

Aston University Engineering Academy Birmingham

A Company Limited by Guarantee

Annual Report and Financial Statements

Period ended 28 February 2011

Company Registration Number: 07166427

TUESDAY



AKVAYZGC
A08 22/11/2011 356
COMPANIES HOUSE



ASTON UNIVERSITY ENGINEERING ACADEMY BIRMINGHAM LIMITED

Contents

Governors' Report	3
Statement on Internal Control	9
Statement of Governor's' Responsibilities	11
Independent Auditor's Report to the Members of Aston University Engineering Academy Birmingham Limited	12
Statement of financial Activities for the period ended 28 February 2011	14
Balance sheet at 28 February 2011	15
Cash flow statement for the year ended 28 February 2011	16
Notes	17

Governors' Report

The governors present their first annual report together with the financial statements and auditors' report of Aston University Engineering Academy Birmingham a charitable company for the period ended 28 February 2011

Structure, Governance and Management

Constitution

The Aston University Engineering Academy Birmingham is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Aston University Engineering Academy Birmingham Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is also known as Aston University Engineering Academy.

Details of the governors who served since the Academy was incorporated on 23 February 2010 and throughout the period are

- Professor A Halstead
- Mr A Hewgill

The Academy was registered with the Charities Commission on 20 July 2010, as a registered charity. However it was de-registered on 25 August 2011 as the Academy's activities are classed as exempt for the purposes of the Charities Act 1993 as amended by the Charities Act 2006.

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.

Governors' Indemnities

No indemnities have been entered into by the Academy with third parties on behalf of Governors.

Principal Activities

Aston University Engineering Academy Birmingham (AUEAB) will be nationally recognised as a centre of excellence in providing the very best engineering and technical education for successful and rewarding careers.

Governors' Report (continued)

Method of Recruitment and Appointment or Election of Governors

For the period covered by this first annual report, the Academy Trust has comprised two Sponsor Governors, appointed by Aston University as Principal Sponsor, and, *ex officio*, the Academy's Principal-designate

When Aston University Engineering Academy opens in September 2012, the Academy Trust shall have the following Governors

- Up to six Sponsor Governors, to be appointed by Aston University as Principal Sponsor
- Two Local Authority Governors, to be appointed by the Council of the City of Birmingham
- One Parent Governor, to be elected by parents of registered pupils at the Academy
- One Staff Governor, to be elected under arrangements approved by the Governing Body
- Up to three Co-opted Governors, appointed for the purpose by the Governing Body
- The Principal of the Academy
- Any additional or further Governors who may from time to time, and in accordance with relevant provisions of the Academy's Articles of Association, be appointed by the Secretary of State for Children, Schools and Families

Policies and Procedures Adopted for the Induction and Training of Governors

These policies and procedures are currently under development, for determination and agreement by the Governors before the Academy becomes operational in September 2012

Organisational Structure

Aston University Engineering Academy is currently in the implementation phase of its development and the operational structure is still being developed in line with the Department for Education guidelines for Academies

The management structure will consist of three levels the Governors, the Senior Leadership Team and the Extended Leadership Team. The aim of this management structure is to devolve responsibility and encourage involvement in decision making at all levels

Risk Management

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

Connected Organisations, including Related Party Relationships

Aston University is the sponsor of Aston University Engineering Academy Birmingham

Governors' Report (continued)

Objectives and Aims

The principal objectives and activity of the Aston University Engineering Academy Birmingham is to provide education for pupils of different abilities between the ages of 14 and 19 with an emphasis on engineering and science

In accordance with the articles of association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should align itself with the substance of the national curriculum, the University Technical College vision and the specialisms of engineering and science.

The main objectives of the Governors during the period ended 28 February 2011 was to secure funding working in collaboration with Birmingham City Council and Aston University to enable the establishment of this new Academy school.

The Governors during the course of the implementation phase will be overseeing the development of policies to ensure that

- every child enjoys the same high quality education in terms of resourcing, tuition and care,
- all pupils achieve their maximum potential educational,
- the Academy is effective by developing the curriculum and organisational structure,
- value for money for the funds expended,
- the Academy will comply with all appropriate statutory and curriculum requirements,
- close links with industry and commerce are established, and
- the Academy's business is conducted in accordance with the highest standards of integrity, probity and openness.

The Governors are aware of and have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charities Commission.

Objectives, Strategies and Activities

Aston University Engineering Academy will be nationally recognised as a centre of excellence in providing the very best engineering and technical education for successful and rewarding careers. The Academy will achieve this by

- 1) working in partnership with its students, their parents, the University, regional and national employers, the professional bodies, local schools and the community,
- 2) having high aspirations and expectations of its staff and students in both professional and personal development,
- 3) fostering values that equip students for success,
- 4) providing every student with an industrial sponsor, a university student mentor and a personalised pathway through and beyond the academy,
- 5) creating an inspirational learning community within which everyone is empowered to be a learner, a teacher and a leader,

Governors' Report (continued)

- 6) developing and delivering a challenging and innovative employer led curriculum that is applied and focused on the industrial and business world to prepare students for employment, apprenticeships or higher education,
- 7) involving staff and students in the continuous improvement of life in the academy, through reflection, research and publication of practice

This will be achieved through close collaboration and in partnership with staff, parents, our local community, other education establishments and our key stakeholders. The Academy will ensure that children and young people develop the skills, in addition to the understanding, required to be healthy, stay safe, and enjoy and achieve in their learning and in their chosen progression pathways post 16.

Underpinning this vision is a set of core beliefs and values that

- everyone is a leader,
- self-discipline,
- learning together,
- striving for excellence

Plans for Future Periods

The Academy is to open to pupils in years 10 and 12 in September 2012. During the establishment phase the Academy's organisational structure, curriculum and all policies are to be developed and all staff appointments to be made. The existing links with industry will be further built on to ensure that the curriculum is developed with employers. Pupils will be recruited from the catchment area and will be made aware of the opportunities that the new Academy will offer.

Public Benefit

The principal object of the company is to operate Aston University Engineering Academy Birmingham to advance for public benefit education for pupils of different abilities between the ages of 14 and 19 with an emphasis on engineering. The Governors confirm that they have referred to the Charities Commission general guidance on public benefit when establishing the Academy's aims and objectives.

Once the Academy is open pupils will be educated at no cost to parents of children from the West Midlands. The Academy will consider all applications for places and will not select on the basis of ability for admission at year 10 and Year 12.

Achievements and Performance

The key achievement in the period was the securing of the bid to the Department for Education to enable the establishment of this new Academy in association with Aston University and Birmingham City Council. Following this the Principal - designate was appointed to lead the establishment of the Academy.

Governors' Report (continued)

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust 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

Financial Review

The Academy was awarded a grant of £491,000 by the Department for Education in November 2010 as an initial set up grant for the period until the Academy opens in September 2012. This was based upon the original application for funding from which the detailed profiled budget for this initial period was agreed. Actual expenditure is monitored against budget and the budget is amended as necessary to ensure that expenditure is managed within the awarded set up grant.

It is anticipated that neither surpluses or losses will be accumulated within reserves during the set up period. Thus neither reserves nor investment policies have been established at this stage, these will be developed in advance of the Academy opening in September 2012.

In the first accounting period to 28 February 2011 £35,000 expenditure was claimed against the awarded grant.

Principal Risks and Uncertainties

The principal risks that the new Academy faces is in relation to the recruitment of a sufficient number of pupils in advance of opening in September 2012. However the Academy is working closely with Birmingham City Council to ensure that pupils within the catchment area are aware of this specialist provision for those with an interest in Engineering. The Academy is being actively marketed and, in addition, all Birmingham Schools have been informed.

The Academy is to be situated in a new purpose-built building that is currently under construction by Birmingham City Council that is due for completion in July 2012. Governors attend project management meetings to ensure that construction is on course to enable the Academy to open on time in September 2012.

The current employee and future academic employees of the Academy will be members of the Teachers Pension Scheme which is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust 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. The TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

The pension arrangements for administrative and support staff will be reviewed before the Academy opens in September 2012.

Governors' Report *(continued)*

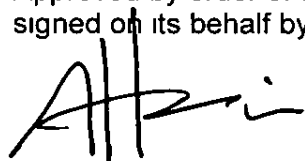
Auditor

The Governors appointed KPMG as auditors for the Academy for the first period of account to 28 February 2011

In so far as the governors are aware

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

Approved by order of the members of the Governing Body on 21 November 2011 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Alastair Hewgill', written over the text 'signed on its behalf by'.

Alastair Hewgill

Director

Statement on Internal Control

Scope of Responsibility

As governors, we acknowledge that we have overall responsibility for ensuring that Aston University Engineering Academy Birmingham Limited has an effective and appropriate system of internal 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 Governing Body 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 Aston University Engineering Academy Birmingham Limited Academy Trust and the Secretary of State for Education. The Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust 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 Aston University Engineering Academy Birmingham Limited for the period ended 28 February 2011 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 28 February 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

The Academy Trust'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

- budgeting and monitoring systems with a budget for the initial set up period and the first year of operation, and periodic financial reports which are reviewed and agreed by the Governing Body,
- identification and management of risks

Statement on Internal Control (continued)

In the future as policies and committee structures are established the Governing body will ensure that the following policies and guidelines are put in place

- regular reviews by the Finance 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

The Governing Body will consider the need for a specific internal audit function or alternative to ensure that there is an independent review of the Academy's financial systems as required by the YPLA

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 external auditor,
- the financial management and governance self assessment process

Approved by order of the members of the Governing Body on 21 November 2011 and signed on its behalf by



Alastair Hewgill

Director



Gareth A Evans

Company Secretary

Statement of Governors' Responsibilities

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

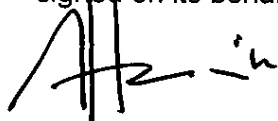
Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments 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 business

The governors 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 governors 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 of good financial management. They are also responsible for ensuring grants received from the YPLA/DfE have been applied for the purposes intended.

Approved by order of the members of the Governing Body on 21 November 2011 and signed on its behalf by



A Hewgill

Director



KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent Auditor's Report to the Members of Aston University Engineering Academy Limited

Independent auditor's report to the members of Aston University Engineering Academy Birmingham Limited

We have audited the financial statements of Aston University Engineering Academy Birmingham Limited for the year ended 28 February 2011 set out on pages 14 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's (the Academy's) members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and in respect of the separate opinions in relation to regularity and compliance with the Accounts Direction 2010/11 issued by the Young Peoples Learning Agency ("YPLA"), on terms that have been agreed. 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 auditors' report and, in respect of the separate opinions in relation to regularity and compliance with the Accounts Direction 2010/11 issued by the YPLA, those matters that we have agreed to state to them in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governors and auditor

As explained more fully in the Statement of Responsibilities set out on page 11, the Governors (who are also the directors of the company for the purposes of company law) are responsible for the preparation of financial statements which 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 auditing 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 Board of Governors, 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 Academy's affairs at 28 February 2011, 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 UK Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006,
- have been prepared in accordance with the Academies Accounts Direction 2010/11 issued by the YPLA

Opinion on regularity

In our opinion, in all material respects, grants from the DfE have been applied by the Academy for the purposes intended

Opinion on other matter prescribed by the Companies Act 2006

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

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 by the Academy, 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,
- certain disclosures of Governors' remuneration specified by law are not made,
- we have not received all the information and explanations we require for our audit



M J Rowley (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

21 November 2011

Statement of financial Activities for the period ended 28 February 2011
(Including Income and Expenditure Account)

	Note	Restricted General funds £000	Total 2011 £000
Incoming resources			
Incoming resources from charitable activities			
• Funding for the Academy's educational operations	2	35	35
Total incoming resources		<u>35</u>	<u>35</u>
Resources expended			
• Academy's educational operations	3	27	27
• Governance costs	5	8	8
Total resources expended		<u>35</u>	<u>35</u>
Net incoming / (Outgoing) resources before transfers		-	-
Net income / (expenditure) for the period		-	-
Funds carried forward at 28 February 2011		-	-

All of the Academy's activities derive from continuing operations during its first 53 week period of trading

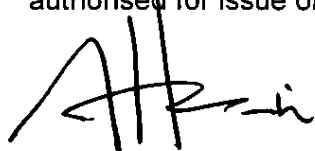
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

Balance sheet at 28 February 2011

COMPANY NUMBER: 07166427

	Note	2011	
		£000	£000
Fixed assets			
Tangible assets			-
			<hr/>
Current assets			
Stocks		-	
Debtors	8	7	
Cash at bank and in hand		13	
		<hr/>	
		20	
Creditors: Amounts falling due within one year			
	9	20	
		<hr/>	
Net current assets			-
			<hr/>
Total assets less current liabilities			-
			<hr/>
Net assets			-
			<hr/> <hr/>
Funds of the academy:			
Restricted funds			
General fund	10		-
Total restricted funds			<hr/>
			-
			<hr/> <hr/>
Total funds			<hr/> <hr/>

The financial statements on pages 14 to 25 were approved by the Governors, and authorised for issue on 21 November 2011 and are signed on their behalf by



Alastair Hewgill

Director

Cash flow statement for the period ended 28 February 2011

	<i>Note</i>	2011 £000
Net cash inflow from operating activities	11	13
Returns on investments and servicing of finance		-
Capital expenditure		-
		<hr/>
Increase in cash in the year		13
		<hr/>
Reconciliation of net cash flow to movement in net funds		
Net funds at 23 February 2010		-
		<hr/>
Net funds at 28 February 2011		13
		<hr/>

Notes
(Forming part of financial Statements)

1 Statement of Accounting Policies

Basis of Preparation

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

Going Concern

The governors 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 governors 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 Trust 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.

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 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.

- **Costs of generating funds**

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

- **Charitable activities**

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

Notes (continued)

Statement of Accounting Policies (continued)

- **Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT.

Taxation

The Academy Trust 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 Trust 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.

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme, which is contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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 Trust 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 14, the TPS is a multi-employer scheme and the Academy Trust 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.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

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

Notes (continued)

2 Funding for the Academy's educational operations

	Restricted General funds	Total 2011
	£000	£000
DfE / YPLA revenue grants		
Start Up Grants	35	35
	<hr/> 35	<hr/> 35
	<hr/> <hr/>	<hr/> <hr/>

3 Resources expended

	Staff costs	Non Pay Premises	Expenditure Other costs	Total 2011
	£000	£000	£000	£000
Academy's educational operations				
Direct costs	-	-	-	-
Allocated support costs	17	-	10	27
	<hr/> 17	<hr/> -	<hr/> 10	<hr/> 27
Academy's educational operations	<hr/> <hr/> 17	<hr/> <hr/> -	<hr/> <hr/> 10	<hr/> <hr/> 27

2011

£000

Incoming/outgoing resources for the year include:

Fees payable to auditor – audit	5
	<hr/>

Notes (continued)

4 Charitable activities – Academy's educational operations

	Restricted Funds £000	Total 2011 £000
Direct costs	-	-
	<hr/>	<hr/>
Allocated support costs		
Support staff costs	17	17
Recruitment and support	6	6
IT	1	1
Other support costs	3	3
	<hr/>	<hr/>
	27	27
	<hr/>	<hr/>
	27	27
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

5 Governance costs

	Restricted Funds £000	Total 2011 £000
Legal and professional fees	-	-
- Audit of financial statements	5	5
- Support costs	3	3
	<hr/>	<hr/>
	8	8
	<hr/>	<hr/>

6 Staff costs

Staff costs during the period were	2011 £000
Wages and salaries	13
Social security costs	1
Pension costs	2
	<hr/>
	17
	<hr/>

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

	2011 No.
Management	0 2
	<hr/>
	0 2
	<hr/>

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

	2011 No.
£70,001 – £80,000	1
	<hr/>

The employee above participated in the Teachers' Pension Scheme. During the period ended 28 February 2011, pension contributions for this staff amounted to £1,880

Notes (continued)

7 Governors' remuneration and expenses

The governors did not receive any payments, or expenses, from the Academy in respect of their role as governors

The Principal-designate only receives remuneration in respect of services he provides undertaking this role. The value of the Principal-designate's remuneration was £13,333 in the period to 28 February 2011 and travel and subsistence expenses totalling £1,800 were reimbursed

8 Debtors

	2011
	£000
Other debtors	7
	<hr/>
	7
	<hr/> <hr/>

9 Creditors: amounts falling due within one year

	2011
	£000
Other creditors	13
Accruals and deferred income	7
	<hr/>
	20
	<hr/> <hr/>

Notes (continued)

10 Funds

	Balance at 23 February 2010	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 28 February 2011
	£000	£000	£000	£000	£000
Restricted general funds					
Start Up Grant	-	35	(35)	-	-
	<u>-</u>	<u>35</u>	<u>(35)</u>	<u>-</u>	<u>-</u>
Total funds	<u>-</u>	<u>35</u>	<u>(35)</u>	<u>-</u>	<u>-</u>

The specific purposes for which the start up funds are to be applied are to establish the infrastructure, policies, procedures and curriculum in advance of the Academy opening in September 2012

11 Reconciliation of net income to net cash inflow from operating activities

	At 28 February 2011 £000
Net income	-
Increase in debtors	(2)
Increase in creditors	15
Net cash inflow from operating activities	<u>13</u>

12 Analysis of changes in net funds

	At 23 February 2010	Cash Flows	At 28 February 2011
	£000	£000	£000
Cash in hand and at bank	<u>-</u>	<u>13</u>	<u>13</u>

Notes (continued)

13 Members' liability

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

14 Pension and similar obligations

The Academy's employee belongs to the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff. 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. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme (TPS)

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

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

Latest actuarial valuations	31 March 2004
Actuarial method	Prospective Benefits
Investment returns per annum	6.5 %
Salary scale increases per annum	5.0 %
Market value of assets at date of last valuation	£162,650m
Proportion of members' accrued benefits covered by the actuarial value of the	98.88%

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 23 February 2010 to 28 February 2011 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period.

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.

Notes *(continued)*

15 Related Party Transactions

The governors are representatives from Aston University the sponsoring institution. The Academy has a balance owing of £13,000 to Aston University at the period end. This amount was paid in full on 1 March 2011.