directors act as the trustees for the charitable activities of Sirius Academy and are also the directors of the charitable company for the purposes of company law. Directors hold office for a term of 4 years. At the end of their term, directors are eligible for reappointment to serve a further term. Details of the directors who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member. The current number of members is three.

Recruitment and appointment of directors

Those entitled to make appointments to the Academy's board of directors include the main sponsor of the Academy, Hull College, the Kingston upon Hull Local Education Authority and the Secretary of State for Education. In addition the board of directors includes one parent director, appointed from and by parents of registered students of the Academy.

Where a vacancy for a parent director is required to be filled by election, the board of directors shall take such steps as are reasonably practical to ensure that every person who is known to them to be a parent of a registered student of the Academy is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

Induction and training of directors

After appointment, directors receive induction training and are supplied with all necessary documents that they need to fulfil their role as directors. All new directors will be given a tour of the Academy and the chance to meet with staff and students. All directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors. As there are normally only two or three new directors a year, induction tends to be done informally and is tailored specifically to the individual.

Responsibilities of the directors

The directors, who act as trustees for the charitable activities of Sirius Academy and are also the directors of the charitable company for the purposes of company law, are responsible for preparing the directors' report and the financial statements in accordance with Annual Accounts Requirements issued by the Young People's Learning Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that year. In preparing the 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,
- state whether applicable UK 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.

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Report of the Directors

31 August 2011

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and good financial management. They are also responsible for ensuring grants received from the DfE/YPLA have been applied for the purposes intended.

The directors are responsible for the maintenance and integrity of corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Organisational structure

The organisational structure consists of the Academy Board (the directors), the Senior Leadership Team and the Management Team. The aims of the organisational structure are to declare responsibility and encourage involvement in decision making at all levels.

The Academy Board is responsible for the overall strategic direction of the Academy and for those statutory duties that cannot be delegated to sub-committees.

The directors 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 consists of the Principal, 3 Vice Principals, a Director of Finance & Business and 5 Assistant Vice Principals who are responsible for the leadership and management of the Academy. These managers control the Academy at an executive level, implementing the policies laid down by the directors and reporting back to them. They are also responsible for the day to day operation of the charitable company. As a group, the Senior Leadership Team is 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 director.

Connected organisations (including related party relationships)

Hull College is the main sponsor to the Academy.

Risk management

The directors have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy, and its finances. They have introduced systems, operational procedures and internal financial controls 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 controls and this is explained in more detail in the following statement.

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Report of the Directors

31 August 2011

STATEMENT ON INTERNAL CONTROL

Scope of responsibility

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

The board of directors has delegated the day to day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sirius Academy and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sirius Academy for the year ended 31 August 2011 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of directors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to investigate those risks. The board of directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the directors.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board,
- regular reviews by the Finance Resources and General Purposes 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

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Report of the Directors

31 August 2011

The directors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. The directors have appointed a Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the board on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. As at 31 August 2011, the RO was S. Allen.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance of the self assessment process,
- the work of the directors within the Academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The principal object and activity of the charitable company is the operation of the Sirius Academy to provide education for students of a wide range of abilities between the ages of 11 and 19, specialising in sport and environmental science.

The main objectives of the Academy during the year ended 31 August 2011 are summarised below:

- To ensure that every child enjoys a high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all students
- To refine organisation structures, protocols and practices to continue to improve the effectiveness of the academy
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with industry and commerce
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Public benefit

The directors have reviewed the current activities of the charitable company and confirm that they are in line with its objectives. All the activities of the organisation carried out during 2010-2011 are in pursuance of the Academy's objectives and are considered to be for the public benefit. All services provided are free to all beneficiaries irrespective of capacity, ethnicity, faith, religious conviction or social economic environment. The directors also confirm that the organisation's aims and objectives fall within the descriptions of purposes in the Charities Act 2006 and are recognised as charitable and are carried out for the public benefit.

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Report of the Directors

31 August 2011

Strategies and activities

The Academy's mission is to enable every individual to achieve or exceed their personal potential within a supportive, learning community which seeks to challenge students in their thinking and understanding. Staff provide the stimulus to promote creativity, inspire excellence and encourage innovation. Sirius strives to support individual success irrespective of the needs, ability or ambition of the student to enable all children to become well informed, responsible citizens who are prepared for the changing needs of the workplace of the future. To this end, the activities provided seek

- To provide engaging and stimulating tuition and learning opportunities for all students to attain appropriate academic qualifications
- To offer continual professional development and training to all staff
- To promote secondments and work experience placements for students supported by industrial and commercial partners
- To provide an exciting enrichment programme with a focus on the specialisms of sport and environmental science to encourage engagement, participation and independent learning
- To ensure all students benefit from independent advice, support and guidance from an advisory service to help them obtain employment or move on to higher or further education

Equal opportunities policy

The directors 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

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.

AUDITORS

In so far as the directors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the directors have taken all necessary steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, Smailes Goldie, are willing to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

This report was approved by the directors on 12 December 2011 and signed on their behalf by



N. Porteus
Chairman



A. Henderson
Vice Chairman

Sirius Academy (Registered Number: 06545396)

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Report of the Independent Auditors to the Members of Sirius Academy

We have audited the financial statements of Sirius Academy for the year ended 31 August 2011, which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. 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 Sections 495 and 496 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on pages 4 and 5, the directors are responsible for the preparation of the directors' report and 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 as 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 Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 and other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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Sirius Academy (Registered Number: 06545396)

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Report of the Independent Auditors to the Members of Sirius Academy

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its 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 in respect of the relevant financial year (the Annual Accounts Direction 2010/11 issued by the YPLA),
- proper accounting records have been kept by the charitable company throughout the financial year,
- grants made by the Department for Education have been applied for the purposes intended, and
- the information given in the Directors' Report is consistent with the financial statements



Peter Duffield LLB, FCA (Senior Statutory Auditor)

for and on behalf of Smailes Goldie, Statutory Auditor
Regent's Court
Princess Street
Hull
HU2 8BA

12 December 2011

Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

Statement of Financial Activities

for the year ended 31 August 2011

	Note	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2011 £	Total 2010 £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Activities for generating funds	3	100,344	-	-	100,344	104,829
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	4	-	7,622,512	64,427	7,686,939	8,064,879
Total incoming resources		<u>100,344</u>	<u>7,622,512</u>	<u>64,427</u>	<u>7,787,283</u>	<u>8,169,708</u>
Resources expended						
<i>Cost of generating funds</i>						
Costs of activities for generating funds		61,719	-	-	61,719	96,008
<i>Charitable activities</i>						
Academy's educational operations	6	-	7,492,985	44,750	7,537,735	7,597,608
Governance costs	7	-	40,750	-	40,750	14,328
Total resources expended	5	<u>61,719</u>	<u>7,533,735</u>	<u>44,750</u>	<u>7,640,204</u>	<u>7,707,944</u>
Net incoming resources before transfers		38,625	88,777	19,677	147,079	461,764
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	14, 22	-	383,000	-	383,000	(175,000)
Net movement in funds		<u>38,625</u>	<u>471,777</u>	<u>19,677</u>	<u>530,079</u>	<u>286,764</u>
Reconciliation of funds						
Funds brought forward at 1 September 2010		8,821	198,828	79,115	286,764	-
Funds carried forward at 31 August 2011		<u><u>47,446</u></u>	<u><u>670,605</u></u>	<u><u>98,792</u></u>	<u><u>816,843</u></u>	<u><u>286,764</u></u>

All recognised gains or losses are included in the statement of financial activities

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

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Income and Expenditure Account

for the year ended 31 August 2011

	Note	2011 £	2010 £
Income			
General Annual Grant (GAG)	2	5,886,232	5,353,483
Start Up Grant	4	714,295	928,929
DfE/YPLA capital grants	4	64,427	78,553
Other DfE/YPLA grants	4	390,455	915,070
Other government grants	4	376,565	538,227
Other non-government grants	4	254,965	250,617
Other income	3	100,344	104,829
Total income		7,787,283	8,169,708
Expenditure			
General Annual Grant (GAG) related expenditure		5,968,633	4,688,749
Start Up Grant related expenditure		671,891	915,067
Other DfE/YPLA grant expenditure		429,656	764,324
Other government grant expenditure		365,120	526,753
Other non-government grant expenditure		121,832	166,055
Depreciation	11	32,353	21,988
FRS 17 (income)/expenditure	6	(11,000)	529,000
Other expenditure		61,719	96,008
Total expenditure		7,640,204	7,707,944
Excess of income over expenditure		147,079	461,764

Statement of Total Recognised Gains and Losses

		2011 £	2010 £
Excess of income over expenditure		147,079	461,764
Actuarial gains/(losses) on defined benefit pension schemes	14	383,000	(175,000)
		530,079	286,764
Net transfer to funds			
Restricted fixed asset fund		19,677	79,115
Restricted general fund		77,777	902,828
Restricted pension fund		394,000	(704,000)
Unrestricted funds		38,625	8,821
		530,079	286,764

The income and expenditure account and statement of total recognised gains and losses are derived from the statement of financial activities on page 11 which, together with the notes to the financial statements on pages 15 to 33, provides full information on the movements during the year on all of the Academy's funds

All of the Academy's activities are derived from continuing operations

Sirius Academy (Registered Number: 06545396)

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Balance Sheet

31 August 2011

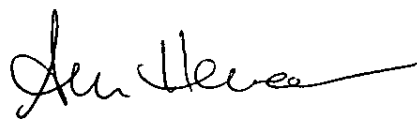
	Note	2011 £	2010 £
Fixed assets			
Tangible assets	11	26,990	43,975
Current assets			
Debtors	12	200,979	217,151
Cash at bank and in hand		1,679,316	1,151,087
		<u>1,880,295</u>	<u>1,368,238</u>
Current liabilities			
Creditors Amounts falling due within one year	13	780,442	421,449
Net current assets		<u>1,099,853</u>	<u>946,789</u>
Total assets less current liabilities (excluding pension liability)		<u>1,126,843</u>	<u>990,764</u>
Pension scheme liability	22	310,000	704,000
Net assets including pension liability		<u>816,843</u>	<u>286,764</u>
Funds of the Academy			
Restricted funds			
Restricted fixed asset fund	14	98,792	79,115
Restricted general fund	14	980,605	902,828
Restricted pension fund	22	(310,000)	(704,000)
Total restricted funds	14	<u>769,397</u>	<u>277,943</u>
Unrestricted funds			
Unrestricted general fund	14	47,446	8,821
Total funds		<u>816,843</u>	<u>286,764</u>

The financial statements on pages 11 to 33 were approved by the directors, and authorised for issue, on 12 December 2011 and are signed on their behalf by



N Porteus
Chairman

A Henderson
Vice Chairman



Sirius Academy (Registered Number: 06545396)

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Cash Flow Statement

for the year ended 31 August 2011

	Note	2011 £	2010 £
Net cash inflow from operating activities	17	479,170	1,138,919
Returns on investments and servicing of finance	18	-	(422)
Capital expenditure	19	<u>49,059</u>	<u>12,590</u>
Increase in cash in the year	20	528,229	1,151,087
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2010		<u>1,151,087</u>	<u>-</u>
Net funds at 31 August 2011		<u>1,679,316</u>	<u>1,151,087</u>

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Notes to the Financial Statements

for the year ended 31 August 2011

1 Statement of Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the YPLA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

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

Incoming Resources

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

- **Grants receivable**

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

- **Interest receivable**

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

- **Other income**

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

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs relating to that activity. 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.

- **Cost of generating funds**

These costs are incurred in attracting other income.

- **Charitable activities**

These are costs incurred on the Academy's educational activities.

- **Governance costs**

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and directors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Sirius Academy (Registered Number: 06545396)
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Notes to the Financial Statements

for the year ended 31 August 2011

1. Statement of Accounting Policies (continued)

Fund accounting

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the directors

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Young People's Learning Agency/Department for Education where the asset acquired or created is held for a specific purpose

Restricted general funds comprise all other restricted funds received and include grants from the Young People's Learning Agency/Department for Education

Tangible fixed assets

Assets costing less than £250 are written off in the year of acquisition. All other assets are capitalised unless they relate to items that will be destroyed when the Academy occupies the new building

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 to the restricted fixed asset fund in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the Academy's depreciation policy

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

Computer equipment and software	33%
---------------------------------	-----

A full year's depreciation is charged in the year of addition and no depreciation is charged in the year of disposal

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities

Leased assets

Rentals applicable to operating leases are charged to the statement of financial activities on a straight line basis over the lease term

Taxation

The Academy is an exempt charity and meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy has been approved by HM Revenue & Customs as being exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes

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Notes to the Financial Statements

for the year ended 31 August 2011

1. Statement of Accounting Policies (continued)

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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Notes to the Financial Statements

for the year ended 31 August 2011

2. General Annual Grant (GAG)	2011 £	2010 £
a) Results and carry forward for the year		
GAG brought forward from previous year	642,418	-
GAG allocation for the current year	5,886,232	5,353,483
Total GAG available to spend	6,528,650	5,353,483
Recurrent expenditure from GAG	(5,968,633)	(4,688,749)
Fixed assets purchased from GAG	-	(22,316)
GAG carried forward to next year	560,017	642,418
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(706,348)	(642,418)
GAG to surrender to DfE (12% rule breached if result is positive)	(146,331)	-
	No breach	No breach
b) Use of GAG brought forward from previous year for recurrent purposes (of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
Recurrent expenditure from GAG in current year	5,968,633	4,688,749
GAG allocation for current year	(5,886,232)	(5,353,483)
GAG allocation for previous year x 2%	(107,070)	-
GAG brought forward from previous year in excess of 2%, used on recurrent expenditure in current year	(24,669)	(664,734)
(2% rule breached if result is positive)	No breach	No breach

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Notes to the Financial Statements

for the year ended 31 August 2011

3	Activities for generating funds (all unrestricted)	2011	2010
		£	£
	Secondment charges	5,425	55,307
	School trip/activity contributions	9,792	34,965
	Insurance reimbursements	-	10,079
	Catering income	50,710	2,101
	Vending	1,474	1,218
	Hire of facilities	32,943	1,159
		<u>100,344</u>	<u>104,829</u>
4	Funding for the Academy's educational operations		
		Restricted funds	Restricted funds
		2011	2010
		£	£
	DfE/YPLA capital grant		
	Academy capital grants	64,427	78,553
		<u>64,427</u>	<u>78,553</u>
	DfE/YPLA revenue grants		
	General Annual Grant (GAG) (note 2)	5,886,232	5,353,483
	Start Up Grant	714,295	928,929
	Other DfE/YPLA grants	390,455	915,070
		<u>6,990,982</u>	<u>7,197,482</u>
	Other Government grants		
	School Standards Funds	354,444	509,442
	Special educational projects	22,121	28,785
		<u>376,565</u>	<u>538,227</u>
	Other non-Government grants		
	Special educational projects	254,965	250,617
		<u>254,965</u>	<u>250,617</u>
		<u>7,686,939</u>	<u>8,064,879</u>

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Notes to the Financial Statements

for the year ended 31 August 2011

5. Resources expended	Staff costs £	Non-Pay Premises £	Expenditure Other costs £	Total 2011 £	Total 2010 £
Costs of activities for generating funds	5,425	-	56,294	61,719	96,008
Academy's educational operations					
Direct costs	4,558,713	58,584	1,775,064	6,392,361	5,756,233
Allocated support costs	672,950	197,873	274,551	1,145,374	1,841,375
	<u>5,237,088</u>	<u>256,457</u>	<u>2,105,909</u>	<u>7,599,454</u>	<u>7,693,616</u>
Governance costs	-	-	40,750	40,750	14,328
	<u>5,237,088</u>	<u>256,457</u>	<u>2,146,659</u>	<u>7,640,204</u>	<u>7,707,944</u>
Incoming/outgoing resources for the year include				2011 £	2010 £
Operating leases				14,490	7,468
Fees payable to auditor					
- audit				6,700	7,920
- other services				7,645	-
				<u>7,645</u>	<u>-</u>

Sirius Academy (Registered Number: 06545396)

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Notes to the Financial Statements

for the year ended 31 August 2011

6	Charitable activities - Academy's educational operations	2011 £	2010 £
	Direct costs		
	Teaching and educational support staff cost	4,558,713	4,085,346
	Maintenance of premises	58,584	84,325
	Educational supplies and services	967,653	877,353
	Other supplies and services	591,780	414,137
	Technology costs	174,214	237,033
	Staff development	30,719	24,523
	Furniture and equipment	10,698	33,516
		<u>6,392,361</u>	<u>5,756,233</u>
	Allocated support costs		
	Support staff costs	698,950	658,387
	FRS 17 inherited deficit on defined benefit pension scheme	-	669,000
	FRS 17 service and employer costs	(26,000)	(165,000)
	FRS 17 return on assets	15,000	25,000
	Small grant expenditure	-	1,650
	Other occupancy costs	197,873	210,761
	External project managers	-	140,682
	Capital expenditure	12,397	43,413
	Other costs	247,154	257,482
		<u>1,145,374</u>	<u>1,841,375</u>
	Total expenditure	<u>7,537,735</u>	<u>7,597,608</u>

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Notes to the Financial Statements

for the year ended 31 August 2011

7	Governance costs	2011	2010
		£	£
	Legal and professional fees	34,050	6,408
	Audit fees	6,700	7,920
		40,750	14,328

8	Staff costs		
	Staff costs during the period were	2011	2010
		£	£
	Wages and salaries	4,334,273	3,971,312
	Social security costs	319,231	272,472
	Other pension costs	609,584	555,256
	FRS 17 inherited deficit on defined benefit pension scheme	-	669,000
	FRS 17 costs excluding past service credit (note 22)	200,000	148,000
	FRS 17 past service gains	-	(103,000)
	FRS 17 employer contributions (note 22)	(226,000)	(210,000)
		5,237,088	5,303,040

The average number of persons (including the senior management team) employed by the Academy during the year ended 31 August 2011 was as follows

Charitable activities	2011	2010
	No	No
Teachers	78	69
Administration	18	16
Support	60	53
Site and Supervisory	44	36
	200	174

Four employees earned more than £60,000 per annum (including taxable benefits) during the year ended 31 August 2011. The total emoluments of these employees were in the following ranges

	2011	2010
	No	No
£60,001 - £70,000	3	3
£80,001 - £90,000	-	1
£110,001 - £120,000	1	-

Each of these employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2011, pension contributions for these staff amounted to £43,231 (2010 £32,356)

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Notes to the Financial Statements

for the year ended 31 August 2011

9 Directors' remuneration and expenses

With the exception of the Principal, the directors do not receive any payment from the Academy other than the reimbursement of expenses incurred in the course of their duties. The value of the Principal's remuneration was £110,847 in 2011 (2010 £92,033)

During the year ended 31 August 2011, travel and subsistence expenses totalling £671 (2010 £1,787) were reimbursed to two directors (2010 three directors)

Related party transactions involving the directors are set out in note 25

10 Directors and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect directors 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 and the cost for the year ended 31 August 2011 was £1,649 (2010 £1,803)

The cost of this insurance is included in the total insurance costs

11 Tangible fixed assets

	Computer equipment and Software £	Total 2011 £
Cost		
At 1 September 2010	65,963	65,963
Additions	15,368	15,368
At 31 August 2011	<u>81,331</u>	<u>81,331</u>
Depreciation		
At 1 September 2010	21,988	21,988
Charge for year	32,353	32,353
At 31 August 2011	<u>54,341</u>	<u>54,341</u>
Net book value at 31 August 2011	<u>26,990</u>	<u>26,990</u>
Net book value at 31 August 2010	<u>43,975</u>	<u>43,975</u>

All fixed assets are used in the provision of education

12 Debtors

	2011 £	2010 £
Grant funding	55,486	212,504
Prepayments	33,690	2,190
Other debtors	111,803	2,457
	<u>200,979</u>	<u>217,151</u>

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Notes to the Financial Statements

for the year ended 31 August 2011

13. Creditors, amounts falling due within one year	2011	2010
	£	£
Trade creditors	114,321	234,198
Taxation and social security	103,383	97,757
Other creditors	329,267	70,470
Accruals and deferred income	233,471	19,024
	<u>780,442</u>	<u>421,449</u>
Deferred income	2011	2010
	£	£
Deferred income at 1 September 2010	-	-
Resources deferred in the year	56,579	-
Amounts released from previous years	-	-
	<u>56,579</u>	<u>-</u>
Deferred income at 31 August 2011	<u>56,579</u>	<u>-</u>
Deferred income relates to monies for the 2011-2012 academic year		
relate to		
	£	
16 - 18 Bursary fund	11,400	
Extended Schools funding	45,179	
	<u>56,579</u>	

Amounts carried forward

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Notes to the Financial Statements

for the year ended 31 August 2011

14 Funds	Balance at 1 September 2010 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2011 £
Restricted general fund					
General Annual Grant (GAG)	642,418	5,886,232	(5,968,633)	-	560,017
Start Up Grant	3,145	714,295	(671,891)	-	45,549
Other DfE/YPLA grants	161,229	390,455	(417,259)	-	134,425
Other government grants	11,474	376,565	(365,120)	-	22,919
Other non-government grants	84,562	254,965	(121,832)	-	217,695
	<u>902,828</u>	<u>7,622,512</u>	<u>(7,544,735)</u>	<u>-</u>	<u>980,605</u>
Restricted fixed asset fund					
DfE/YPLA capital grants	35,140	64,427	(12,397)	(15,368)	71,802
Fixed asset fund	43,975	-	(32,353)	15,368	26,990
	<u>79,115</u>	<u>64,427</u>	<u>(44,750)</u>	<u>-</u>	<u>98,792</u>
Restricted pension fund	(704,000)	-	11,000	383,000	(310,000)
Total restricted funds	<u>277,943</u>	<u>7,686,939</u>	<u>(7,578,485)</u>	<u>383,000</u>	<u>769,397</u>
Unrestricted funds					
Unrestricted general fund	8,821	100,344	(61,719)	-	47,446
Total unrestricted funds	<u>8,821</u>	<u>100,344</u>	<u>(61,719)</u>	<u>-</u>	<u>47,446</u>
Total funds	<u>286,764</u>	<u>7,787,283</u>	<u>(7,640,204)</u>	<u>383,000</u>	<u>816,843</u>

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Notes to the Financial Statements

for the year ended 31 August 2011

14 Funds (continued)

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

DfE/YPLA GAG Funding

The GAG consists of

- A) School Budget Share (SBS)
- B) LA Central Spend Equivalent Grant (LACSEG)
- Ci) Specialist School Funding
- Di) Mainstreamed Grants
- Dii) SSG (Personalisation)
- E) VAT grant
- F) Insurance
- G) Teacher Threshold Devolved
- H) School Lunch Grant

The General Annual Grant (GAG) must be used to meet 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.

Start Up Grant

The Start Up Grant is given in the first six years of the operation of the Academy, on a reducing basis over that period. It is provided to cover the anticipated shortfall in income over operating costs while the number of pupils attending the school is below the maximum.

Other DfE/YPLA Grants

The other DfE/YPLA grants must be used for the specific purpose for which they are given. These grants are given to fulfil the charitable objects of the Academy and include the Standards Fund Grant, which is received to provide a contribution to the school's development and improvement agenda, including personalised learning and is based on pupil numbers.

Restricted Fixed Asset Fund

The Restricted Fixed Asset Funds represents fixed assets funded by DfE/YPLA capital grants, which are held for a specific purpose within the charitable objects of the Academy.

Sirius Academy (Registered Number: 06545396)

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Notes to the Financial Statements

for the year ended 31 August 2011

15 Analysis of net assets between funds

Fund balances at 31 August 2011 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2011 £	Total 2010 £
Tangible fixed assets	-	-	26,990	26,990	43,975
Current assets	47,446	1,761,047	71,802	1,880,295	1,368,238
Current liabilities	-	(780,442)	-	(780,442)	(421,449)
Pension scheme liability	-	(310,000)	-	(310,000)	(704,000)
Total net assets	47,446	670,605	98,792	816,843	286,764

16. Financial commitments

Operating leases

At 31 August 2011 the Academy had annual commitments under non-cancellable operating leases as follows

	2011 £	2010 £
Operating leases which expire		
Within one year	16,625	-
Within two to five years	47,615	14,383
After five years	1,851	-

In addition, in September 2009 the Academy entered into a short term lease with Kingston upon Hull City Council, at a peppercorn rent, in respect of the land and buildings from which the company operates, pending its move to newly built facilities for the start of the 2011-2012 Academic Year

During August 2011 the Academy was given access rights to the newly built facilities, under an occupational licence. This occupational licence subsists until the end of the defects period whereupon a full 125 year lease will be granted.

As the building was not brought into use until the commencement of the 2011-2012 Academic year, the value of the building has not been recognised in these financial statements.

It is anticipated that the building will be recognised as an asset in the financial statements of the Academy during the year ending 31 August 2012.

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Notes to the Financial Statements

for the year ended 31 August 2011

17. Reconciliation of net income to net cash inflow from operating activities

	2011 £	2010 £
Net income	147,079	461,764
Depreciation (note 11)	32,353	21,988
Capital grants from DfE/YPLA	(64,427)	(78,553)
Interest payable	-	422
FRS 17 (income)/expenditure (note 22)	(11,000)	529,000
Decrease/(increase) in debtors	16,172	(135,215)
Increase in creditors	358,993	339,513
Net cash inflow from operating activities	479,170	1,138,919

18. Returns on investments and servicing of finance

Interest paid	-	(422)
Net cash outflow from returns on investments and servicing of finance	-	(422)

19. Capital expenditure and financial investment

Capital grants from DfE/YPLA	64,427	78,553
Purchase of tangible fixed assets	(15,368)	(65,963)
Net cash inflow from capital expenditure and financial investment	49,059	12,590

20. Analysis of changes in net funds

	At 1 September 2010 £	Cash flows £	At 31 August 2011 £
Cash at bank and in hand	1,151,087	528,229	1,679,316

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Notes to the Financial Statements

for the year ended 31 August 2011

21. 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 State for Education and Skills 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 from the Secretary of State under the funding agreement

22 Pensions and similar obligations

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

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

Contributions amounting to £70,398 (2010 £70,020) were payable to the schemes at 31 August and are included within creditors

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent The employee rate was 6.4% for the same period

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Notes to the Financial Statements

for the year ended 31 August 2011

22 Pensions and similar obligations (continued)

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

Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2011 was £283,000 (2010 £261,000) of which employer's contributions totalled £226,000 (2010 £210,000) and employees' contributions totalled £57,000 (2010 £51,000). The agreed contribution rates for future years are 15.9% for employers and 6.1% for employees.

Principal actuarial assumptions

	2011 %	2010 %
Rate of increase in salaries	4.9	4.7
Rate of increase for pensions in payment/inflation	2.6	2.7
Discount rate for scheme liabilities	5.4	4.8
Expected return on assets	6.2	6.3

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

	2011	2010
<i>Current pensioners</i>		
Males	22.9	18.9
Females	25.7	21.8
<i>Future pensioners</i>		
Males	24.9	19.9
Females	27.7	22.8

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at year ended 31 August 2011	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	11%	168
1 year increase in member life expectancy	3%	44
0.5% increase in the Salary Increase Rate	4%	54
0.5% increase in the Pension Increase Rate	7%	103

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Notes to the Financial Statements

for the year ended 31 August 2011

22. Pensions and similar obligations (continued)

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

	Expected return at 31 August 2011 %	Fair value at 31 August 2011 £	Expected return at 31 August 2010 %	Fair value at 31 August 2010 £
Equities	6.8	879,000	6.9	808,000
Bonds	4.6	127,000	4.3	117,000
Property	4.8	69,000	4.9	53,000
Cash	3.9	81,000	4.0	85,000
Total market value of assets		1,156,000		1,063,000
Present value of scheme liabilities				
- Funded		(1,466,000)		(1,767,000)
Deficit in the scheme		(310,000)		(704,000)

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period i.e. as at 31 August 2010 (for the year to 31 August 2011). The actual return on the scheme assets was £93,000 (2010 £87,000)

Amounts recognised in the statement of financial activities

	2011 £	2010 £
Current service cost (net of employee contributions)	200,000	148,000
Past service gains	-	(103,000)
Contributions by employer	(226,000)	(210,000)
Total operating credit	(26,000)	(165,000)

Analysis of pension finance costs

Expected return on pension scheme assets	75,000	55,000
Interest on pension liabilities	(90,000)	(80,000)
Pension finance costs	(15,000)	(25,000)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a gain of £208,000 (2010 £175,000 loss)

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for the year ended 31 August 2011

22. Pensions and similar obligations (continued)

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

	2011 £	2010 £
At 1 September	1,767,000	-
Inherited present value of obligations	-	1,385,000
Current service cost	200,000	148,000
Interest cost	90,000	80,000
Employee contributions	57,000	51,000
Actuarial (gain)/loss	(623,000)	206,000
Benefits paid	(25,000)	-
Past service gains	-	(103,000)
At 31 August	1,466,000	1,767,000

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

	2011 £	2010 £
At 1 September	1,063,000	-
Inherited fair value of assets	-	716,000
Expected return on assets	75,000	55,000
Actuarial (loss)/gain	(240,000)	31,000
Employer contributions	226,000	210,000
Employee contributions	57,000	51,000
Benefits paid	(25,000)	-
At 31 August	1,156,000	1,063,000

The estimated value of employer contributions for the year ended 31 August 2012 is £201,000

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Notes to the Financial Statements

for the year ended 31 August 2011

22 Pensions and similar obligations (continued)

The charitable company was incorporated in 2008, and the history of experience adjustments is as follows

	2011 £	2010 £
Present value of defined benefit obligations	(1,466,000)	(1,767,000)
Fair value of share of scheme assets	1,156,000	1,063,000
Deficit in the scheme	(310,000)	(704,000)
Experience adjustments on share of scheme assets Amount (£)	(240,000)	31,000
Experience adjustments on scheme liabilities Amount (£)	481,000	-

23 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 £1 for debts and liabilities contracted before he/she ceased to be a member. At 31 August 2011 and 31 August 2010, the number of members was three

24 Ultimate controlling party

The Academy is a company limited by guarantee, has no share capital and is controlled by its members

25 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures

The Academy's sponsor, Hull College, has provided Further Education to pupils of the Academy at a cost of £264,422 for the year ended 31 August 2011. Amounts outstanding to Hull College at 31 August 2011 totalled £24,192

The Chair of the Board of Directors of Sirius Academy is also the Finance Director and Company Secretary of Running Deep Limited, the company which operates The Deep visitor attraction in Hull. During the year, Sirius Academy purchased services from The Deep in the sum of £3,089

During the period of these accounts, Mr J. Flatman was both a Director of Sirius Academy and the Community Director at Hull FC Rugby Club. A shared post of Director of Rugby was created between the two organisations commencing November 2010, an arrangement which is expected to run for three years. During the period of these accounts, Sirius Academy's contribution towards Hull FC's costs in relation to the Director of Rugby post was £12,000, all paid within the year