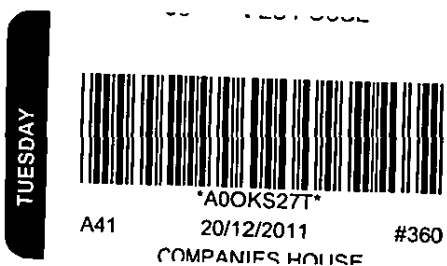


The Gosforth Federated Academies Limited
(a company limited by guarantee and not having a share capital)

**Report of the Management Trustees and
Financial Statements**

Company number 07431423

For the period 5 November 2010 to 31
August 2011



The Gosforth Federated Academies Limited
(a company limited by guarantee and not having a share capital)
Report of the Management Trustees and Financial Statements
For the period 5 November 2010 to 31 August 2011

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Report of the Management Trustees

The Management Trustees, who act as directors for the purposes of company law, present their annual report and audited financial statements for the period ended 31 August 2011

The financial statements have been prepared in accordance with the accounting policies on pages 18 to 21 of this document, and comply with the Charitable company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statements of Recommended Practice 'Accounting and Reporting by Charities' as issued in March 2005 ('SORP 2005')

Reference and administrative details

Registered Company number 07431423

Management Trustees

Appointed 5 November 2010

Prof Mike Goodfellow

Mr David Gregory

Mrs Judy Storey

Governing Body

Appointed 1 January 2011 unless otherwise stated

Mr Chris Bell

Mrs Sue Collins

Mrs Alison Craddock

Mr John Hall

Mrs Margaret Hayes

Ms Alison Jelf

Mrs Lesley Malthouse

Mrs Gillian Milne

Mr Chris Nicholson

Mr Geoff Norris

Cllr Jackie Slesenger

Mr George Snaith

Dr Iqbal Syed

Mr John Thompson

Mrs Elaine Tolley

Mr David Vero (from 1 September 2011)

Revd Rebecca Watts (from 1 September 2011)

Company Secretary

Mrs Christine Edwardson (from 5 November 2010)

Chief Executive Officer

Mr Hubert Robinson (from 5 November 2010)

Registered Office

Gosforth Academy

Knightsbridge

Great North Road

Newcastle Upon Tyne

NE3 2JH

Report of the Management Trustees *(continued)*

Bankers

HSBC Bank plc
Maingate
Kingsway North
Team Valley Trading Estate
Gateshead
NE11 0BE

Solicitors

Watson Burton
1 St James' Gate
Newcastle Upon Tyne
Tyne & Wear
NE99 1YQ

Auditors

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Insurance brokers

Zurich Municipal
Mounbatten House
Grosvenor Square
Southampton
SO15 2RP

Structure, Governance and Management

Constitution

The Gosforth Federated Academies Limited is a company limited by guarantee and an exempt charity governed by its memorandum and articles of association. The Academy was incorporated on 5th November 2010 and commenced operating on 1 December 2010. The articles of association require the members of the charitable company to appoint at least three governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. The Academy has entered into a funding agreement with the Department for Education which provides the framework within which the Academy must operate.

The company incorporates Gosforth Academy and Gosforth Junior High Academy.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Status and Administration

The Gosforth Federated Academies Limited is an Exempt Charity. It is also a Company Limited by Guarantee (Company No 07431423).

Report of the Management Trustees *(continued)*

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 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

Structure, Governance and Management

Governors

The governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation

Since conversion to Academy the full Governing Body has met three times. Additional meetings have also been held by the various sub-committees. Support was provided by the Young Persons Learning Agency (YPLA) and Newcastle City Council

Trustee induction and training

Trustees and Governors receive a booklet detailing the Governor Training Programme together with a termly copy of Newcastle LA "GoverNews" which highlights current changes in legislation together with any CPD opportunities during the next term. This training includes Induction for New Governors, Headteacher's Performance Review Training, Safer Recruitment and The Role of Governors in monitoring the outcomes of pupils with Special Education Needs and disabilities and many more opportunities. The service also provides bespoke training and the Governors have participated in a training session for managing pupil discipline committee meetings

With the exception of the newly appointed Governors all of the current Trustees and Governing Body were members from the predecessor school and therefore are all highly experienced in school governance

The Board designated a member of staff responsible for safeguarding who together with the rest of the Governing Body successfully completed the safeguarding training provided by Lighthouse Professional Development

There is a service level agreement in place with Newcastle City Council to provide training services to the Governing Body

The Board has designated a member responsible for training and special needs

The Trustees have met outside of the regular meetings to review the Academy's Vision and Mission

Method of Election of Trustees and Governors

The Trustees are responsible for the appointment of Governors. The Trustees agreed to appoint Governors in line with the predecessor school on conversion. The current composition is 11 Community Governors, 4 Parent Governors, 5 Staff Governors, 1 Headteacher. Community Governors have a term of office of 2 years, Parent Governors are appointed for a period in accordance with the current Key Stage of their child, Staff Governors have a term of office of 4 years. Elections are held for Parent Governor vacancies from within the school community

Report of the Management Trustees *(continued)*

Structure, Governance and Management *(continued)*

Organisation

The staffing structure takes the form of the predecessor federation with the Senior Management Team at the helm of daily operations who report back to the Governors when necessary

The Finance Team was increased by one to include a Senior Finance Officer, who assists the Director of Finance & Support Services and Assistant Director of Financial Management Services with the necessary changes to finance operations since conversion to Academy

Risk Management

The Academy Board considers risk and continues to work alongside the Board in creating a robust system which will minimise the Academy's exposure to risks identified. The Trustees continue to assess the major risks to which the Charity is exposed to, in order to be satisfied that systems are in place to mitigate exposure to the major risks

The Academy has entered into a service level agreement with Newcastle City Council, Health & Safety Department, who will provide support in completing a risk assessment in particular for security and safeguarding. Following this a plan will be implemented on a priority basis

The Academy's insurance arrangements have also been reviewed in accordance with the Department for Education's National framework

Principal Risks and Uncertainties

The principal risks and uncertainties which face the Academy at present include

- Falling student rolls
- Uncertainty around academy budget allocations
- Political uncertainties

The Trustees consider that adequate safeguards are in place to mitigate these risks

Objectives and activities

The formal Expression of Interest to the then Department for Education and Skills (DfES), now the YPLA, described the Academy's Mission and educational ethos

The principal activity of Gosforth Academy is to provide education for pupils of different abilities between the ages of thirteen and eighteen, with a specialism in languages

The principal activity of Gosforth Junior High Academy is to provide education for pupils of different abilities between the ages of nine and thirteen

Mission statement

In accordance with the Articles of Association the charitable company has adopted a 'Scheme of Delegation' approved by the Secretary of State for Education and Skills. 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 comply with the substance of the national curriculum with an emphasis on languages

The main objectives of the Academy are summarised below

The Gosforth Academy and Junior High Academy aim to improve the educational outcomes of our students at all Key Stages

The Academy is seeking to increase the number of students who progress on to university, with emphasis being placed on entry to selective universities. The outcomes at Key Stage 4 should always place the Academy in the top band for comprehensive schools

Report of the Management Trustees *(continued)*

Structure, Governance and Management *(continued)*

Students completing Key Stage 2 at the Junior High Academy should be aiming to make the required levels of progress that lead to further academic success

The Academy expects the highest possible standards from all our staff and students. The Academy believes that the current outstanding grade given to both Academies in recent Ofsted inspections will only be maintained if staff accept the challenge to develop and the students strive to excel in all that they do.

Curriculum development linked to continued professional development are the major vehicles used to ensure that our mission statement is achieved.

Strategies and Activities for success

The Praise code underpins all issues regarding behaviour and effort. The code has shown itself to be extremely popular and effective and it is managed by the Directors of schools.

The Curriculum Director is developing a five year action plan that will ensure steady progress is made in this area. The use of open spaces and development of new courses are integral to this curriculum plan.

The involvement of parents and other action groups in the learning of our students is seen as a key to progress.

The development of our "Sport@Gosforth" community sports centre is a strategy that ensures community involvement and a possible funding stream for ICT development.

A successful Academy, working in harmony with its community, is the cornerstone of strategic planning.

The activities that are undertaken by the Charity and summarized in this report are for the benefit of the public.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities for the year.

Achievements and performance

The achievements for 2010/11 are summarised below:

- 5A* - C GCSE grades including English and Maths 71% (new record)
- 5 A – C GCSE grades 86% (up from last years record)
- 5 students gained entry to Oxbridge
- 3 students gained entry to Durham
- 2 students gained entry to London University
- 6 students gained places at medical school
- The attendance in our main Academy increased by 1.7% to 95.6%
- The Junior High Academy building programme was completed
- The "Sport@Gosforth" centre was opened
- The Junior High Academy was rated as Outstanding by Ofsted

This has been the most successful year in the history of The Gosforth Federated Academies Limited (formerly Gosforth High School).

Report of the Management Trustees *(continued)*

Structure, Governance and Management *(continued)*

Financial performance

Results for the period

Most of the Academy's income is obtained from the YPLA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA during the period ended 31 August 2011 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 15. Detail of all grants and income received can be found in note 28.

During the period ended 31 August 2011 expenditure amounting to £9,024,000 was incurred or accrued. This was offset entirely by grants receivable from the YPLA from the current period, other small Local Authority Grants, interest and a small element of other income.

Reserves policy

Since the Academy officially opened on 1 December 2010, all funding has come via grants received both from the YPLA and the Local Authority, with the exception of interest receivable on the bank deposit account fund. The Trustees intend to build up a prudent level of reserves over a period of time and have agreed to review this reserves policy annually.

The target level of reserves will be considered as part of the review of the reserves policy.

The target level of reserves will be 3 months worth of expenditure (ie £2,256,000). Funds are transferred to reserves following the approval from the Finance & Resources Committee after reviewing the management reports. An appropriate level of reserve will be built up by controlling expenditure at the Academy.

Financial Position

The Academy held fund balances at 31 August 2011 of £35,806,000 comprising £35,839,000 restricted fixed asset funds and restricted non fixed asset funds of £205,000, together with unrestricted reserves of £(238,000) which includes a pension deficit of £980,000.

Investment policy

The Trust Board have approved a treasury policy in relation to the investment of the surplus funds. The following instruments are approved as investments by the Academy:

- Bank deposit accounts (with the existing banker)

In the future the Governing Body will review the investment with regard to counterparty risk and consider whether there should be a maximum value of investment with a single approved counterparty. Reports are presented to the Board of Governors termly detailing the performance of investments made over that period.

Report of the Management Trustees *(continued)*

Structure, Governance and Management *(continued)*

Plans for future periods

We have in place a five year development plan. This plan includes seven strands that are brought together around the four main Ofsted themes of -

- 1 Achievement
- 2 Quality of teaching
- 3 Leadership
- 4 Behaviour & Safety

Development strands are -

- 1 Curriculum development
- 2 Professional development
- 3 Income generation and marketing
- 4 Site development
- 5 International links
- 6 Community involvement
- 7 Strategic opportunism

The harmony between the two models is the key to our future planning

Going concern

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

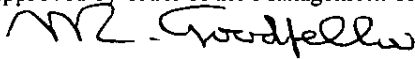
Disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditor is unaware, and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by order of the Management Trustees on 15 December 2011 and signed on its behalf by


Professor Mike Goodfellow
Chairman of the Management Trustees

Gosforth Academy
Knightsbridge
Great North Road
Newcastle upon Tyne
NE3 2JH

15 December 2011

Statement of Internal Control

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Gosforth Federated Academies and the Secretary of State for Education. They are 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 the Gosforth Federated Academies for the period ended 31 August 2011 and up to the date 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 31 August 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:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body
- Regular reviews by the Finance and 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

Statement of internal control (continued)

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Hubert Robinson as Responsible Officer (RO), with KPMG, a recognised accountancy firm, performing the Responsible Officer checks on his behalf. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis from September 2011, the RO will report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

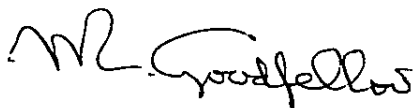
Review of Effectiveness

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

- The work of the external auditor
- The financial management and governance self assessment process
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Governing Body on 15 December 2011 and signed on its behalf by



Professor Mike Goodfellow
Chairman of the Management Trustees



Mr H Robinson
Accounting Officer

Statement of Management Trustees' responsibilities in respect of the Management Trustees' Report and the Financial Statements

The Management Trustees (who act as trustees for charitable activities of The Gosforth Federated Academies Limited and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the trustees' 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 Management Trustees to prepare financial statements for each financial year. Under company law the Management Trustees 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 Management Trustees 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 Management Trustees 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 Management Trustees 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.

The Management Trustees are responsible for the maintenance and integrity of the 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.



KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent Auditor's Report to the members of The Gosforth Federated Academies Limited

We have audited the financial statements of The Gosforth Federated Academies Limited for the period ended 31 August 2011 set out on pages 15 to 35. 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 which 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 Management Trustees and auditor

As explained more fully in the Statement of Responsibilities set out on page 12, the Management Trustees' (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 Management Trustees, and, the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' 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.

Independent Auditor's Report to the members of The Gosforth Federated Academies Limited *(continued)*

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 31 August 2011, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006, and
- 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 YPLA have been applied by the Academy for the purposes intended

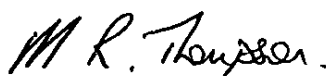
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Report 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, or
- certain disclosures of Governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



M R Thompson, (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside House
Newcastle upon Tyne
NE1 3DX

15 December 2011

Statement of Financial Activities
for the 10 month period ended 31 August 2011

	Note	Unrestricted funds	Restricted non fixed asset funds	Restricted fixed asset funds	Total 2011 £000
		£000	£000	£000	£000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	4	1,437	-	35,709	37,146
Activities for generating funds	5	260	-	-	260
Investment income	6	1	-	-	1
Incoming resources from charitable activities					
Funding for the Academy's educational activities	7	-	8,379	44	8,423
Total incoming resources		<u>1,698</u>	<u>8,379</u>	<u>35,753</u>	<u>45,830</u>
Resources expended					
Costs of generating funds					
Fundraising trading		31	-	-	31
Charitable activities					
Academy's educational operations	9	590	8,136	219	8,945
Governance costs	10	-	38	-	38
Other finance costs	13	10	-	-	10
Total resources expended	8	<u>631</u>	<u>8,174</u>	<u>219</u>	<u>9,024</u>
Net incoming resources before transfers		1,067	205	35,534	36,806
Gross transfers between funds	14	(305)	-	305	-
Net incoming resources before other recognised gains and losses		762	205	35,839	36,806
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	22	(70)	-	-	(70)
Pension deficit recognised on transfer	22	(930)	-	-	(930)
Net movement in funds		<u>(238)</u>	<u>205</u>	<u>35,839</u>	<u>35,806</u>
Funds carried forward at 31 August 2011		<u>(238)</u>	<u>205</u>	<u>35,839</u>	<u>35,806</u>

The results above relate to continuing operations

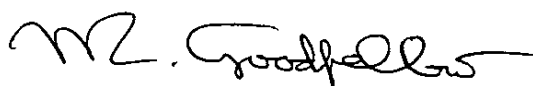
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

The Gosforth Federated Academies Limited
(a company limited by guarantee and not having a share capital)
Report of the Management Trustees and Financial Statements
For the period 5 November 2010 to 31 August 2011

Balance Sheet
at 31 August 2011

	<i>Note</i>	2011 £000	£000
Fixed assets			
Tangible assets	<i>18</i>		35,795
Current assets			
Stocks	<i>19</i>	55	
Debtors	<i>20</i>	599	
Cash at bank and in hand		1,648	
		2,302	
Creditors amounts falling due within one year	<i>21</i>	(1,311)	
Net current assets			991
Total assets less current liabilities			36,786
Defined benefit pension scheme liability	<i>22</i>		(980)
Net assets			35,806
Funds of the Academy			
Restricted fixed asset funds	<i>28</i>		35,839
Restricted non fixed asset funds	<i>28</i>		205
Unrestricted funds	<i>28</i>		(238)
			35,806

These financial statements on pages 15 to 35 were approved by the Management Trustees on 15 December 2011 and were signed on their behalf by



Professor Mike Goodfellow
Chairman of the Management Trustees

Company number 07431423

Cash Flow Statement

for the 10 month period ended 31 August 2011

	<i>Note</i>	2011 £000
Net cash inflow from operating activities	24	1,908
Returns on investments and servicing of finance	25	1
Capital expenditure	26	(261)
		<hr/>
Increase in cash in the period	27	1,648
		<hr/>
Reconciliation of net cash flow to movement in net funds		
		<hr/>
Net funds at 31 August 2011		1,648
		<hr/>

Notes

(forming part of the financial statements)

1 Limited by guarantee

The Gosforth Federated Academies Limited is a company limited by guarantee (No 07431423) and not having a share capital. In the event of the company being wound up, members may be required to contribute an amount not exceeding ten pounds each.

The figures in these financial statements cover the 299 day period from 5 November 2010 to 31 August 2011. For convenience this period is referred to as the 10 month period ended 31 August 2011 in these financial statements.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of The Gosforth Federated Academies Limited.

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 Management Trustees assess whether the use of going concern is appropriate, ie 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 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.

■ 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.

■ Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

Notes (continued)

2 Accounting policies (continued)

Donated services and gifts in kind (continued)

The transfer of the school buildings to the Academy under a long term finance lease is considered in more detail in note 18

Investment income – interest receivable

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

Activities for generating funds

Income is received from letting out the sports hall and sports pitches to private organisations outside school time
This is accounted for on a recoverable basis

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

■ 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

Fund accounting

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

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

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

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of 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 Trust's depreciation policy.

Notes (continued)

2 Accounting policies (continued)

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are

Leasehold buildings	125 years
Furniture and equipment	5 years
IT equipment	4 years

All individual assets with a cost of more than £1,000 are written down in the period they are purchased.

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.

Investments

The Academy has no investments other than in UK bank deposit accounts or on the UK Money Market.

Stock

Stock comprises school uniforms held for resale. Stocks are held at the lower of cost or net realisable value.

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

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

Academy staff are members of one of two defined benefit schemes. More details of the schemes are given in note 22.

Defined Benefit Schemes

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

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

Notes (continued)

2 Accounting policies (continued)

Defined Benefit Schemes (continued)

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

Teachers' Pension Scheme

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

Local Government Pension Scheme

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

Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movements in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

Acquisition

The Academy inherited the contents of the predecessor school on 1 December 2010. The contents of the predecessor school were principally school furniture and office equipment, the majority of which were old. There were no assets with an estimated value greater than the capitalisation threshold.

Staff from the predecessor school transferred to the Academy on 1 December 2010. A pensions deficit of £930,000 transferred at the same time in respect of the non-teaching staff.

Notes (continued)

3 Funding for the Academy's Educational Operations

	10 month period to 31 August 2011	
	£000	£000
	Gosforth High School Academy	Gosforth Junior High Academy
General Annual Grant		
Results and carry forward for the period		
GAG allocation for current period	6,368	1,277
Total GAG available to spend	6,368	1,277
Recurrent expenditure from GAG	6,198	1,242
Fixed assets purchased from GAG	-	-
Total expenditure from GAG	6,198	1,242
GAG carried forward to next period	170	35
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	764	153
GAG to surrender to DfE (12% rule breached if result is positive)	(594) No breach	(118) No breach

4 Voluntary income

	10 month period to 31 August 2011		
	Unrestricted funds £000	Restricted funds £000	Total 2011 £000
Transfer of balances from predecessor school	1,264	-	1,264
Academy premises – gift in kind donation from LA	-	35,709	35,709
Other donations	173	-	173
	1,437	35,709	37,146

5 Activities for generating funds

	10 month period to 31 August 2011		
	Unrestricted funds £000	Restricted funds £000	Total 2011 £000
Hire of facilities	106	-	106
Uniform sales	148	-	148
Other	6	-	6
	260	-	260

Notes (continued)

6 Investment income

	10 month period to 31 August 2011		
	Unrestricted funds £000	Restricted funds £000	Total 2011 £000
Bank deposits	1	-	1

7 Funding for the Academy's educational operations

	10 month period to 31 August 2011			
	Unrestricted funds £000	Restricted funds non fixed assets £000	Restricted fixed assets funds £000	Total 2011 £000
DfE/YPLA revenue grants				
General Annual Grant (GAG) (note 3)	-	7,645	-	7,645
	-	7,645	-	7,645
Other Government Grants				
School Standards Funds	-	639	-	639
Special Educational Projects	-	95	-	95
		734	-	734
DfE/YPLA capital grant				
Academy main building grants	-	-	44	44
	-	8,379	44	8,423

8 Resources expended

	10 month period to 31 August 2011			Total 2011 £000
	Staff costs £000	Depreciation £000	Other costs £000	
Costs of generating voluntary income				
Academy's educational operations,				
Direct costs	6,338	-	858	7,196
Allocated support costs	533	219	1,028	1,780
	<hr/>	<hr/>	<hr/>	<hr/>
	6,871	219	1,886	8,976
	<hr/>	<hr/>	<hr/>	<hr/>
Governance costs including allocated support costs	-	-	38	38
Other finance costs	-	-	10	10
	<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	6,871	219	1,934	9,024

Notes (continued)

9 Charitable activities – Academy’s educational operations

	10 month period to 31 August 2011		
	Unrestricted funds £000	Restricted funds £000	Total 2011 £000
Direct costs			
Teaching and educational support staff costs	-	6,256	6,256
Educational supplies	-	403	403
Examination fees	-	287	287
Staff development	-	66	66
Other direct costs	-	184	184
	<hr/>	<hr/>	<hr/>
	-	7,196	7,196
	<hr/>	<hr/>	<hr/>
Allocated support costs			
Support staff costs	-	533	533
Depreciation	-	219	219
Recruitment and support	20	-	20
Maintenance of premises and equipment	171	394	565
Cleaning	22	-	22
Insurance	104	-	104
Security and transport	13	-	13
Catering	10	13	23
Bank interest and charges	2	-	2
Other support costs	248	-	248
	<hr/>	<hr/>	<hr/>
	590	1,159	1,749
	<hr/>	<hr/>	<hr/>
	590	8,355	8,945
	<hr/>	<hr/>	<hr/>

10 Governance costs

	10 month period ended 31 August 2011 £000
Auditor’s remuneration audit of financial statements	8
Auditors’ remuneration Responsible Officer work	2
Legal fees for Academy conversion process	28
	<hr/>
	38
	<hr/>

Fees paid to the auditors in the period comprise £7,500 in relation to the audit of the financial statements and £2,250 in relation to the work for Responsible Officer

Notes (continued)

11 Surplus on ordinary activities is stated after charging

	10 month period ended 31 August 2011 £000
Auditors remuneration	
- audit fees	8
- non audit services	2
Depreciation	219
Amounts payable under operating leases	55
	<hr/> <hr/>

12 Staff costs and related party transactions

	10 month period ended 31 August 2011 £000
Wages and salaries	5,606
Social security costs	409
Other pension costs	672
	<hr/> 6,687 <hr/>
Supply teacher costs	104
Compensation payments	-
	<hr/> <hr/>
Average number of employees during the period	
	2011
Teachers	129
Administration and support	97
Management	11
	<hr/> 237 <hr/>

Notes (continued)

12 Staff costs and related party transactions (continued)

No Management Trustee received any remuneration or reimbursement of expenses during the period

Eleven employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the period ended 31 August 2011. The total emoluments of these employees were in the following ranges

	2011 No
£60,000 – £70,000	7
£70,001 – £80,000	2
£100,001 – £110,000	1
£130,001 – £140,000	1
	<hr/> 11 <hr/>

Ten of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme, a defined benefit scheme. During the period ended 31 August 2011, the pension contributions for these staff amounted to £34,460. One employee participated in the Tyne and Wear Local Government Pension Scheme. During the period ended 31 August 2011, the pension contributions for this employee amounted to £3,968.

Related party transactions involving the trustees are set out in note 16.

13 Other finance cost

	10 month period ended 31 August 2011 £000
Expected return on pension scheme assets	(110)
Interest on pension scheme liabilities	120
	<hr/> 10 <hr/>

14 Gross transfers between funds

Transfers between funds on the statement of financial activities relate to capital expenditure funded from revenue (transferred to fixed asset funds). Further detail relating to these transfers is given at note 28.

15 Trustees remuneration and expenses

During the year, Trustees received remuneration in total of £nil in connection with their full time employment by the Academy. The Academy paid no contributions to defined benefit pension schemes in respect of the Management Trustees.

Notes (continued)

16 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors 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 governors 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.

17 Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2011 was £0.01.

18 Tangible fixed assets

	Leasehold land and buildings £000	Furniture and equipment £000	Computer equipment £000	Total £000
<i>Cost</i>				
At beginning of period	-	-	-	-
Additions	35,858	62	94	36,014
At end of period	35,858	62	94	36,014
<i>Depreciation</i>				
At beginning of period	-	-	-	-
Charge for period	214	4	1	219
At end of period	214	4	1	219
<i>Net book value</i>				
At 31 August 2011	35,644	58	93	35,795

The land and buildings occupied by the Academy are leased from the Local Authority on a 125 year peppercorn lease. The Trustees are of the opinion that the risks and rewards associated have been substantially transferred to the Academy and as such the land and buildings have been capitalised, with a corresponding entry shown in the Statement of Financial Activities, as donated income. The valuation basis has been estimated by reference to the expected rebuild costs and reinstatement costs as surveyed for insurance purposes.

The trustees are satisfied that this basis most closely reflects an appropriate fair value for the asset.

On formation of the Academy, fixtures, fittings and equipment were transferred from the predecessor school. The trustees have been unable to obtain a valuation from the local authority in respect of these assets, however they believe that any value placed on them would not be significant. The costs of obtaining a professional valuation would be prohibitive and any valuation would be subjective, therefore the trustees have taken a view that the assets should not be included in these accounts.

Notes (continued)

19 Stocks

	2011 £000
Clothing	55
	<u>55</u>

20 Debtors

	2011 £000
Trade debtors	88
Other debtors	44
Prepayments and accrued income	315
VAT recoverable	152
	<u>599</u>

21 Creditors amounts falling due within one year

	2011 £000
Trade creditors	377
Other taxation and social security	336
Other creditors	61
Accruals and deferred income	537
	<u>1,311</u>
Deferred income	
Resources deferred in period	252
	<u>252</u>
Deferred income at 31 August 2011	<u>252</u>

Deferred income is in respect of grants received from the YPLA and Newcastle City Council which cover the year to 31 March 2012 therefore the appropriate proportion of this funding has been deferred

Notes (continued)

22 Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2011 and of the LGPS 31 March 2010.

Contributions amounting to £nil were payable to the schemes at 31 August and are included within creditors.

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 valuation (under the new provisions)	31 March 2011
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 5 November 2010 to 31 August 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 multiemployer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2011 was £193,875 of which employer's contributions totalled £143,320 and employees' contributions totalled £50,555. The agreed contribution rates for the period ended 31 August 2011 were 14.6% for employers and 7.5% for employees.

Principal Actuarial Assumptions

	At 31 August 2011	At 1 December 2010
Rate of increase in salaries	5.1%	5.2%
Rate of increase for pensions in payment / inflation	2.7%	2.8%
Discount rate for scheme liabilities	5.4%	5.5%
Inflation assumption (CPI)	3.6%	2.8%
Commutation of pensions to lump sums	50%	50%

Notes (continued)

22 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 31 August 2011	At 1 December 2010
<i>Retiring today</i>		
Males	21.5 years	21.3 years
Females	23.7 years	22.9 years
<i>Retiring in 20 years</i>		
Males	23.3 years	23.2 years
Females	25.6 years	25.5 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 31 August 2011 %	Asset split at 31 August 2011 £000	Expected return at 1 December 2010 %	Fair value at 1 December 2010 £000
Equities	7.7	1,501	8.2	1,326
Government bonds	3.7	153	4.2	137
Property	7.2	189	7.7	158
Cash	1.6	29	1.4	23
Corporate bonds	4.8	257	5.0	228
Other	7.7	91	8.2	78
Total market value of assets		2,220		1,950
Present value of scheme liabilities		(3,200)		(2,880)
- Funded		-		-
Deficit in the scheme		(980)		(930)

The actual return on scheme assets was £20,000

Amounts recognised in the statement of financial activities

	10 month period ending 31 August 2011 £000
Current service cost	160
Total operating charge	160
Analysis of pension finance (costs)/income	
Expected return on pension scheme assets	110
Interest on pension liabilities	(120)
Pension finance costs	(10)

Notes (continued)

22 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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 £70,000 loss

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

	2011 £000
At 1 December 2010	2,880
Current service cost	160
Interest cost	120
Employee contributions	60
Actuarial gain	(20)
	<hr/>
At 31 August 2011	3,200 <hr/>

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

	2011 £000
At 1 December 2010	1,950
Expected return on assets	110
Actuarial loss	(90)
Employer contributions	190
Employee contributions	60
Benefits paid	-
	<hr/>
At 31 August	2,220 <hr/>

The estimated value of employer contributions for the year ended 31 August 2012 is £190,000

The five-year history of experience adjustments is as follows:

	31 August 2011 £000	1 December 2010 £000
Present value of defined benefit obligations	(3,200)	(2,880)
Fair value of share of scheme assets	2,220	1,950
	<hr/>	<hr/>
Deficit in the scheme	(980)	(930)
	<hr/>	<hr/>
Experience adjustments on share of scheme assets		
Amount £'000	90	-
Experience adjustments on scheme liabilities		
Amount £'000	20	-

Notes (continued)

23 Members' liability

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

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

	2011 £000
Net income	36,806
Depreciation (note 18)	219
Premises gifted from Local Authority	(35,709)
Capital grants from DfE and other capital income	(44)
Interest receivable (note 6)	(1)
FRS 17 pension cost less contributions payable (note 22)	(30)
FRS 17 pension finance cost (note 22)	10
Increase in stocks	(55)
Increase in debtors	(599)
Increase in creditors	1,311
Net cash inflow from operating activities	1,908

25 Returns on investments and servicing of finance

	2011 £000
Net cash inflow from returns on investments and servicing of finance	1

26 Capital expenditure and financial investment

	2011 £000
Purchase of tangible fixed assets	(305)
Capital grants from DfE/YPLA	44
Capital funding received from sponsors and others	-
Receipts from sale of tangible fixed assets	-
Net cash outflow from capital expenditure and financial investment	(261)

27 Analysis of changes in net funds

	At 5 November 2010 £000	Cash flows £000	At 31 August 2011 £000
Cash in hand and at bank	-	1,648	1,648

The Gosforth Federated Academies Limited
(a company limited by guarantee and not having a share capital)
Report of the Management Trustees and Financial Statements
For the period 5 November 2010 to 31 August 2011

Notes (continued)

28 Funds

	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2011
	£000	£000	£000	£000
Restricted general funds				
General Annual Grant (GAG)	7,645	(7,440)	-	205
Other DfE/YPLA grants	734	(734)	-	-
	<u>8,379</u>	<u>(8,174)</u>	<u>-</u>	<u>205</u>
Restricted fixed asset funds				
DfE/YPLA capital grants	44	-	-	44
Other capital expenditure from revenue funding	-	(5)	305	300
Premises gifted by Local Authority	35,709	(214)	-	35,495
	<u>35,753</u>	<u>(219)</u>	<u>305</u>	<u>35,839</u>
Unrestricted funds	<u>1,698</u>	<u>(651)</u>	<u>(305)</u>	<u>742</u>
Pension reserve	-	20	(1,000)	(980)
	<u>1,698</u>	<u>(631)</u>	<u>(1,305)</u>	<u>(238)</u>
Total	<u>45,830</u>	<u>(9,024)</u>	<u>(1,000)</u>	<u>35,806</u>

Notes (continued)

28 Funds (continued)

Notes

- (i) General Annual Grant must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.
- (ii) The Standards Fund must be used to boost standards of attainment within the Academy. Grant can be carried forward to the following August.
- (iv) Capital grants are awarded by the YPLA to refresh ICT provision within the Academy.
- (v) The gross transfer from the unrestricted general fund to the restricted fixed asset fund of £305,000 represents the total capital expenditure from the General Annual Grant (GAG) during the year.
- (vi) The costs and income associated with the defined benefit pension scheme have been recorded in the unrestricted funds.

29 Analysis of net assets between funds

Fund balances at 31 August 2011 are represented by

	Unrestricted funds £000	Restricted non fixed assets funds £000	Restricted fixed asset funds £000	Total £000
Fund balances at 31 August 2011 are represented by				
Tangible fixed assets	-	-	35,795	35,795
Current assets	742	1,516	44	2,302
Current liabilities	-	(1,311)	-	(1,311)
Defined benefit pension scheme liability	(980)	-	-	(980)
	<u>(238)</u>	<u>205</u>	<u>35,839</u>	<u>35,806</u>

Notes (continued)

30 Commitments

a) Operating leases

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

	2011 £000
Operating leases which expire	
Within one year	15
Within two to five years	39
Over five years	1
	<hr/> 55 <hr/>

b) The Academy had no capital commitments at 31 August 2011

31 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 reinvest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

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

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