



Smailes Goldie
Chartered Accountants

**Registrar's
Copy**

Sirius Academy
(A Company Limited by Guarantee)

**Directors' Report and
Financial Statements**

31st August 2015

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COMPANIES HOUSE

Chartered
accountants
& lawyers



Sirius Academy

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for the year ended 31st August 2015

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Sirius Academy

Reference and Administrative Details

for the year ended 31st August 2015

Members

N Porteus	(appointed 27.02.2015)
K Sturdy	(appointed 27.02.2015)
P A Tomlinson	(resigned 27.02.2015)
G Towse	(resigned 27.02.2015)
J C Wright	(appointed 10.10.2014)

Directors

S Allen	(resigned 27.02.2015)
T Attwater	(appointed 21.09.2015)
Cllr A Bell	(resigned 24.08.2015)
LJ Gomm	
N Porteus	(Chair) (appointed 27.02.2015)*
L Probert	(Chair) (resigned 24.09.2014)*
P Sowden	(appointed 24.08.2015)
K Sturdy	(Vice Chair) (appointed 27.02.2015)
A N Sutton	(resigned 27.02.2015)
Dr C Taylor	(Accounting Officer)*
P A Tomlinson	(resigned 27.02.2015)
G Towse	(resigned 27.02.2015)
G Warke	(Vice Chair) (resigned 24.09.2014)*
J C Wright	(appointed 10.10.2014)

*members of the Finance, Resources and General Purposes Committee

Company Secretary

T Priestley

Senior Leadership Team

Dr C Taylor	(Executive Principal)	
K Sinclair	(Vice Principal)	(retired 31.08.2015)
J Sherwood	(Vice Principal)	
M Whittaker	(Vice Principal)	
S Rogers	(Executive Director of Finance)	

Registered Office

296 Anlaby Park Road South
Hull
HU4 7JB

Registered Company Number

06545396 (England and Wales)

Independent Auditors

Smailes Goldie
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Solicitors

Bond Dickinson
One Trinity
Broadchare
Newcastle upon Tyne
NE1 2HF

Bankers

The Co-operative Bank
Pennine House
Leeds
LS1 5RN

Sirius Academy

Directors' Report

for the year ended 31st August 2015

The Directors who are also Trustees of the Academy for the purposes of the Companies Act 2006, present their report with the financial statements of the Academy for the year ended 31st August 2015. The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

The capacity of the academy is 1,650 pupils (including 200 in the sixth form), the number on roll as at October 2014 was 1,549.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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 £10, for the debts and liabilities contracted before they ceased to be a member. The current number of members is three.

Principal Activities

The Academy's objective as detailed in the Memorandum of Association is to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to Environmental Science and Sport

Recruitment and Appointment of New Directors

Those entitled to make appointments to the Academy's board of Directors are the members of Sirius Academy 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 New 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.

Sirius Academy

Directors' Report

for the year ended 31st August 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The organisational structure consists of the Academy Board (the Directors) and the Senior Leadership 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 Executive Principal, three Vice Principals and the Executive Director of Finance, together with 6 Assistant Head Teachers and two Associate Members who are responsible for the leadership of the Academy and are accountable for the quality of education provided to the students. They are also accountable for the outcomes achieved by students and must ensure they meet the expectations of the Department of Education (DfE) and Ofsted. Senior Leaders are responsible for implementing the policies and recommendations agreed by the Directors and are required to provide regular and appropriate feedback to furnish Directors with the knowledge and information to provide strategic leadership. Members of the Senior Team lead the day to day operation of the charitable company, including the authorisation of spending within agreed budgets, the appointment of staff and the curriculum provision. The behaviour and safety of students is also the responsibility of the Senior Team which includes safeguarding young people and providing an infrastructure to ensure children have the appropriate environment conducive to learning.

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 Governance Statement.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is the operation of the Sirius Academy to provide an 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 31st August 2015 are summarised below:

- To ensure that every child enjoys a high quality education to enable them to achieve or exceed their personal potential.
- To provide an outstanding standard of education to all students at the Academy.
- To refine organisation structures, protocols and practices to reflect the changing needs of the students and to meet with Government targets.
- To provide value for money for the funds expended.
- To comply with all appropriate statutory and curriculum requirements.
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Sirius Academy

Directors' Report

for the year ended 31st August 2015

Objectives, strategies and activities

The Academy's mission is to support 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 2014-2015 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.

STRATEGIC REPORT

Achievement and performance

Charitable activities

In March 2014 Sirius Academy was inspected by Ofsted and judged to be outstanding in all areas including achievement of pupils, the quality of teaching, behaviour and safety and leadership and management. Despite the educational landscape changing in terms of the Government expectations of student achievement, the Academy has maintained its focus and drive for academic excellence. In 2015 there was a significant improvement in the achievement for pupils in mathematics with 72% of Year 11 learners achieving a grade C or above. Standards in Science have also improved with 65% of pupils achieving a double award qualification at grade C or above. However there was a notable decrease in the number of pupils who achieved a grade C or above in English Language. Detailed internal analysis suggests that the removal of the speaking and listening element of the course (previously accounting for 20% of the overall outcome) together with no opportunity for pupils to be entered for early entry and resits has led to this dip. 50% of pupils achieved a GCSE grade C or above in both English and Mathematics. At Key Stage 5 the outcomes for students have been good and in-line with expectation. In Year 13 100% of students achieve at least one qualification. A small but significant group of students achieved A 'level qualifications which led to 94% of them progressing to University. Excellent outcomes were reported for students following the vocational pathway.

Sirius Academy

Directors' Report

for the year ended 31st August 2015

STRATEGIC REPORT

Achievement and performance

Charitable activities

The quality of teaching has been judged to be outstanding; 84% of lessons observed were found to be good or better with 41% being judged as outstanding. Internal support is provided to all staff whose lesson is judged to be less than good. All quality assurance data is indicative of high quality teaching and learning across all key stages within the Academy. Teaching, together with a rich and relevant curriculum, contributes to the outstanding learning and achievement, significant growth in students' knowledge, and excellent attitudes to learning.

The Academy's Teaching School, Blueprint Alliance, established in September 2014 has made excellent progress. School-to-school support has been the most successful element of the 'Big 6' (the areas which each Teaching School are required to provide). Support has been commissioned by the East Riding LA. Feedback from the support has been extremely positive and further work has been re-commissioned for the forthcoming academic year. In July 2015 Blueprint Alliance was successful in bidding to provide School Centred Initial Teacher Training (SCITT) to train teachers especially in subject areas where recruitment is a challenge. The Teaching School has also provided support for a local secondary Academy, Thomas Ferens Academy which was placed in the Ofsted category of Special Measures in July 2014. As a result of the support provided by Blueprint Alliance, the Academy reported a 31% improvement in GCSE examination results, with 47% of pupils' achieving 5 or more GCSEs at grade C or above including English, Mathematics and a third GCSE qualification.

An expectation of all stakeholders is high and everyone is challenged to develop their knowledge, skill and understanding. The ambition that every student achieves or exceeds to their potential is consistently reflected in the expectations from all of the staff and is embedded within the ethos of the Academy.

Internal and external factors

Over the past academic year the Academy has decoupled from its original sponsor, Hull College. By mutual agreement Sirius Academy gained independence as a result of its Ofsted outstanding status. As a standalone Academy, with an outstanding track record, the Board of Directors have gained agreement from the DfE to become a sponsor and create a Multi Academy (MAT). Sirius Academy successfully sponsored Thomas Ferens Academy on 1 September 2015. The MAT strengthens the expertise within the Academy in respect of the knowledge and expertise of teaching staff. In all areas of the curriculum, the subject knowledge and expertise of teachers is consistently strong, ensuring that students are engaged in their learning and make good or better progress. The work within Blueprint Alliance also enhanced the opportunity to gain and observe good practice and disseminate it.

In 2014/2015 the Academy remained a very popular choice of school within the local area as evidenced by the oversubscription in all year groups. The majority of places are allocated as 'first choice' preferences with 62 pupils making applications to the Academy over and above our Published Admission Number. In a recent external survey over 90% of parents/carers considered that the Academy provided excellent support for pupils and would recommend the school.

The Academy's arrangements for safeguarding students meet statutory requirements. The single central record is well-maintained and up-to-date. An e-safety 360 review to ensure all staff and students are aware of the risks of on-line safety has been completed.

The Academy has maintained national accreditations for Inclusion Mark, Arts Mark (Gold) and Investors in People Gold Award.

Sirius Academy

Directors' Report

for the year ended 31st August 2015

STRATEGIC REPORT

Achievement and performance

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 standard of achievement of pupils attending the Academy is above the National Floor Standards. In 2015, 47% of students achieved five or more A*-C grades, including English, Mathematics and a third GCSE. (98% achieved 5 or more qualifications at grades A*-G). The results in Key Stage 4 were adversely affected by the pupils' outcomes in English Language. A significant number of pupils who were forecast to achieve a grade C or above missed this target by one or two marks. Despite the remarks of papers the outcomes were not increased significantly.

The achievement by Year 11 students was reported on the new Government measure where vocational qualifications counted as one qualification irrespective of level or the number of Guided Learning Hours (GLH), where historically many were equivalent to two or four GCSE passes. In addition the success of the Academy was judged on the first grade achieved by students in GCSE English and Mathematics and did not recognise resit grades within the published measure.

Projections for 2016 predict a notable improvement; data shows that 68% of pupils will achieve a grade C or above in both English and Mathematics. This outcome would be an 18% improvement on 2015.

Outcomes at Advanced level were in-line with expectations for the small but important group of students in Year 13. Level 3 vocational outcomes are a strength of the Academy.

Financial review

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 £2,674,000 (2014 £2,114,000). 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. The Directors are aware of the reasonably large cash balances held by the Academy. Part of these balances are held to cover future capital expenditure and a provision for long term maintenance as required through the Building Schools for the Future Programme (BSF).

Principal funding sources

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 £173,000 (2014 £191,000). This was mainly generated from the hire of the Academy's facilities and investment income. The costs of activities for generating funds were £139,000 (2014 £158,000).

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.

Sirius Academy

Directors' Report

for the year ended 31st August 2015

STRATEGIC REPORT

Financial review

Principal funding sources

During the year ended 31st August 2015, total restricted revenue expenditure of £9,967,000 (2014 £9,840,000) 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 £495,000 (2014 £454,000).

At 31st August 2015 the net book value of fixed assets was £37,610,000 (2014 £175,000) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

Investment policy and objectives

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

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 £925,000, 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.

Future developments

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, Mathematics and a third GCSE qualification.
- 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 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.
- To maximise opportunities for school to school support and income generation through the Sirius Academy Teaching School (Blueprint Alliance).
- To explore the benefits of working with other schools within the Multi Academy.

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Directors' report, incorporating a strategic report, approved by order of the board of Directors, as the company Directors, on 14th December 2015 and signed on the board's behalf by:



N Porteus - Chair

Sirius Academy

Governance Statement

for the year ended 31st August 2015

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 of loss.

The board of Directors has delegated the day-to-day responsibility to the Accounting Officer. The Accounting Officer has responsibility 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 Directors' Report and in the Statement of Directors Responsibilities. The board of Directors has formally met five times during the year. Attendance during the year at meetings of the board of Directors was as follows:

Director	Meetings attended	Out of a possible
S Allen	3	3
Cllr A Bell	1	5
L J Gomm	5	5
N Porteus	2	2
Dr C Taylor	5	5
Mrs J C Wright	2	4
K Sturdy	2	2
A N Sutton	1	2
Mrs P A Tomlinson	1	2
G Towse	3	3
L Probert	1	1
G Warke	1	1
P Sowden	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. This committee looks closely at the resourcing all new proposals including alterations to the new Academy building 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 also the focus of this committee.

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

Director	Meetings attended	Out of a possible
N Porteus	2	2
Dr C Taylor	2	2
L Gomm	2	2
K Sturdy	2	2
Cllr A Bell	0	2

The members of the Finance, Resources and General Purposes Committee were also members of the Audit Committee.

Sirius Academy

Governance Statement

for the year ended 31st August 2015

Review of Value for Money

As Accounting Officer the Executive Principal has a responsibility to ensure the Academy delivers good value in the use of public resource and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of Directors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy has delivered improved value for money by:

Continuing to target its resources to priorities very effectively as shown by the increase in Mathematics and Sciences results, with 72% of year 11 learners in Mathematics achieving a grade C or above and 65% of those in Science achieving a double award qualification at grade C or above.

By developing the Teaching School Blueprint Alliance and forming partnerships with other schools and Local Authorities, there has been an increase in income generation within the Academy. This has enabled resources to be increased and targeted more closely to different areas of the school which otherwise would not have been possible.

Although Thomas Ferens Academy only became part of the Multi Academy on 1st September 2015, by working closely with staff there it has been possible to negotiate improved terms and conditions on a number of mutual contracts and agreements. It is anticipated that savings in this area will increase now that the formal sponsorship has taken place and there will be increased opportunities across the two schools to collaborate.

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 on-going process designed to identify and prioritise the risks to the achievement of charitable company policies, aims and objectives. It is also used to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Capacity to Handle Risk

The board of Directors has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of 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;
- Sirius Academy Audit Committee.

Sirius Academy

Governance Statement

for the year ended 31st August 2015

The Directors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. The Directors have commissioned the role of Responsible Officer (RO) from a Finance Director from an academy in York. 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 provides a report to the board on the operation of the systems of control and on the discharge of the board of Directors' financial responsibilities.

The report includes the following areas:

Payroll
Purchase Orders
EFA Funding
Bank Reconciliations
Petty Cash

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 work of the Directors within the Academy who have responsibility for the development and maintenance of the internal control framework;
- Sirius Academy Audit Committee.

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 ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Directors on 14th December 2015 and signed on its behalf by:



N Porteus - Chair



Dr C Taylor - Accounting Officer

Sirius Academy

Statement on Regularity, Propriety and Compliance

for the year ended 31st August 2015

As accounting officer of Sirius Academy I have considered my responsibility to notify the Academy board of Directors 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 for Education. 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 board of Directors 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. If any instances are identified after the date of this statement, these will be notified to the board of Directors and EFA.



Dr C Taylor - Accounting Officer

Date: 14th December 2015

Sirius Academy

Statement of Directors Responsibilities

for the year ended 31st August 2015

The Directors (who act as governors of Sirius Academy and are also the Trustees of the charitable company) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction 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 Academy and of the incoming resources and application of resources, including the income and expenditure, of the Academy for that period. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2005;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Academy 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 Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

In so far as the Directors are aware:

- there is no relevant audit information of which the Academy's auditors are 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 auditors are aware of that information.

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 board of Directors on 14th December 2015 and signed on its behalf by:



N Porteus - Chair

Report of the Independent Auditors to the Members of Sirius Academy

We have audited the financial statements of Sirius Academy for the year ended 31st August 2015 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 Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy'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 Academy's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and the Academy'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 twelve, 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 Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 Academy's affairs as at 31st August 2015 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

Report of the Independent Auditors to the Members of Sirius Academy

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
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Date: 14th December 2015

Independent Reporting Accountant's Assurance Report on Regularity to Sirius Academy and the Education Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sirius Academy during the period 1st September 2014 to 31st August 2015 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 accountant

The accounting officer is responsible, under the requirements of Sirius Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st September 2014, 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 2014 to 2015. 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 1st September 2014 to 31st August 2015 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 2014 to 2015 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.

The work undertaken to draw our conclusion includes:

- Ensuring value for money is sought for all goods/services procured by the Academy, including those procured from related parties of the Academy.
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE.
- Ensuring that expenditure incurred through the Academy bank account and credit card is appropriate for the purposes of the Academy and that there has been no personal expenditure from the Academy's funds.
- Ensuring pension contributions are paid to the respective schemes in a timely manner.
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.

Independent Reporting Accountant's Assurance Report on Regularity to Sirius Academy and the Education Funding Agency

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 1st September 2014 to 31st August 2015 has 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
East Yorkshire
HU2 8BA

Date: 14th December 2015

Sirius Academy

Statement of Financial Activities (Incorporating an Income and Expenditure Account)

for the year ended 31st August 2015

		Unrestricted Funds £'000	Restricted Fixed Assets Fund £'000	Restricted Funds £'000	2015 Total funds £'000	2014 Total funds £'000
	Notes					
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	-	37,877	-	37,877	-
Activities for generating funds	3	139	-	-	139	158
Investment income	4	34	-	-	34	33
Incoming resources from charitable activities						
Academy's educational operations	5	-	31	10,463	10,494	10,324
Total incoming resources		173	37,908	10,463	48,544	10,515
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income		139	-	-	139	158
Charitable activities						
Academy's educational operations	7	-	509	9,935	10,444	9,864
Governance costs	8	-	-	33	33	11
Total resources expended	6	139	509	9,967	10,616	10,033
NET INCOME FOR THE YEAR		34	37,399	495	37,928	482
Gross transfers between funds		-	-	-	-	-
Net income for the year before other recognised gains and losses		34	37,399	495	37,928	482
Actuarial gains/losses on defined benefit schemes		-	-	(73)	(73)	(371)
Net movement in funds		34	37,399	422	37,855	111

The notes form part of these financial statements

Sirius Academy

Statement of Financial Activities - continued (Incorporating an Income and Expenditure Account)

for the year ended 31st August 2015

	Notes	Unrestricted Funds £'000	Restricted Fixed Assets Fund £'000	Restricted Funds £'000	2015 Total funds £'000	2014 Total funds £'000
RECONCILIATION OF FUNDS						
Total funds brought forward		154	211	1,327	1,692	1,581
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		<u>188</u>	<u>37,610</u>	<u>1,749</u>	<u>39,547</u>	<u>1,692</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

Sirius Academy (Company Registration Number: 06545396)

Balance Sheet

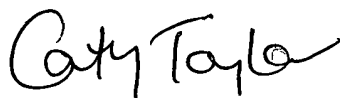
At 31st August 2015

	Notes	2015 £'000	2014 £'000
FIXED ASSETS			
Tangible assets	12	37,610	175
CURRENT ASSETS			
Debtors	13	679	495
Cash at bank		<u>3,042</u>	<u>3,011</u>
		3,721	3,506
CREDITORS			
Amounts falling due within one year	14	<u>(859)</u>	<u>(1,202)</u>
NET CURRENT ASSETS		<u>2,862</u>	<u>2,304</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		40,472	2,479
PENSION LIABILITY	19	<u>(925)</u>	<u>(787)</u>
NET ASSETS		<u>39,547</u>	<u>1,692</u>
FUNDS	18		
Unrestricted funds		188	154
Restricted funds		<u>39,359</u>	<u>1,538</u>
TOTAL FUNDS		<u>39,547</u>	<u>1,692</u>

The financial statements were approved by the Board of Directors on 14th December 2015 and were signed on its behalf by:



N Porteus -Chair



Dr C Taylor -Accounting Officer

The notes form part of these financial statements

Sirius Academy

Cash Flow Statement

for the year ended 31st August 2015

	Notes	2015 £'000	2014 £'000
Net cash inflow from operating activities	25	64	818
Returns on investments and servicing of finance	26	34	33
Capital expenditure and financial investment	26	(67)	(150)
Increase in cash in the period		<u>31</u>	<u>701</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	27		
Increase in cash in the period		<u>31</u>	<u>701</u>
Change in net debt resulting from cash flows		<u>31</u>	<u>701</u>
Movement in net debt in the period		31	701
Net debt at 1st September		<u>3,011</u>	<u>2,310</u>
Net debt at 31st August		<u>3,042</u>	<u>3,011</u>

The notes form part of these financial statements

Sirius Academy

Notes to the Financial Statements

for the year ended 31st August 2015

1. 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 included on the Statement of Financial Activities when the Academy is legally entitled to the funds/certainty of receipt and the amount can be quantified 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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Interest receivable

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

Sponsorship Income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

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.

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

1. ACCOUNTING POLICIES - continued

Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Cost of generating funds

These costs are incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

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

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.

Tangible fixed assets

Assets costing less than £3,000 are written off in the year of acquisition. All other assets are capitalised as tangible fixed assets and are carried at cost, net of any depreciation and any provision for impairment.

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. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Leasehold land introduced- over the period of occupation

Leasehold buildings introduced - 2% per annum based on the original valuation on occupation

Leasehold buildings acquired – 4% from the date of first use

Motor vehicles 14% on cost

Computer equipment and software 33% on cost

Fixtures and fittings 33% on cost

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.

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

1. ACCOUNTING POLICIES - continued

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially 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.

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 with restrictions imposed by the funder/donor and include grants from the Education Funding Agency and the Department for Education.

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 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 19, 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 Director 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.

2. VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Donations	<u>-</u>	<u>37,877</u>	<u>37,877</u>	<u>-</u>

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Other income	82	-	82	94
Hire of facilities	57	-	57	49
Catering income	-	-	-	15
	<u>139</u>	<u>-</u>	<u>139</u>	<u>158</u>

4. INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Deposit account interest	<u>34</u>	<u>-</u>	<u>34</u>	<u>33</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
General Annual Grant (GAG)	-	8,914	8,914	9,172
Other DfE grants	-	890	890	806
School standards funds	-	126	126	143
Special educational projects	-	513	513	140
DfE Capital grant	-	31	31	30
Start up grant	-	20	20	33
	<u>-</u>	<u>10,494</u>	<u>10,494</u>	<u>10,324</u>

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

6. RESOURCES EXPENDED

	Staff costs £'000	Non-pay Premises £'000	expenditure Other costs £'000	2015 Total £'000	2014 Total £'000
Costs of generating funds					
Costs of generating voluntary income	-	-	139	139	158
Charitable activities					
Academies educational operations					
Direct costs	6,812	469	1,194	8,475	8,021
Allocated support costs	839	1,038	92	1,969	1,843
	<u>7,651</u>	<u>1,507</u>	<u>1,425</u>	<u>10,583</u>	<u>10,022</u>
Governance costs including allocated support costs	-	-	33	33	11
	<u>7,650</u>	<u>1,507</u>	<u>1,458</u>	<u>10,615</u>	<u>10,033</u>

Net resources are stated after charging/(crediting):

	2015 £'000	2014 £'000
Auditors' remuneration	6	6
Auditors' remuneration for non-audit work	4	4
Depreciation - owned assets	509	35
Operating leases - plant and machinery	<u>36</u>	<u>38</u>

7. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Direct costs				
Teaching and educational support staff	-	6,812	6,812	6,800
Depreciation	-	509	509	35
Educational supplies	-	207	207	235
Examination fees	-	181	181	180
Staff development	-	34	34	58
Educational consultancy	-	68	68	82
Other direct costs	-	664	664	631
	-	<u>8,475</u>	<u>8,475</u>	<u>8,021</u>

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

7. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Allocated support costs				
Support staff costs	-	839	839	823
Recruitment and support	-	42	42	30
Maintenance of premises and equipment	-	183	183	165
Cleaning	-	11	11	8
Rent and rates	-	185	185	74
Energy costs	-	257	257	242
Insurance	-	79	79	78
Security and transport	-	14	14	10
Catering	-	50	50	23
Other support costs	-	309	309	390
	-	1,969	1,969	1,843
	-	10,444	10,444	9,864

8. GOVERNANCE COSTS

	Unrestricted funds £'000	Restricted funds £'000	2015 Total funds £'000	2014 Total funds £'000
Auditors' remuneration	-	6	6	6
Auditors' remuneration for non-audit work	-	4	4	4
Legal and professional fees	-	23	23	1
	-	33	33	11

9. DIRECTORS' REMUNERATION AND BENEFITS

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 Directors' remuneration was as follows:

C Taylor (Principal)

Remuneration £130,000 - £135,000 (2014 £125,000 - £130,000).

Employer's pension contributions £15,000 - £20,000 (2014 £15,000 - £20,000).

During the year ended 31 August 2015, travel and subsistence expenses totalling £7 (2014 £nil) were reimbursed to Directors (2014 no Directors).

Other related party transactions involving the Directors are set out in note 22.

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

10. STAFF COSTS

	2015 £000	2014 £000
Wages and salaries	6,151	6,242
Social security costs	445	450
Other pension costs	903	815
	<u>7,499</u>	<u>7,507</u>
Supply staff costs	152	116
	<u>7,651</u>	<u>7,623</u>

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

	2015	2014
Teachers	109	107
Administration and support	78	81
Management	1	1
	<u>188</u>	<u>189</u>

The number of employees whose emoluments fell within the following bands was:

	2015	2014
£60,001 - £70,000	3	2
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£130,001 - £140,000	1	1
	<u>6</u>	<u>5</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31st August 2015, pension contributions for these staff amounted to £70,729 (2014:£61,628).

11. 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 31st August 2015 was £2,360 (2014 £2,526).

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

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

12. TANGIBLE FIXED ASSETS

	Long leasehold £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST					
At 1st September 2014	93	87	75	66	321
Additions	<u>37,900</u>	<u>39</u>	<u>-</u>	<u>5</u>	<u>37,944</u>
At 31st August 2015	<u>37,993</u>	<u>126</u>	<u>75</u>	<u>71</u>	<u>38,265</u>
DEPRECIATION					
At 1st September 2014	-	53	27	66	146
Charge for year	<u>469</u>	<u>27</u>	<u>11</u>	<u>2</u>	<u>509</u>
At 31st August 2015	<u>469</u>	<u>80</u>	<u>38</u>	<u>68</u>	<u>655</u>
NET BOOK VALUE					
At 31st August 2015	<u>37,524</u>	<u>46</u>	<u>37</u>	<u>3</u>	<u>37,610</u>
At 31st August 2014	<u>93</u>	<u>34</u>	<u>48</u>	<u>-</u>	<u>175</u>

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, which was to subsist until the end of a defects period.

The defects period ended on 30 January 2015, whereupon a 125 year lease was granted, again at a peppercorn rent and accordingly the academy has now recognised the rights granted to it under the lease, as fixed assets.

The Land and Buildings were professionally valued for recognition at the original occupation date. These valuations have been used by the academy to determine a cost figure for these assets to be introduced into the accounts of the academy at 30 January 2015. The land is being amortised equally over the 125 years of the lease and the notional net book value at 30 January 2015 of £1,215,833 has been introduced to the academy as voluntary income. The buildings are being depreciated over their estimated useful lives of 50 years and the notional net book value at 30 January 2015 of £36,661,083 has been introduced into the academy as voluntary income.

When the buildings were first occupied they included Fixtures and Fittings and Computer Equipment that were not separately identified by the valuer. The Directors consider that if these items were to be separately identified at 31 August 2015, their values would have been depreciated to negligible amounts and no identification has therefore been undertaken.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Other debtors	611	457
Prepayments	<u>68</u>	<u>38</u>
	<u>679</u>	<u>495</u>

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Trade creditors	196	488
Social security and other taxes	144	183
Other creditors	117	123
EFA Abatement of GAG	-	206
Accruals and deferred income	<u>402</u>	<u>202</u>
	<u>859</u>	<u>1,202</u>

Deferred income

	2015 £'000
Deferred income at 1 September 2014	30
Resources deferred in the year	41
Amounts released from previous years	<u>(30)</u>
Deferred income at 31 August 2015	<u>41</u>

Deferred income relates to monies for the 2015-2016 academic year. Amounts carried forward relate to:

	2015 £'000
Bikeability grant	4
School trips	22
British Council	1
School Games Organiser	<u>14</u>
	<u>41</u>

15. OPERATING LEASE COMMITMENTS

At 31st August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	Other operating leases	
	2015 £'000	2014 £'000
Expiring:		
Within one year	32	-
Between one and five years	<u>4</u>	<u>35</u>
	<u>36</u>	<u>35</u>

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

16. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for debts and liabilities contracted before he/she ceased to be a member. At 31 August 2015 and 31 August 2014, the number of members was three.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Fixed Assets Fund £'000	Restricted Funds £'000	2015 Total funds £'000	2014 Total funds £'000
Fixed assets	-	37,610	-	37,610	175
Current assets	188	-	3,533	3,721	3,506
Current liabilities	-	-	(859)	(859)	(1,202)
Pension liability	-	-	(925)	(925)	(787)
	<u>188</u>	<u>37,610</u>	<u>1,749</u>	<u>39,547</u>	<u>1,692</u>

18. MOVEMENT IN FUNDS

	At 1.9.14 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.15 £'000
Unrestricted funds				
General fund	154	34	-	188
Restricted funds				
General Annual Grant (GAG)	1,185	1,351	-	2,536
Start Up Grant	160	(160)	-	-
Other DfE/EFA Grants	368	(368)	-	-
LEA and Other Grants	194	(194)	-	-
Other Restricted	207	(69)	-	138
Pension Reserve	(787)	(138)	-	(925)
DfE/EFA Capital Grants	36	(13)	-	23
Capital Expenditure From GAG	175	-	-	175
Donated Fixed Asset Fund	-	37,412	-	37,412
	<u>1,538</u>	<u>37,821</u>	<u>-</u>	<u>39,359</u>
TOTAL FUNDS	<u>1,692</u>	<u>37,855</u>	<u>-</u>	<u>39,547</u>

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	173	(139)	-	34
Restricted funds				
General Annual Grant (GAG)	8,914	(7,563)	-	1,351
Start Up Grant	20	(180)	-	(160)
Other DfE/EFA Grants	889	(1,257)	-	(368)
LEA and Other Grants	126	(320)	-	(194)
Other Restricted	514	(583)	-	(69)
DfE/EFA Capital Grants	31	(44)	-	(13)
Donated Fixed Asset Fund	37,877	(465)	-	37,412
Pension Reserve	-	(65)	(73)	(138)
	48,371	(10,477)	(73)	37,821
TOTAL FUNDS	<u>48,544</u>	<u>(10,616)</u>	<u>(73)</u>	<u>37,855</u>

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

DfE/EFA GAG Funding

DfE/EFA General Annual Grant (GAG) includes funding allocated per pupil through the school budget share and post 16 funding. It also includes the Local Authority Central Spend (LACSEG) and funding for insurance and rates.

The General Annual Grant (GAG) must be used to meet normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

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 the 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.

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 donated by Kingston upon Hull City Council together with assets funded by DfE/EFA capital grants.

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

19. PENSION 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 31st March 2012 and of the LGPS 31st March 2013.

Contributions amounting to £115,959 (2014 £121,402) were payable to the schemes at 31st August 2015 and are included within creditors.

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis- these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

19. PENSION AND SIMILAR OBLIGATIONS - continued

The pension costs paid to TPS in the period amounted to £976,958 (2014:£935,838).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate Director-administered funds. The total contribution made for the year ended 31st August 2015 was £338,000 (2014 £298,000) of which employer's contributions totalled £260,000 (2014:£232,000) and employees' contributions totalled £78,000 (2014 £66,000). The agreed contribution rates to 31 March 2016 are 20.4% for employers and employee contribution rates will range between 5.5% and 9.9%.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	At 31st August 2015	At 31st August 2014
Rate of increase in salaries	4.10%	4.00%
Rate of increase for pensions in payment/inflation	2.70%	2.70%
Discount rate for scheme liabilities	3.80%	3.70%
Expected return on assets	3.80%	5.70%

Sensitivity analysis

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

	Approximate % increase/(decrease) to employer liability	Approximate monetary amount (£000)
0.5% increase in discount rate	13	498
1 year increase in member life expectancy	3	118
0.5% increase in salary increase rate	5	210
0.5% increase in pension increase rate	7	275

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	At 31st August 2015	At 31st August 2014
Retiring today		
Males	21.9 years	21.9 years
Females	24.1 years	24.1 years
Retiring in 20 years		
Males	24.2 years	24.2 years
Females	26.7 years	26.7 years

Local government pension scheme

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

	Expected return at 31st August 2015	Fair value at 31st August 2015 £000	Expected return at 31st August 2014	Fair value at 31st August 2014 £000
Equities	3.80%	2,245	6.40%	2,057
Bonds	3.80%	299	3.20%	267
Property	3.80%	329	4.50%	187
Cash	3.80%	120	3.30%	160
Total market value of assets		2,993		2,671
Present value of scheme liabilities				
- Funded		(3,918)		(3,458)
Deficit in the scheme		(925)		(787)

The expected return on assets are set equal to the discount rate (as per the forthcoming FRS 102 disclosure requirement).

The actual return on scheme assets was £18,000 (2014: £235,000).

Amounts recognised in the statement of financial activities

	2015 £000	2014 £000
Current service cost	(352)	(256)
Total operating charge	(352)	(256)

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

19. PENSION AND SIMILAR OBLIGATIONS - continued

Analysis of pension finance income/(costs)

	2015 £000	2014 £000
Expected return on pension scheme assets	(135)	(118)
Interest on pension liabilities	<u>162</u>	<u>130</u>
Pension finance income/(costs)	<u>(325)</u>	<u>(244)</u>

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 £548,000 loss (2014: £475,000 loss).

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

	2015 £000	2014 £000
At 1st September	(3,458)	(2,426)
Current service cost	(352)	(256)
Interest cost	(135)	(118)
Employee contributions	(78)	(66)
Actuarial gain/(loss)	71	(620)
Benefits paid	<u>34</u>	<u>28</u>
At 31st August	<u>(3,918)</u>	<u>(3,458)</u>

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

	2015 £000	2014 £000
At 1st September	2,671	2,022
Expected return on assets	162	130
Actuarial gain/(loss)	(144)	249
Employer contributions	260	232
Employee contributions	78	66
Benefits paid	<u>(34)</u>	<u>(28)</u>
At 31st August	<u>2,993</u>	<u>2,671</u>

The estimated value of employer contributions for the year ended 31st August 2016 is £262,000.

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

19. PENSION AND SIMILAR OBLIGATIONS - continued

The five year history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Present value of defined benefit obligations	(3,918)	(3,458)	(2,426)	(2,004)	(1,466)
Fair value of share scheme assets	2,993	2,671	2,022	1,514	1,156
Deficit in scheme	(925)	(787)	(404)	(490)	(310)
 Experience adjustments on share of scheme assets					
Amount £000	(144)	249	157	25	(240)
 Experience adjustments on scheme liabilities					
Amount £000	10	(278)	-	(3)	481

20. CONTINGENT LIABILITIES

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State for Education.

Upon termination of the funding agreement, whether as a result of the Secretary of State for Education or the Academy serving notice, the Academy shall repay to the Secretary of State for Education sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy, and
- the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State for Education under the funding agreement.

21. CAPITAL COMMITMENTS

At 31st August 2015 the Academy had capital commitments totalling £18,472 (2014:£nil).

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

22. RELATED PARTY DISCLOSURES

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 following related party transactions took place in the period of account.

Hull College - Trust Sponsor

- The Academy's sponsor until 27th February 2015, Hull College, has provided Further Education to pupils of the Academy at a cost of £7,246 for the year ended 31st August 2015 (2014 £13,771). The amount outstanding at 31st August 2015 was £Nil (2014 £1,468).

IT@Spectrum - a company in which Mr K. Sturdy (a Director of the trust from 27th February 2015) has a significant interest:

- The Academy entered into an operating lease with this company for computer equipment, before the appointment of Mr Sturdy to the board. The selection of IT@ Spectrum was made in full compliance with the Academy's financial regulations.
- Payments of £5,506 were made under this operating lease in the period 28th February to 31st August 2015 and there were no amounts outstanding at the year end.

Sowden & Sowden - a company in which Mr P. Sowden (a Director of the trust from 24th August 2015) has a significant interest:

- The Academy purchased marketing services from this company. The selection of Sowden & Sowden was made in full compliance with the Academy's financial regulations.
- Payments of £2,191 were made in the period 24th August to 31st August 2015 and there were no amounts outstanding at the year end.

The Deep - a company of which Mr N Porteus (a Director of the trust from 27th February 2015) is a Director:

- The Academy purchased services from The Deep. The selection of this company was made in full compliance with the Academy's financial regulations.
- Payments totalling £702 were made in the period 27th February to 31st August 2015 and there were no amounts outstanding at the year end.

In entering into the transactions above, the trust has complied with the requirements of the EFA's Academies Financial Handbook.

23. POST BALANCE SHEET EVENTS

In March 2015, Sirius Academy became a Multi Academy Trust (MAT). On 1st September 2015 the business and undertaking of Northern Academy Hull Limited (also known as Thomas Ferens Academy) was transferred to the MAT and re-named Sirius Academy North.

24. ULTIMATE CONTROLLING PARTY

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

Sirius Academy

Notes to the Financial Statements - continued

for the year ended 31st August 2015

25. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £'000	2014 £'000
Net incoming resources	37,928	482
Depreciation charges	509	35
Donated land and buildings	(37,877)	-
Interest received	(34)	(33)
FRS 17 adjustment	65	12
Increase in debtors	(184)	(157)
(Decrease)/increase in creditors	(343)	479
Net cash inflow from operating activities	64	818

26. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £'000	2014 £'000
Returns on investments and servicing of finance		
Interest received	34	33
Net cash inflow for returns on investments and servicing of finance	34	33
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(67)	(150)
Net cash outflow for capital expenditure and financial investment	(67)	(150)

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.14 £'000	Cash flow £'000	At 31.8.15 £'000
Net cash:			
Cash at bank	3,011	31	3,042
Total	3,011	31	3,042