



REGISTERED NUMBER: 06545396

Registrar's  
Copy

**Sirius Academy**  
(A Company Limited by Guarantee)

**Annual Report and  
Financial Statements**

**31 August 2012**



**Smailes Goldie**

Chartered Accountants

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

<b>Contents</b>	<b>Page</b>
Reference and Administrative Details	1
Governors' Report	2 - 7
Governance Statement	8 - 10
Statement of Regularity, Propriety and Compliance	11
Statement of Directors' Responsibilities	12
Independent Auditors' Report	13 - 14
Independent Reporting Accountants' Assurance Report	15 - 16
Statement of Financial Activities incorporating Income & Expenditure Account	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20 - 39

# Sirius Academy

(A Company Limited by Guarantee)

## Reference and Administrative Details

		Appointed
<b>Directors (Trustees)</b>	N Porteus <sup>(i)(ii)</sup>	Chairman
	A Henderson <sup>(i)(ii)</sup>	Vice Chairman
	Dr E McMahon	
	Dr C Taylor <sup>(i)(ii)</sup>	Accounting Officer
	Cllr A Bell <sup>(i)</sup>	
	S Allen <sup>(ii)</sup>	
	S Clarkson <sup>(i)</sup>	27 06 2012
	M Maltby <sup>(i)</sup>	27 06 2012
	G Warke <sup>(i)</sup>	27 06 2012
<sup>(i)</sup> member of the Finance, Resources and General Purposes committee		
<sup>(ii)</sup> member of the Quality, Standards and Student Support committee		
J Omond resigned as a director on 27 June 2012		
<b>Company Secretary:</b>	S Bentley	(appointed 07 09 2011, resigned 17 04 2012)
	T Priestley	(appointed 17 04 2012)
<b>Senior Leadership Team</b>	Dr C Taylor	Principal (Accounting Officer)
	K Sinclair	Vice Principal
	J Sherwood	Vice Principal
	M McKeown	Vice Principal
	T Priestley	Director of Finance and Business
<b>Registered Office:</b>	296 Anlaby Park Road South Hull HU4 7JB	
<b>Company Registration Number:</b>	06545396 (England and Wales)	
<b>Independent Auditors:</b>	Smailes Goldie Regent's Court Princess Street Hull HU2 8BA	
<b>Bankers:</b>	The Co-operative Bank	HSBC Bank plc
	Pennine House Leeds LS1 5RN	Merit House Priory Park West Hessle HU13 9PB
<b>Solicitors:</b>	Dickinson Dees St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX	

# **Sirius Academy (Registered Number: 06545396)**

**(A Company Limited by Guarantee)**

## **Governors' Report**

*31 August 2012*

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2012

### **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 during 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.

#### **Method of recruitment and appointment or election 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.

#### **Policies and procedures adopted for the 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.

#### **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.

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Governors' Report**

31 August 2012

The Senior Leadership Team consists of the Principal, 3 Vice Principals, the Director of Finance & Business and 6 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.

### **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 control and this is explained in more detail in the following statement.

### **Connected organisations (including related party relationships)**

Hull College is the sponsor to the Academy.

### **Auditors**

Insofar 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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of this information.

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

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

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 2012 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 reflect the changing needs of the students and to meet Government targets
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain outstanding partnerships
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Governors' Report**

31 August 2012

### **Objectives, 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 lessons and learning opportunities for all students to attain nationally recognised academic qualifications
- To offer continual professional development and training to all staff
- 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

### **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 2011-2012 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.

### **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.

## **ACHIEVEMENTS AND PERFORMANCE**

Sirius Academy opened in September 2009 with the support of Hull College as 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 is co-located 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, and both specialisms have been judged to be 'transformational' by Specialist Schools and Academies Trust (SSAT).

The Academy was judged by Ofsted to be a good school with outstanding partnerships. All aspects of the provision within the Academy were reported as good, with aspects which were described as outstanding. The Academy is now oversubscribed which is testament to its growing reputation within the local community.

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Governors' Report**

*31 August 2012*

Student achievement has significantly improved in 2012, with 64% of students achieving the national benchmark of 5 or more A\*-C grades including English and Mathematics, an increase of 17% from 2011 and 35% from 2009. In 2012, 98% of students gained 5 or more A\*-C grades and all students achieved at least one qualification. There was a notable improvement in the percentage of students who achieved one or more qualification at grade A or A\* to 26% of the Year 11 cohort. The results reported in 2012 place the Academy in the top 2% of schools nationally for the progress that students made.

The quality of teaching and learning is good and continues to improve, as reflected by the increase in academic standards. Behaviour and attitudes to learning are strengths of the Academy. Pastoral care and the Academy's work with outside agencies provide students with additional and specialised support. The Academy is very inclusive and students treat each other with respect. Visitors describe the students as very polite and welcoming.

The transition programme for Year 6 children moving to the Academy is well developed and affords students the opportunity to experience life at secondary school throughout their final year at primary school. Staff have developed a number of innovative ideas which have been shared with our primary partners, and all have been very well received.

Recruitment to the sixth form has been highly successful. A wide range of traditional courses has been introduced at A level along with a selection of vocational courses at levels 1-3. Ofsted described the provision for post 16 learners as good.

The Academy has gained national accreditations for Inclusion Mark, the development of the specialisms of Sport and Environmental Science and Investors in People – Gold Award.

### **Going concern**

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy under its current and agreed funding arrangement 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.

### **Key financial performance indicators**

The academy has a basket of financial indicators to keep focused on the financial health of the academy. These include:

- Not to breach any of the GAG (General Annual Grant) rules detailed within our funding agreement relating to surpluses and deficits
- The grade awarded in the EFA Financial Management and Governance Evaluation (graded good in February 2012)
- To set a balanced budget well in advance of the financial year and present monitoring reports to the Board each term
- To supply budget holders with financial monitoring information on a monthly basis
- To monitor the efficient use of cash flow and maximise income on guaranteed investments

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Governors' Report**

31 August 2012

### **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 £118,000 (2011 £100,000). This was mainly generated from catering re-charges and hire of the Academy's facilities. The costs of activities for generating funds were £108,000 (2011 £61,000).

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 2012, total restricted revenue expenditure of £8,084,000 (2011 £7,534,000) 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 £229,000 (2011 £89,000).

At 31 August 2012 the net book value of fixed assets was £56,000 (2011 £27,000) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

#### **Financial and risk management objectives and policies**

As noted in the 'risk management' section above, the directors have introduced systems 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 financial control and this is explained in more detail in the governance statement.

#### **Principal risks and uncertainties**

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.

The Local Government Pension deficit within restricted funds is £490,000, as the total market value of assets does not cover the present value of liabilities. This does not mean that the liability for this amount will be called in.

#### **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 £1,185,000 (2011 £981,000). 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.



# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Governors' Report**

31 August 2012

### **Investment policy**

The directors have agreed to invest in short term guaranteed investments to maximise the Academy's return without compromising cash flow

### **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

### **AUDITORS**

Insofar 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, Smales Goldie, are willing to continue in office and a resolution to reappoint them will be proposed at the annual general meeting

Approved by order of the members of the board of directors on 17 December 2012 and signed on its behalf by



**N. Porteus**  
Chairman



**A. Henderson**  
Vice Chairman

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Governance Statement

31 August 2012

### 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.

### Governance

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

Governor	Meetings attended	Out of a possible
N Porteus	4	4
A Henderson	3	4
Dr E McMahon	3	4
Dr C Taylor	4	4
Cllr A Bell	1	4
S Allen	4	4
S Clarkson	1	1
M Maltby	1	2
G Warke	1	1

The Finance, Resources and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to be responsible for developing and managing resources efficiently. The scope of this group includes staff recruitment, performance management, budget projection and finance controls, ICT infrastructure, and the Full Service Extended Schools Agenda. This committee looks closely at the resourcing of all new proposals and ensures that the needs of the learners are met and 'best value education' is achieved. The safety, health and well-being of students is the focus of this committee.

The committee exists to assist the decision making of the governing body, by enabling detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. The committee makes appropriate comments and recommendations on such matters to the governing body on a regular basis. Major issues are referred to the full governing body.

During the year 2012 three directors joined the committee, S Clarkson, M Maltby and G Warke. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
N Porteus	5	5
A Henderson	5	5
Dr C Taylor	5	5
Cllr A Bell	4	5
S Clarkson	1	2
M Maltby	1	2
G Warke	0	0

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Governance Statement**

*31 August 2012*

### **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 2012 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 2012 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.

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 an annual 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 2012, the RO was S. Allen.

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Governance Statement**

31 August 2012

### **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

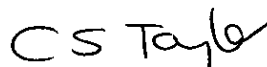
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance of the self-assessment process,
- the work of the directors within the Academy who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of directors on 17 December 2012 and signed on its behalf by



**N. Porteus**  
Chairman



**Dr. C. Taylor**  
Accounting Officer

## **Sirius Academy (Registered Number: 06545396)**

**(A Company Limited by Guarantee)**

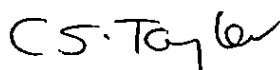
### **Statement on Regularity, Propriety and Compliance**

*31 August 2012*

As Accounting Officer of Sirius Academy I have considered my responsibility to notify the Academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy governing body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

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



**Dr. C. Taylor**  
**Accounting Officer**  
**17 December 2012**

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Statement of Directors' Responsibilities**

31 August 2012

### **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 Education Funding 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

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 EFA/DfE 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

Approved by order of the members of the board of directors on 17 December 2012 and signed on its behalf by



**N. Porteus**  
Chairman



**A. Henderson**  
Vice Chairman

## **Independent Auditors' Report to the Members of Sirius Academy**

We have audited the financial statements of Sirius Academy for the year ended 31 August 2012, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and 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 explained more fully in the Statement of Directors' Responsibilities set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

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 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **Sirius Academy**

(A Company Limited by Guarantee)

## **Independent Auditors' Report to the Members of Sirius Academy (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



### **Peter Duffield LLB FCA (Senior Statutory Auditor)**

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

17 December 2012



# **Sirius Academy**

(A Company Limited by Guarantee)

## **Independent Reporting Accountants' Assurance Report on Regularity to Sirius Academy and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 4 December 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sirius Academy during the period 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Sirius Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sirius Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sirius Academy and the EFA, for our work, for this report, or for the conclusion we have formed

### **Respective responsibilities of Sirius Academy's Accounting Officer and the reporting accountants**

The Accounting Officer is responsible, under the requirements of Sirius Academy's funding agreement with a former Secretary of State for Children, Schools and Families dated 9 June 2008 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure

# **Sirius Academy**

(A Company Limited by Guarantee)

## **Independent Reporting Accountants' Assurance Report on Regularity to Sirius Academy and the Education Funding Agency (continued)**

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



### **Smailes Goldie**

Chartered Accountants  
Regent's Court  
Princess Street  
Hull  
HU2 8BA

17 December 2012

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

for the year ended 31 August 2012

	Note	Unrestricted funds £'000	Restricted general funds £'000	Restricted other funds £'000	Restricted fixed asset funds £'000	Total 2012 £'000	Total 2011 £'000
<b>Incoming resources</b>							
<i>Incoming resources from generated funds</i>							
Voluntary income	3	-	-	-	21	21	64
Activities for generating funds	4	108	-	-	-	108	100
Investment income	5	10	-	-	-	10	-
<i>Incoming resources from charitable activities</i>							
Funding for the Academy's educational operations	6	-	8,313	-	-	8,313	7,623
<b>Total incoming resources</b>		<b>118</b>	<b>8,313</b>	<b>-</b>	<b>21</b>	<b>8,452</b>	<b>7,787</b>
<b>Resources expended</b>							
<i>Cost of generating funds</i>							
Costs of generating voluntary income		108	-	-	-	108	61
Fundraising trading		-	-	-	-	-	-
<i>Charitable activities</i>							
Academy's educational operations	8	-	8,072	-	39	8,111	7,538
Governance costs	9	-	12	-	-	12	41
<b>Total resources expended</b>	<b>7</b>	<b>108</b>	<b>8,084</b>	<b>-</b>	<b>39</b>	<b>8,231</b>	<b>7,640</b>
<b>Net income/(expenditure) for the year</b>		<b>10</b>	<b>229</b>	<b>-</b>	<b>(18)</b>	<b>221</b>	<b>147</b>
<b>Other recognised gains and losses</b>							
Actuarial (losses)/gains on defined benefit pension schemes	17, 27	-	(205)	-	-	(205)	383
		<b>10</b>	<b>24</b>	<b>-</b>	<b>(18)</b>	<b>16</b>	<b>530</b>
<b>Net movement in funds</b>							
<b>Reconciliation of funds</b>							
Total funds brought forward at 1 September 2011	17	47	671	-	99	817	287
<b>Total funds carried forward at 31 August 2012</b>		<b>57</b>	<b>695</b>	<b>-</b>	<b>81</b>	<b>833</b>	<b>817</b>

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Balance Sheet

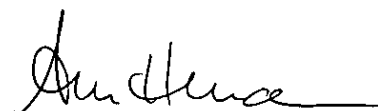
31 August 2012

	Note	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Tangible assets	13	56	27
<b>Current assets</b>			
Debtors	15	282	201
Cash at bank and in hand		1,510	1,679
		<b>1,792</b>	<b>1,880</b>
<b>Current liabilities</b>			
Creditors Amounts falling due within one year	16	525	780
<b>Net current assets</b>		<b>1,267</b>	<b>1,100</b>
<b>Total assets less current liabilities (excluding pension liability)</b>		<b>1,323</b>	<b>1,127</b>
<b>Pension scheme liability</b>	27	<b>490</b>	<b>310</b>
<b>Net assets including pension liability</b>		<b>833</b>	<b>817</b>
<b>Funds of the Academy</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund	17	81	99
Restricted general fund	17	1,185	981
Restricted pension fund	17	(490)	(310)
<b>Total restricted funds</b>	17	<b>776</b>	<b>770</b>
<b>Unrestricted funds</b>			
Unrestricted general fund	17	57	47
<b>Total funds</b>		<b>833</b>	<b>817</b>

The financial statements on pages 17 to 39 were approved by the directors, and authorised for issue, on 17 December 2012 and are signed on their behalf by



**N Porteus**  
Chairman



**A Henderson**  
Vice Chairman

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Cash Flow Statement**

*for the year ended 31 August 2012*

	<b>Note</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Net cash (outflow)/inflow from operating activities</b>	<b>21</b>	<b>(132)</b>	<b>479</b>
Returns on investments and servicing of finance	22	10	-
Capital expenditure	23	(47)	49
<b>(Decrease)/increase in cash in the year</b>	<b>24</b>	<b>(169)</b>	<b>528</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2011		1,679	1,151
<b>Net funds at 31 August 2012</b>		<b>1,510</b>	<b>1,679</b>

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Notes to the Financial Statements**

*for the year ended 31 August 2012*

### **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 EFA 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)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

### 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 Education Funding Agency, the Department for Education and others 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 Education Funding Agency and the Department for Education

#### Tangible fixed assets

Assets costing less than £3,000 are written off in the year of acquisition. All other assets are capitalised

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

Motor vehicles	14%
Computer equipment and software	33%
Fixtures and fittings	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.

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Notes to the Financial Statements**

*for the year ended 31 August 2012*

### **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.



# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

<b>2</b>	<b>General Annual Grant (GAG)</b>		<b>2012</b>	<b>2011</b>
			<b>£'000</b>	<b>£'000</b>
<b>a)</b>	<b>Results and carry forward for the year</b>			
	GAG brought forward from previous year		<b>560</b>	<b>642</b>
	GAG allocation for the current year		<b>7,221</b>	<b>5,886</b>
	<b>Total GAG available to spend</b>		<b>7,781</b>	<b>6,528</b>
	Recurrent expenditure from GAG		<b>(7,021)</b>	<b>(5,968)</b>
	Fixed assets purchased from GAG		<b>-</b>	<b>-</b>
	<b>GAG carried forward to next year</b>		<b>760</b>	<b>560</b>
	Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)		<b>(867)</b>	<b>(706)</b>
	<b>GAG to surrender to DfE</b> (12% rule breached if result is positive)		<b>(107)</b>	<b>(146)</b>
			<b>No breach</b>	<b>No breach</b>
<b>b)</b>	<b>Use of GAG brought forward from previous year for recurrent purposes</b> (of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)			
	Recurrent expenditure from GAG in current year		<b>7,021</b>	<b>5,968</b>
	GAG allocation for current year		<b>(7,221)</b>	<b>(5,886)</b>
	GAG allocation for previous year x 2%		<b>(118)</b>	<b>(107)</b>
	<b>GAG brought forward from previous year in excess of 2%, used on recurrent expenditure in current year</b>		<b>(318)</b>	<b>(25)</b>
	(2% rule breached if result is positive)		<b>No breach</b>	<b>No breach</b>
<b>3.</b>	<b>Voluntary Income</b>			
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>	<b>Total</b>	<b>Total</b>
			<b>£'000</b>	<b>£'000</b>
	Capital Grants		<b>21</b>	<b>64</b>

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

### 4. Activities for Generating Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2012 £'000	Total 2011 £'000
Hire of facilities	8	-	8	33
Catering income	61	-	61	51
Other income	39	-	39	16
	<u>108</u>	<u>-</u>	<u>108</u>	<u>100</u>

### 5. Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2012 £'000	Total 2011 £'000
Short term deposits	10	-	10	-
	<u>10</u>	<u>-</u>	<u>10</u>	<u>-</u>

### 6. Funding for the Academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000	Total 2011 £'000
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG) (note 2)	-	7,221	7,221	5,886
Start Up Grant	-	244	244	714
Other DfE/EFA grants	-	268	268	390
	<u>-</u>	<u>7,733</u>	<u>7,733</u>	<u>6,990</u>
<b>Other Government grants</b>				
School Standards Funds	-	336	336	354
Special educational projects	-	244	244	279
	<u>-</u>	<u>580</u>	<u>580</u>	<u>633</u>
	<u>-</u>	<u>8,313</u>	<u>8,313</u>	<u>7,623</u>

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

7	Resources expended	Staff costs	Non-Pay Expenditure		Total	Total
		£'000	Premises £'000	Other costs £'000	2012 £'000	2011 £'000
	Costs of generating voluntary income	-	-	108	108	61
	Academy's educational operations					
	Direct costs	5,317	39	1,160	6,516	6,333
	Allocated support costs	773	272	550	1,595	1,205
		<u>6,090</u>	<u>311</u>	<u>1,710</u>	<u>8,111</u>	<u>7,538</u>
	Governance costs	-	-	12	12	41
		<u>6,090</u>	<u>311</u>	<u>1,830</u>	<u>8,231</u>	<u>7,640</u>
	Incoming/outgoing resources for the year include:				2012 £'000	2011 £'000
	Operating leases				47	14
	Fees payable to auditor					
	- audit				7	7
	- other services				-	8
					<u></u>	<u></u>

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

### 8. Charitable activities - Academy's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2012 £'000	Total 2011 £'000
<b>Direct costs</b>				
Teaching and educational support staff costs	-	5,317	5,317	4,559
Depreciation	-	39	39	32
Educational supplies	-	424	424	338
Examination fees	-	258	258	182
Staff development	-	28	28	31
Educational consultancy	-	55	55	90
Other direct costs	-	395	395	1,101
	-	6,516	6,516	6,333
<b>Allocated support costs</b>				
Support staff costs	-	773	773	688
Recruitment and support	-	31	31	38
Maintenance of premises and equipment	-	171	171	134
Cleaning	-	9	9	6
Rent and rates	-	19	19	16
Insurance	-	67	67	58
Security and transport	-	6	6	14
Catering	-	28	28	24
Other support costs	-	491	491	227
	-	1,595	1,595	1,205
	-	8,111	8,111	7,538

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

9.	Governance costs	Unrestricted Funds £'000	Restricted Funds £'000	Total 2012 £'000	Total 2011 £'000
	Legal and professional fees	-	4	4	34
	Audit fees	-	8	8	7
		<u>-</u>	<u>12</u>	<u>12</u>	<u>41</u>

### 10. Staff costs

Staff costs during the period were:

	Total 2012 £'000	Total 2011 £'000
Wages and salaries	4,740	4,334
Social security costs	360	319
Other pension costs	612	599
	<u>5,712</u>	<u>5,252</u>

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

Charitable activities	2012 No.	2011 No
Teachers	86	76
Administration and support	77	80
	<u>163</u>	<u>156</u>

The numbers of employees whose emoluments fell within the following bands were

	2012 No	2011 No
£60,001 - £70,000	2	3
£70,001 - £80,000	1	-
£110,001 - £120,000	1	1
	<u>4</u>	<u>4</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £44,804 (2011 £43,231)

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

### 11. 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 £117,013 in 2012 (2011 £110,847)

During the year ended 31 August 2012, travel and subsistence expenses totalling £171 (2011 £671) were reimbursed to one director (2011 two directors)

Related party transactions involving the directors are set out in note 28

### 12. 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 2012 was £2,002 (2011 £1,649)

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

### 13. Tangible fixed assets

	<b>Furniture And Equipment £'000</b>	<b>Computer Equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 September 2011	15	66	-	81
Additions	14	-	54	68
Disposals	-	-	-	-
At 31 August 2012	29	66	54	149
<b>Depreciation</b>				
At 1 September 2011	5	49	-	54
Charged in year	14	17	8	39
Disposals	-	-	-	-
At 31 August 2012	19	66	8	93
<b>Net book values</b>				
At 31 August 2012	10	-	46	56
At 31 August 2011	10	17	-	27

All fixed assets are used in the provision of education

### 14. Stock

Stock valuation has been considered by the Academy. However, this value was negligible at 31 August 2012 and 31 August 2011

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

15	Debtors	2012 £'000	2011 £'000
	Trade debtors	124	55
	Prepayments	35	34
	Sundry debtors	123	112
		<u>282</u>	<u>201</u>

16.	Creditors: amounts falling due within one year	2012 £'000	2011 £'000
	Trade creditors	110	114
	Taxation and social security	129	103
	Other creditors	1	329
	Accruals and deferred income	285	234
		<u>525</u>	<u>780</u>

Deferred income	2012 £'000
Deferred income at 1 September 2011	57
Resources deferred in the year	67
Amounts released from previous years	(57)
Deferred income at 31 August 2012	<u>67</u>

Deferred income relates to monies for the 2012-2013 academic year  
relate to

	£'000
Bikeability grant 2012/13	23
16 - 19 Bursary grant 2012/13	12
EFA overpayment of rates 2011/12	18
School games organiser 2012/13	14
	<u>67</u>

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

### 17. Funds

	Balance at 1 September 2011 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2012 £'000
<b>Restricted general fund</b>					
General Annual Grant (GAG)	560	7,221	(7,021)	-	760
Start Up Grant	46	244	(229)	-	61
Other DfE/EFA grants	134	268	(268)	-	134
LEA and other grants	23	336	(336)	-	23
Other restricted	218	244	(255)	-	207
Pension reserve	(310)	-	25	(205)	(490)
	<u>671</u>	<u>8,313</u>	<u>(8,084)</u>	<u>(205)</u>	<u>695</u>
<b>Restricted fixed asset fund</b>					
DfE/EFA capital grants	72	21	-	(68)	25
Sponsorship fixed assets fund	-	-	-	-	-
Capital expenditure from GAG	27	-	(39)	68	56
	<u>99</u>	<u>21</u>	<u>(39)</u>	<u>-</u>	<u>81</u>
<b>Total restricted funds</b>	<u>770</u>	<u>8,334</u>	<u>(8,123)</u>	<u>(205)</u>	<u>776</u>
<b>Unrestricted funds</b>					
Unrestricted fund	47	118	(108)	-	57
<b>Total unrestricted funds</b>	<u>47</u>	<u>118</u>	<u>(108)</u>	<u>-</u>	<u>57</u>
<b>Total funds</b>	<u>817</u>	<u>8,452</u>	<u>(8,231)</u>	<u>(205)</u>	<u>833</u>



# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Notes to the Financial Statements**

*for the year ended 31 August 2012*

### **17. Funds (continued)**

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

#### **DfE/EFA 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 whilst the number of pupils attending the school is below the maximum.

#### **Other DfE/EFA Grants**

The other DfE/EFA 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 Academy's development and improvement agenda, including personalised learning and is based on pupil numbers.

#### **LEA and Other Restricted Funds**

These funds comprise grants receivable from sources other than central government, to be expended for specific purposes within the charitable objects of the Academy.

#### **Restricted Fixed Asset Fund**

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

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

### 18. Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total funds £'000
Tangible fixed assets	-	-	56	56
Current assets	57	1,710	25	1,792
Current liabilities	-	(525)	-	(525)
Pension scheme liability	-	(490)	-	(490)
<b>Total net assets</b>	<b>57</b>	<b>695</b>	<b>81</b>	<b>833</b>

### 19. Financial commitments

#### Operating leases

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

	2012 £'000	2011 £'000
Operating leases which expire		
Within one year	-	17
Within two to five years	33	48
After five years	-	2
	<b>33</b>	<b>67</b>

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 operated, 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.

This defects period is still ongoing at 31 August 2012 and as such the licence to occupy the facilities was still in place and therefore no lease has been issued for the facilities at 31 August 2012.

It is anticipated that the facilities will be recognised as an asset in the financial statements of the Academy during the year ending 31 August 2013.

### 20. Capital commitments

The Academy had no capital commitments at 31 August 2012 and 31 August 2011.

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

### 21. Reconciliation of consolidated operating (deficit)/surplus to net cash inflow from operating activities

	2012 £'000	2011 £'000
Surplus on continuing operations after depreciation of assets at valuation	221	147
Depreciation (note 13)	39	32
Capital grants from DfE and other capital income	(21)	(64)
Interest receivable (note 5)	(10)	-
FRS 17 pension costs less contributions payable (note 27)	(31)	(26)
FRS 17 pension finance income (note 27)	6	15
(Increase)/decrease in debtors	(81)	16
(Decrease)/increase in creditors	(255)	359
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(132)</b>	<b>479</b>

### 22. Returns on investments and servicing of finance

	2012 £'000	2011 £'000
Interest received	10	-
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>10</b>	<b>-</b>

### 23. Capital expenditure and financial investment

	2012 £'000	2011 £'000
Purchase of tangible fixed assets	(68)	(15)
Capital grants from DfE/EFA	21	64
<b>Net cash (outflow)/inflow from capital expenditure and financial investment</b>	<b>(47)</b>	<b>49</b>

### 24. Analysis of changes in net funds

	At 1 September 2011 £'000	Cash flows £'000	At 31 August 2012 £'000
Cash in hand and at bank	1,679	(169)	1,510

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Notes to the Financial Statements**

*for the year ended 31 August 2012*

### **25. 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

### **26. 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 2012 and 31 August 2011, the number of members was three

### **27. 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 August 2012

Contributions amounting to £Nil (2011 £70,398) were payable to the schemes at 31 August and are included within creditors

#### **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' Pension Regulations 2010

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

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

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

### 27. Pensions and similar obligations (continued)

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

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

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

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

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

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

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

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

### 27. Pensions and similar obligations (continued)

#### *Local Government Pension Scheme*

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £275,000 (2011 £283,000) of which employer's contributions totalled £212,000 (2011 £226,000) and employees' contributions totalled £63,000 (2011 £57,000). The agreed contribution rates for future years are 15.9% for employers and employee contribution rates will range between 5.5% and 7.2%.

#### **Principal actuarial assumptions**

	<b>2012</b>	<b>2011</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>4.5</b>	<b>4.9</b>
Rate of increase for pensions in payment/inflation	<b>2.2</b>	<b>2.6</b>
Discount rate for scheme liabilities	<b>4.1</b>	<b>5.4</b>
Expected return on assets	<b>4.9</b>	<b>6.2</b>

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

	<b>2012</b>	<b>2011</b>
<i>Current pensioners</i>		
Males	<b>22.9</b>	<b>22.9</b>
Females	<b>25.7</b>	<b>25.7</b>
<i>Future pensioners</i>		
Males	<b>24.9</b>	<b>24.9</b>
Females	<b>27.7</b>	<b>27.7</b>

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

### 27. Pensions and similar obligations (continued)

#### Sensitivity analysis

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

Change in assumptions of year ended 31 August 2012	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12	231
1 year increase in member life expectancy	3	60
0.5% increase in the Salary Increase Rate	4	82
0.5% increase in the Pension Increase Rate	7	144

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

	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £'000	Expected return at 31 August 2011 %	Fair value at 31 August 2011 £'000
Equities	5.5	1,105	6.8	879
Bonds	3.4	182	4.6	127
Property	3.7	121	4.8	69
Cash	2.8	106	3.9	81
<b>Total market value of assets</b>		<b>1,514</b>		<b>1,156</b>
Present value of scheme liabilities				
- Funded		(2,004)		(1,466)
<b>Deficit in the scheme</b>		<b>(490)</b>		<b>(310)</b>

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 2011 (for the year to 31 August 2012). The actual return on the scheme assets was £105,000 (2011 £93,000)

#### Amounts recognised in the statement of financial activities

	2012 £'000	2011 £'000
Current service cost (net of employee contributions)	181	200
Past service gains	-	-
<b>Total operating credit</b>	<b>181</b>	<b>200</b>

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

### 27. Pensions and similar obligations (continued)

#### Analysis of pension finance costs

Expected return on pension scheme assets	79	75
Interest on pension liabilities	(85)	(90)
	<hr/>	<hr/>
<b>Pension finance costs</b>	<b>(6)</b>	<b>(15)</b>
	<hr/>	<hr/>

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 £3,000 (2011 £208,000 gain)

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

	2012 £'000	2011 £'000
<b>At 1 September</b>	<b>1,466</b>	<b>1,767</b>
Inherited present value of obligations	-	-
Current service cost	181	200
Interest cost	85	90
Employee contributions	63	57
Actuarial loss/(gain)	230	(623)
Benefits paid	(21)	(25)
Past service gains	-	-
	<hr/>	<hr/>
<b>At 31 August</b>	<b>2,004</b>	<b>1,466</b>
	<hr/>	<hr/>

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

	2012 £'000	2011 £'000
<b>At 1 September</b>	<b>1,156</b>	<b>1,063</b>
Inherited fair value of assets	-	-
Expected return on assets	79	75
Actuarial gain/(loss)	25	(240)
Employer contributions	212	226
Employee contributions	63	57
Benefits paid	(21)	(25)
	<hr/>	<hr/>
<b>At 31 August</b>	<b>1,514</b>	<b>1,156</b>
	<hr/>	<hr/>

The estimated value of employer contributions for the year ended 31 August 2013 is £221,000



# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2012

### 27. Pensions and similar obligations (continued)

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

	2012 £'000	2011 £'000	2010 £'000
<b>Present value of defined benefit obligations</b>	<b>(2,004)</b>	<b>(1,466)</b>	<b>(1,767)</b>
<b>Fair value of share of scheme assets</b>	<b>1,514</b>	<b>1,156</b>	<b>1,063</b>
<b>Deficit in the scheme</b>	<b>(490)</b>	<b>(310)</b>	<b>(704)</b>
<b>Experience adjustments on share of scheme assets: Amount (£'000)</b>	<b>25</b>	<b>(240)</b>	<b>31</b>
<b>Experience adjustments on scheme liabilities: Amount (£'000)</b>	<b>(3)</b>	<b>481</b>	<b>-</b>

### 28. 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 £111,296 for the year ended 31 August 2012. There were no amounts outstanding at 31 August 2012.

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 £188.

During September to November 2011, 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 £17,000. There was £5,000 outstanding at 31 August 2012.

### 29. Ultimate controlling party

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