

De Aston School Academy Trust
(A Company Limited by Guarantee)

Report of the governors and audited financial statements for the
period 17 February 2011 to 31 August 2011

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COMPANIES HOUSE

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**DUNCAN
& TOPLIS**
CHARTERED ACCOUNTANTS
AND BUSINESS ADVISERS

DE ASTON SCHOOL ACADEMY TRUST

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FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011**

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DE ASTON SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

Reference and Administrative Details

Trustees/Governors	C Badmin - RC	Parent	
	E Beighton * - RC	Head teacher	
	S Bibby - RC	Parent	
	K Bridger	Member	
	M J Cartwright	Foundation	
	S Dale - RC	Parent	
	M Davenport - RC	Community	
	I C Davey - RC	Foundation	
	R A de Smit - RC	Co-opted	
	R W Foley - RC	Staff	(appointed 18/04/2011)
	W R Glover - RC	Sponsor	
	S Keast - RC	Parent	
	T A Kendall - RC	Staff	
	R Marshall * - RC	Community	
	A L McNeill	Staff	(resigned 17/04/2011)
	D M Pattison	Foundation	
	A J Robson *	Community	Chair
	L Rusling	Parent	
	J Smith	Foundation	
	K M Smith - RC	Community	
	I Wallace	Staff	
	J C Whybrow	Parent	

* = members of the trust

RC = members of the resource committee

Company Secretary K Franklin

Senior Leadership Team

Deputy Head	J E Taylor
Deputy Head	M Bray
Deputy Head	S K Porter
Assistant Head	S Bunney
Assistant Head	J Galloway
Assistant Head	S A Healy

Principal & Registered Office De Aston School
 Willingham Road
 Market Rasen
 Lincolnshire
 LN8 3RF

Company Registration Number 07533362

DE ASTON SCHOOL ACADEMY TRUST

**REPORT OF THE GOVERNORS
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011**

Auditors	Duncan & Toplis Chartered Accountants and Statutory Auditors 15 Chequergate Louth Lincolnshire LN11 0LJ
Bankers	Lloyds TSB Bank plc 202 High Street Lincoln LN5 7AP
Solicitors	Browne Jacobsen 44 Castle Gate Nottingham NG1 7BJ

DE ASTON SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

The governors, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 17 February 2011 to 31 August 2011. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee (registration number 07533362) 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 De Aston School, Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as De Aston School Academy Trust.

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

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities

A full insurance indemnity is taken out with the Academy's insurance company, each member has cover of £2,000,000. This is reviewed annually to protect against potential risk.

Principal Activities

The Academy Trust's main objective is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Christian faith offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Christian faith both generally and in particular in relation to arranging for religious education and daily acts of worship.

Method of Recruitment and Appointment or Election of Governors

The Governing Body is made up of one Member Governor, four Foundation Governors, three Staff Governors, six Parent Governors, four Community Governors, one Sponsor Governor, the Headteacher, and up to two Co-opted Governors.

The Members (E Beighton, R Marshall and A Robson) may appoint up to one Governor (Member Governor).

DE ASTON SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

Two Foundation Governors may be appointed by the Dean and Chapter of the Cathedral Church of Lincoln and two Foundation Governors may be appointed by the Justices of the Peace for the County of Lincoln

The Staff Governors shall be elected by staff employed by the Academy. A Staff Governor must have been employed by the Academy for at least one year and hold a permanent contract. The Governing Body makes all necessary arrangements for, and determine all other matters relating to, an election of Staff Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Staff Governors which is contested shall be held by secret ballot.

The Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when they are elected. The Governing Body makes all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The Community Governors may be appointed by the Governing Body provided that the person who is appointed as a Community Governor is a person who lives or works in the community served by the Academy, or a person who, in the opinion of the Governing Body, is committed to the government and success of the Academy.

The Sponsor Governor may be appointed by Lindum Group Ltd.

The Headteacher shall be treated for all purposes as being an ex officio governor.

The Governing Body may appoint up to two Co-opted Governors.

Policies and Procedures Adopted for the Induction and Training of Governors

At De Aston School, the governing body and Headteacher believe it is essential that all new governors receive a comprehensive induction package covering a broad range of issues and topics. We are committed to ensure that the new governors are given the necessary information and support to fulfil their role with confidence. We see this as an investment, leading to more effective governance and retention of governors. We want to make new governors feel welcome to their governing body.

New governors will

- be welcomed to the governing body by the chair
- be invited by the head teacher to visit the school to experience its atmosphere and understand its ethos
- have the opportunity to tour the school and meet staff and children
- receive an informal briefing on the school from the head teacher to explain the partnership between the head teacher, school and governing body
- have the opportunity to meet informally with an existing governor who will then act as their mentor. They will explain how the governing body and its committees work
- be encouraged to join the committee(s) of their choice
- be accompanied by their mentor to their first full governing body meeting (if required)
- have the opportunity to review their first meeting with the mentor

DE ASTON SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS

FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

- be given background material on the school and current issues
- be encouraged to ask questions about their role and/or the school
- be encouraged to access training including Induction training for governors

New governors will receive and be encouraged to read

- The Department for Education and Skill's "Guide to the Law for Governors"
- School Prospectus
- Ofsted Report and Action Plan (if appropriate in the last 4 years)
- School Improvement Plan
- Last Head teachers report to governing body
- List of staff, responsible areas and job titles (Head of Year etc)
- List of governors names and responsible areas (committee member etc)
- Map/Plan of the school
- List of School Holidays
- Copy of the minutes of the last two governing body meetings (not the confidential minutes)
- Copy of the school budget
- Copy of the latest school newsletter
- Dates of forthcoming governing body meetings and committees
- School Profile (a side of A4 describing the Schools' current development issues)

Areas that the head teacher will cover include

- Background to the school
- Current issues facing the school
- Visiting the school
- The relationship between the head teacher and governing body

Areas that the mentor will cover include

- An overview of the governor's role
- How the full governing body and committee meetings are conducted
- How to propose agenda items
- Governor training

Organisational Structure

The governing body's role in the Academy is, essentially, a strategic one. Acting on the advice of the Headteacher the Governing Body sets aims and objectives for the school and policies and targets which will achieve these aims and objectives. It also monitors the progress of the school towards the achievement of the aims and objectives, in the light of that progress, review the strategic framework it has established.

To facilitate the working of the Governing Body some of its functions are delegated to committees, the Headteacher and Senior Leadership Team. The committees are: School Admissions, Pupil Discipline, Staff Discipline and Dismissal, Staff Discipline and Dismissal Appeal, Formal Complaints, Academic Standards & QA, Resources, Student Welfare & Boarding, Chairs & Vice Chairs, and Pay Group.

The School Admissions Committee is responsible for matters relating to Admission to the Academy. The committee meets as demand requires.

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REPORT OF THE GOVERNORS FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

The Pupil Discipline Committee is responsible for matters relating to permanent exclusions. The committee meets as demand requires.

The Staff Discipline and Dismissal Committee is responsible for matter relating to staff discipline and dismissal. The committee meets as demand requires.

The Staff Discipline and Dismissal Appeal Committee is responsible for matter relating to appeals against the decisions of the Staff Discipline and Dismissal Committee. The committee meets as demand requires.

The Formal Complaints Committee is responsible for resolving any formal complaints received by the Academy. The committee meets as demand requires.

The Academic Standards & QA Committee is responsible for curriculum visits, exam results, INSET training, pupil progress, SEN and Gifted & Talented students, staffing QA reviews, target setting and monitoring, and teaching and learning. The committee meets four times per year.

The Resources Committee is responsible for boarding house income/expenditure, devolved capital, financial standards, performance management, premises issues including health & safety, reviewing the budgets, agreeing the budget, sport centre management, staff discipline/capability, staffing numbers and vacancies, staff structure, staff welfare, and youth centre management. The committee meets four times per year.

The Student Welfare and Boarding Committee is responsible for attendance, behaviour, boarding improvement plan, boarding standards, extended schools, extra curricular, every child matters, healthy schools, inter-agency liaison, and complaints. The committee meets three times per year.

The Chairs and Vice Chairs Committee is responsible for community relations, governance, governor training, marketing, Ofsted, strategic boarding, school improvement plan, and school status. The committee meets at least once per year.

The Pay Group is responsible for achieving the aims of the Pay Policy in a fair and equitable manner.

The Headteacher is responsible for monitoring monthly expenditure, miscellaneous financial decisions, entering into contracts/agreements provided they are under £24,999, appointment of staff, dismissal of staff, suspension of staff (except Headteacher), establishing and implementing the curriculum policy, standards of teaching, individual children's education, implementing the performance management policies, ensuring all pupils take part in a daily act of collective worship, ensuring that health and safety regulations are followed, ensuring the school meets for 380 sessions in a school year, ensuring that the school lunch nutritional standards are met, school prospectus, ensuring the provision of free school meals for eligible students, additional needs services, ensuring delivery of services provided, and acting as the Academy's Accounting Officer.

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 Academy 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).

DE ASTON SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

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 and this is explained in more detail in the following statement.

Objectives and Activities

Objects and Aims

De Aston School challenges all its students to achieve their personal best, in order that their success in school will prepare them for success in later life.

Our students come to school to

- Be safe, achieve and enjoy being here, following a curriculum that addresses individual needs,
- Make progress towards their social, moral and spiritual potential and so become good citizens of the twenty-first century,
- Develop a commitment to learning which will stay with them throughout life,
- Be equipped to take their place in the worlds of work and education,
- Learn the importance of respecting others, themselves and the environment.

Objectives, Strategies and Activities

Academic Standards & QA

- I Sustain high attainment at KS4 on the 5 A*-C measure, including English and Maths
- II Provide intensive support and challenge for improving subjects at KS4 Art & German
- III Improving the performance of C/D borderline students in some GCSE subjects
- IV Raise the attainment of the current Y13 during their second year of study
- V Prepare for the introduction of the English Baccalaureate

Student Welfare and Boarding

- I Further develop KS4 transition arrangements to allow for greater flexibility between pathways
- II Better co-ordination of all forms of learning support for young people with additional needs
- III Maximising the effectiveness of our duty teams
- IV To better exploit the use of SIMS to manage student behaviour, including boarders
- V Further developing the school council to involve more students, more meaningfully, in the life of the school

Resources

- I Improving our financial and human resources understanding of the implications of Academy status
- II Establish the use of the VLE as a learning tool and for on line reporting

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REPORT OF THE GOVERNORS FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

Chairs and Vice Chairs

- i Improving parental dialogue with governors
- ii Secure a greater consistency in response to concerns raised by parents and carers
- iii Improve student retention into the Sixth Form

Appendix: Key Aspects of Leadership and Management for the Coming Year

- 1 Maintaining staff morale
- 2 Commissioning an inspection of our religious character
- 3 Ensuring our new cleaning company performs well
- 4 Preparing for our new catering contract
- 5 Review of quality assurance procedures
- 6 Reviewing uniform and dress code for students
- 7 Managing staffing reductions as sensitively as possible
- 8 Student recruitment
- 9 Reviewing the effectiveness of the Governing Body
- 10 Review fire arrangements
- 11 Responding to the education White Paper
- 12 Developing Boarding accommodation
- 13 Continuing to develop the physical appearance of the school
- 14 Updating the school website

Public Benefit

De Aston School Academy Trust's principal objective is to provide education for students of different abilities between the ages of 11 and 18

Achievements and Performance

- i *Sustain high attainment at KS4 on the 5 A*-C measure, including English and Maths*
Outcome remains well above prediction for the school
- ii *Provide intensive support and challenge for improving subjects at KS4 Art & German*
Art higher than last year, but still below expectations German remains low
- iii *Improving the performance of C/D borderline students in some GCSE subjects*
Significant improvements in some areas, but this remains a continuing priority
- iv *Raise the attainment of the current Y13 during their second year of study*
We were fairly successful on this, but we face an even greater challenge with the new Y13
- v *Prepare for the introduction of the English Baccalaureate*
We will be unable to assess the success of our efforts in this area until the curriculum revision for the new Y10 feed their way through the system in 2013, though there ought to be some impact from limited changes that were made for a small group in the new Y11

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REPORT OF THE GOVERNORS FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

Key Financial Performance Indicators

Key financial performance indicators (KPI's) were not prepared during this financial period, the governors will review the use of KPI's for future accounting periods. Due to the nature of the Academy, the KPI's will tend to be of a non financial nature

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.

Financial Review

The Academy has been open for 6 months from March 2011 and has received the majority of its income from the YPLA in the form of recurrent grants. The grants received from the DCSF during the period ended 31 August 2011 and the associated expenditure are shown in the statement of financial activities.

During the period ended 31 August 2011, total expenditure of £3,292,519 was more than covered by the recurrent grant funding from the DCSF together with other incoming resources and the carry forward from the previous school at 28 February 2011. The excess of income over expenditure for the 6 month period was £623,345.

Principal Risks and Uncertainties

The governors of the Academy are aware of risks that the Academy faces in the short, medium and long term, the principal risks and uncertainties have been identified following the risk management process. They are as summarised as follows:

- Pupil numbers
- Staffing costs and associated unexpected absences
- Funding arrangements/uncertainties
- Public Sector Pensions
- Premises Condition Survey
- Possible reduction in LACSEG funding due to LA budget adjustments

Reserves Policy

The Academy holds total reserves of £329,049, which consists of £251,261 of GAG and £77,788 of non-GAG.

The Academy also holds £294,296 of Boarding House reserves, which is not included in the previous figures. The Boarding House reserves should always be held above £200,000 to cover any costs associated with a closure of the Boarding House. Free reserves above this level are retained and built up to renew the Boarding minibus every 3 years and for capital purposes in extending and modernising the boarders' accommodation and facilities.

The 'school' reserves are retained at this stage for anticipated drops in pupil numbers over the next three years. The Academy will always ensure to stay within the YPLA guidelines on levels and appropriate use of reserves.

DE ASTON SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

Funds in Deficit

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £421,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

Investment Policy

The governors agree all investments made by the Academy. Investments are currently restricted to deposit accounts in UK banks.

Plans for Future Periods

- 1 Achievement (Academic Standards & QA)
 - i Sustain high attainment at KS4 on the 5A*-C measure, including English and Maths
 - ii Provide intensive support and challenge for improving subjects at KS4 (German, Art and PE)
 - iii Ensure that outcomes for all ICT subjects offered are consistently good
 - iv Improving the performance of C/D borderline students in some GCSE subjects
 - v Make controlled assessments work for us
 - vi Maximise the achievement of students against the English Baccalaureate in 2013
 - vii Improve outcomes in Y12
 - viii Raise the achievement and attainment of the current Y13 during their second year of study
 - ix At KS4, reduce the gap in achievement between those collecting free school meals and those who are not
 - x Secure the consistent application of our homework policy
- 2 Teaching (Academic Standards & QA)
 - i Utilise the new Key Stage Groups to ensure that the quality of teaching and learning at each Key Stages is very good,
 - ii the school utilises the curricular freedoms that Academy status offers to improve student enjoyment of learning
- 3 Behaviour, Safety and Attendance (Student Welfare and Boarding)
 - i Further developing the school council to involve more students, more meaningfully, in the life of the school
 - ii Full review of the Behaviour Management systems and policies
 - iii Improve adherence to school dress code
 - iv Improve authorised absence figures
- 4 Leadership and Management (Resources)
 - i Secure finance systems, governance and support services as an Academy
 - ii Develop a strategic view of the use of the VLE as a learning tool and for online reporting
- 5 School strategic direction (Chairs and Vice Chairs)
 - i Secure a greater consistency in response to concerns raised by parents and carers
 - ii Developing better lines of communication between boarders' parents and governors
 - iii Improve dialogue between staff and governors

DE ASTON SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

Appendix Key Aspects of Leadership and Management for the Coming Year

- 1 Maintaining staff morale
- 2 Preparing for our new catering contract
- 3 Revise quality assurance procedures
- 4 Ensure Pupil Premium funding is used to the maximum benefit of vulnerable children
- 5 Student recruitment
- 6 to ongoing education reforms
- 7 Developing Boarding accommodation
- 8 Continuing to develop the physical appearance of the school
- 9 Updating the school website to ensure better access for key language groups and for persons with disabilities
- 10 Leading the school through a critical financial period
- 11 Reviewing our self evaluation processes and producing a new SEF
- 12 Review admission arrangements
- 13 Improve site security
- 14 Respond to the implications of the conditions survey

Auditor

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

The auditors, Duncan & Toplis, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting

Approved by order of the members of the Governing Body on 12 December 2011 and signed on its behalf by



A Robson - Governor

DE ASTON SCHOOL ACADEMY TRUST

STATEMENT OF INTERNAL CONTROL FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that De Aston School Academy 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 Headteacher, 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 De Aston School Academy Trust 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 De Aston School Academy Trust for the period ended 31 August 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 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

DE ASTON SCHOOL ACADEMY TRUST

**STATEMENT OF INTERNAL CONTROL
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011**

The Governing Body has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The governors have appointed Mr G Parrish as Responsible Officer ('RO'). 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 quarterly basis the RO reports 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, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- the Finance teams regular scrutiny of financial and other performance monitoring data
- regular reports from the Headteacher, the Bursar and other Managers to the Governing body
- the most recent report of the school's internal auditor (Responsible Officer) dated 29th July 2011
- the interim audit report to Governors dated 24th August 2011
- our most recent self-evaluation of the internal controls undertaken September 2011

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 12 December 2011 and signed on its behalf by



A Robson - Governor



E Beighton – Accounting Officer

DE ASTON SCHOOL ACADEMY TRUST

**STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011**

The trustees (who act as governors for charitable activities of De Aston School Academy Trust 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.

The governors 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.

Approved by order of the members of the Governing Body on 12th December 2011 and signed on its behalf by



A Robson - Governor

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DE ASTON SCHOOL ACADEMY TRUST

We have audited the financial statements of De Aston School Academy Trust for the period ended 31 August 2011 on pages seventeen to thirty nine. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustee and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006,

Opinion on other matters prescribed by the Academy's funding agreement with the Secretary of State for Education

In our opinion:

- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Young People's Learning Agency in respect of the period ended 31 August 2011
- proper accounting records have been kept by the charitable company throughout the financial period,
- grants made by the Young People's Learning Agency have been applied for the purposes intended,

Opinion on other matter prescribed by the Companies Act 2006

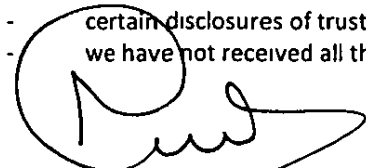
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DE ASTON SCHOOL ACADEMY TRUST**

Matters on which we are required to report by exception

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

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



N P Cudmore FCA (Senior Statutory Auditor)

for and on behalf of Duncan & Toplis

Chartered Accountants and

Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date

12th December 2011

DE ASTON SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

	Notes	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	3	454,925	-	-	454,925
Activities for generating funds	4	15,700	18,918	-	34,618
Investment income	5	1,569	-	-	1,569
Incoming resources from charitable activities					
Funding for the Academy's educational operations	6	<u>271,197</u>	<u>3,076,555</u>	<u>40,000</u>	<u>3,387,752</u>
Total incoming resources		743,391	3,095,473	40,000	3,878,864
RESOURCES EXPENDED					
Charitable activities					
Funding for the Academy's educational operations	7	328,498	2,929,551	273	3,258,322
Governance costs	10	<u>277</u>	<u>33,920</u>	<u>-</u>	<u>34,197</u>
Total resources expended		328,775	2,963,471	273	3,292,519
NET INCOME FOR THE PERIOD before transfers					
		<u>414,616</u>	<u>132,002</u>	<u>39,727</u>	<u>586,345</u>
Gross transfers between funds	21	<u>-</u>	<u>(9,939)</u>	<u>9,939</u>	<u>-</u>
Net income/(expenditure) for the period before other recognised gains and losses		414,616	122,063	49,666	586,345
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>37,000</u>	<u>-</u>	<u>37,000</u>
Net movement in funds		414,616	159,063	49,666	623,345
TOTAL FUNDS CARRIED FORWARD		<u>414,616</u>	<u>159,063</u>	<u>49,666</u>	<u>623,345</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities

A statement of total recognised gains and losses is not required as all gains and losses are included in the Statement of Financial Activity

The notes form part of these financial statements

DE ASTON SCHOOL ACADEMY TRUST

BALANCE SHEET (registered number 07533362)
AT 31 AUGUST 2011

	Notes	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
FIXED ASSETS					
Tangible assets	16	-	-	9,666	9,666
CURRENT ASSETS					
Debtors amounts falling due within one year	17	272,567	97,487	20,000	390,054
Cash at bank		<u>371,972</u>	<u>811,342</u>	<u>20,000</u>	<u>1,203,314</u>
		644,539	908,829	40,000	1,593,368
CREDITORS					
Amounts falling due within one year	18	(229,923)	(328,766)	-	(558,689)
NET CURRENT ASSETS		<u>414,616</u>	<u>580,063</u>	<u>40,000</u>	<u>1,034,679</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		414,616	580,063	49,666	1,044,345
PENSION LIABILITY	20	-	(421,000)	-	(421,000)
NET ASSETS		<u>414,616</u>	<u>159,063</u>	<u>49,666</u>	<u>623,345</u>
FUNDS	21				
Unrestricted funds					414,616
Restricted funds					580,063
Pension reserve					(421,000)
Restricted fixed asset funds					<u>49,666</u>
TOTAL FUNDS					<u>623,345</u>

The financial statements were approved by the Board of Trustees on 12 December 2011 and were signed on its behalf by



A Robson -Trustee

The notes form part of these financial statements

DE ASTON SCHOOL ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

	Notes	£
Net cash inflow from operating activities	1	1,211,684
Returns on investments and servicing of finance	2	1,569
Capital expenditure and financial investment	2	(9,939)
		<hr/>
Increase in cash in the period		<u>1,203,314</u>

Reconciliation of net cash flow to movement in net debt

3

Increase in cash in the period	<u>1,203,314</u>
Change in net debt resulting from cash flows	<u>1,203,314</u>
Movement in net debt in the period	1,203,314
Net debt at 17 February	<hr/> -
Net debt at 31 August	<u>1,203,314</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT

FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

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

	£
Net incoming resources	586,345
Depreciation charges	273
Interest received	(1,569)
Pension deficit on incorporation	444,000
FRS17 movement	14,000
Increase in debtors	(390,054)
Increase in creditors	<u>558,689</u>
Net cash inflow from operating activities	<u>1,211,684</u>

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

	£
Returns on investments and servicing of finance	
Interest received	<u>1,569</u>
Net cash inflow for returns on investments and servicing of finance	<u>1,569</u>
Capital expenditure and financial investment	
Purchase of tangible fixed assets	<u>(9,939)</u>
Net cash outflow for capital expenditure and financial investment	<u>(9,939)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 17/2/11 £	Cash flow £	At 31/8/11 £
Net cash			
Cash at bank	-	1,203,314	1,203,314
	<u>-</u>	<u>1,203,314</u>	<u>1,203,314</u>
Total	<u>-</u>	<u>1,203,314</u>	<u>1,203,314</u>

DE ASTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

1. GENERAL ANNUAL GRANT

	2011 £
a. Results and carry forward for the year	
GAG brought forward from previous year	-
GAG allocation for current year	<u>2,364,979</u>
Total GAG available to spend	
Recurrent expenditure from GAG	2,113,718
Capital expenditure from GAG	<u>-</u>
GAG carried forward to next year	251,261
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u>292,449</u>
GAG to surrender to DfE	<u>-</u>

2. ACCOUNTING POLICIES

Format of financial statements

The standard format for the financial statements as required by the Companies Act 2006 schedule 4 part 1 has been adapted to provide more appropriate information which complies with the Statement Of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (Charities SORP 2005) and reflects the activities of the Academy.

Accounting convention

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 Young People's Learning Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011**

2. ACCOUNTING POLICIES - continued

Incoming resources

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 included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

School fund

The Academy runs a school fund which relates to income and expenditure for school trips. These funds are kept in a separate bank account and the transactions are not included within these financial statements.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material. Where the actual cost of the donated service or gift in kind can be ascertained, this is used as the value in the financial statements.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis where the amount can be quantified with reasonable accuracy.

Lettings income

The Academy receives income from letting its facilities to other organisations. This is accounted for on a receivable basis.

Boarding house income

The Academy receives income from the boarding of pupils. This is accounted for on an accruals basis, boarding income is invoiced in advance and is deferred where appropriate. Rechargeable expenses are included on a receivable basis.

Other income

The Academy receives other income, this is accounted for on a receivable basis.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses. Such costs include both direct and allocated support costs. The trustees are unable to quantify the value of management time spent in dealing with this area and therefore no such costs have been allocated to governance costs.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Computer equipment	- 33% on cost, straight line
--------------------	------------------------------

Tangible fixed assets acquired are included in the accounts at cost

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £1,000 are written off in the year of acquisition.

A number of assets were transferred from Lincolnshire County Council on 1 March 2011 that are still being used by the Academy. These are assets that were principally school furniture and ICT equipment. Due to the nature and age of these assets the trustees are not able to quantify their value at 1 March 2011. Therefore no entry has been made in these financial statements.

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.

Fund accounting

Unrestricted funds can be used in accordance with the Academy's objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Academy. Restrictions arise when specified by the DfE and other donors or when funds are raised for particular restricted purposes.

Restricted fixed asset fund

In accordance with the DfE guidelines where funding has been used to acquire tangible fixed assets the cost of the assets have been transferred to a restricted fixed asset fund, as detailed in the notes to the accounts.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Academy staff are members of one of two pension schemes, both of which are defined benefit schemes. More details of the schemes are given in the notes to the accounts.

Teachers' Pension Scheme

Full-time and part-time teaching staff 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 period.

Local Government Pension Scheme

Non-teaching members of staff are offered membership of the Local Government Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Academy's share of pension 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 bid 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 movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

Leased assets

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

The Academy's buildings are currently leased from Spital Charity and De Aston School Foundation for a 125 year period on a peppercorn rent. The trustees have not been able to quantify a notional rent to reflect the fair value of the buildings, therefore no gift in kind or corresponding cost is included within these financial statements.

Going concern

The trustees 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 Academy to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

3. VOLUNTARY INCOME

	£
Donations	<u>454,925</u>

Donations of £454,925 relates to amounts receivable from De Aston School. This related to the surplus made by the predecessor school up to the date it converted to an Academy.

DE ASTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

4. ACTIVITIES FOR GENERATING FUNDS

	£
Hire of facilities	13,272
Other income	<u>21,346</u>
	<u>34,618</u>

5. INVESTMENT INCOME

	£
Bank account interest	<u>1,569</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	£
Boarding house income	Funding for the Academy's educational operations	271,197
Grants	Funding for the Academy's educational operations	<u>3,116,555</u>
		<u>3,387,752</u>

Boarding house income is for residential care and accommodation

DE ASTON SCHOOL ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011**

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - continued

Grants received, included in the above, are as follows

	£
General Annual Grant	2,364,979
SEN 1 1 funding	64,218
Local Authority	11,733
School development grant	230,124
Specialist schools grant	53,750
School Standards Grant	84,142
Learner support fund	1,279
Targeted support	34,113
Diploma Formula Grant	80,158
Making Good Progress Grant	18,770
Start up Grant	25,000
Capital Maintenance Grant	40,000
Pupil Premium	19,295
16-18 Bursary Funding	10,070
DSG Practical Learning	23,253
Economic Disadvantage	5,720
Devolved Capital	22,951
Wolfson Foundation grant	27,000
	<u>3,116,555</u>

7 CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8)	Support costs (See note 9)	Totals
	£	£	£
Funding for the Academy's educational operations	<u>1,887,307</u>	<u>1,371,015</u>	<u>3,258,322</u>

DE ASTON SCHOOL ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011**

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	£
Staff costs	1,538,096
Other operating leases	1,140
Books, apparatus and stationery	45,838
Equipment maintenance	39,867
Other direct costs	60,599
Examination fees	87,519
Boarding house meals	113,975
Depreciation	273
	<u>1,887,307</u>

9. SUPPORT COSTS

	£
Funding for the Academy's educational operations	<u>1,371,015</u>

Support costs, included in the above, are as follows

	Funding for the Academy's educational operations £
Staff costs	523,011
Rates	20,760
Insurance	52,750
Light and heat	55,472
Telephone	4,910
Postage and stationery	25,106
Advertising	3,636
Sundries	3,121
Maintenance of premises and equipment	111,516
Cleaning	70,297
Technology costs	20,116
Other support costs	4,458
Transport	1,600
Bad debts	25,262
Expected return on pension scheme assets	(33,000)
Interest on pension scheme liabilities	38,000
Pension deficit on incorporation	<u>444,000</u>
	<u>1,371,015</u>

DE ASTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

10. GOVERNANCE COSTS

	£
Accountancy	445
Personnel fees	14,795
Legal and professional fees	11,952
Auditors' remuneration	<u>7,005</u>
	<u>34,197</u>

11. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	£
Auditors' remuneration	7,005
Auditors' remuneration - Non audit fees	445
Depreciation - owned assets	273
Other operating leases	<u>1,140</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

Five trustees of the Academy are members of the teaching staff and received the following remuneration in that capacity for the period

	£
Trustees' salaries	96,119
Trustees' social security	9,036
Trustees' pension contributions to defined benefit scheme	<u>13,017</u>
	<u>118,172</u>

Trustees' Expenses

There were no trustees' expenses paid during the period ended 31 August 2011

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

13. STAFF COSTS

	£
Wages and salaries	1,705,351
Social security costs	123,014
Other pension costs	<u>232,742</u>
	<u>2,061,107</u>

The average monthly number of employees during the period, expressed as a full time equivalent, was as follows

Teachers	62
Administration and support staff	<u>43</u>
	<u>105</u>

During the period ended 31 August 2011 2 employees had emoluments (including taxable benefits but excluding employers' pension contributions) of more than £60,000 per annum. The total emoluments of these employees were in the following range

	2011
£60,000 - £70,000	1
£100,000 - £110,000	<u>1</u>

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the period ended 31 August 2011, pension contributions for the members of staff amounted to £11,702.

At 1 March 2011 all staff from the predecessor school transferred to the Academy. A pension deficit was transferred at the same time in respect of non-teaching staff. Further details are in note 20 of the accounts.

14. TRUSTEES AND OFFICERS INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2011 was £1,000.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

15. BOARDING HOUSE

The amount carried forward of £294,296 on the Boarding House is made up as follows

	2011 £
Incoming resources	
Donation from predecessor school	340,495
Income from boarders	271,197
Income from letting	<u>10,690</u>
	622,382
Investment income	
Bank interest	<u>689</u>
Total incoming resources	<u><u>623,071</u></u>
Outgoing resources	
Staff costs	113,788
Other operating leases	1,140
Equipment	5,713
Other direct costs	28,607
Boarding house meals	113,975
Legal and professional fees	277
Rent and rates	2,376
Light and heat	11,884
Telephone	433
Postage and stationery	106
Advertising	3,636
Maintenance of premises	16,346
Cleaning	3,600
Other support costs	32
Transport	1,600
Bad debts	<u>25,262</u>
Total outgoing resources	<u><u>328,775</u></u>
	<u> </u>
Incoming resources in excess of outgoing resources	<u><u>294,296</u></u>

DE ASTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

16. TANGIBLE FIXED ASSETS

Computer
equipment
£

COST

Additions

9,939

DEPRECIATION

Charge for period

273

NET BOOK VALUE

At 31 August 2011

9,666

All of the tangible fixed assets are used for educational purposes

Fixed assets are funded by the following income

Wolfson Foundation Grant

£9,939

17. DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

£

Trade debtors

269,065

Other debtors

47,000

VAT

73,989

390,054

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

£

Trade creditors

93,218

Social security and other taxes

83,715

Other creditors

141,642

Accruals and deferred income

240,114

558,689

DE ASTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

19. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Other operating leases £
Expiring	
In more than five years	<u>2,736</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011**

20. 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 and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Local Authority,

The total pension cost to the Academy during the period ended 31 August 2011 was £223,742 of which £164,776 relates to the TPS and £58,966 relates to LGPS, at the year end, no amounts were outstanding

Teachers Pension Scheme (TPS)

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS is classed as a multi-employer pension scheme. The Academy is unable to identify its share of the underlying (notional) 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 below the latest information available for the scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, final salary scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local education authorities and also to teachers in many independent and voluntary-aided schools and establishments of further and higher education. Teachers are able to opt out of the TPS.

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

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pension increases). With effect from 1 April 2001, the Account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Not less than every four years, the Government Actuary (GA), using normal actuarial principles, conducts an actuarial review of the TPS. The aim of the review is to specify the level of future contributions. The actuarial review as at 31 March 2004 made the following assumptions. The balance in the Account as at 31 March 2004 shall be such that, in the current review, the value of the scheme assets equals the value of the scheme liabilities. The scheme assets consist of the notional investments and the future contributions in respect of existing members. Thus, the balance in the Account as at 31 March 2004 will be determined as the difference between the value of the scheme liabilities and the value of future contributions.

Contributions are assessed in two parts. First, a normal contribution is determined. This is the contribution, expressed as a percentage of the salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Currently, members pay 6.4% of salary whilst their employers pay the balance of the normal contribution. Secondly, a supplementary contribution is payable by employers if, as a result of the actuarial investigation, it is found that the accumulated liabilities of the Account for benefits to past and present teachers are not fully covered by normal contributions to be paid in future and by the fund built up from past contributions. Because the liabilities were put into balance for the 2004 valuation there is no supplementary contribution. From 1 January 2007, employers pay 14.1% of salary.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

20. PENSION COMMITMENTS

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

Further details on the TPS can be found on the Department of Education website at www.education.gov.uk/schools

The pension cost charged in the financial statements for this scheme for the period ended 31 August 2011 was £164,777, which were the contributions due for the period. No amounts were outstanding at the year end.

Local Government Pension Scheme

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The total contribution made for the period ended 31 August 2011 was £78,519 of which employer's contributions totalled £58,966 and employees' contributions totalled £19,552. The agreed contribution rates for the period ended 31 August 2011 were 17.9% for employers, employees' rates varied according to salary.

The following information is based upon a full actuarial valuation of the fund at 31 March 2004, updated to 31 August 2011 by a qualified independent actuary. The major assumptions used by the actuary were:

	At 31 August 2011
Rate of increase in salaries	4.9%
Rate of increase in pensions	2.6%
Discount rate for liabilities	5.4%
Inflation	6.2%

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

	Long-term rate of return expected at 31 August 2011	Value at 31 August 2011 £'000
Equities	6.8%	695
Bonds	4.6%	133
Property	4.8%	114
Cash	3.9%	<u>10</u>
Total fair value of assets		952
Present value of scheme liabilities		<u>(1,373)</u>
Net pension liability		<u><u>(421)</u></u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

20. PENSION COMMITMENTS

None of the fair values shown above include any of the Academy's own financial instruments, or any property occupied by, or other assets used by the Academy

The actual return on pension scheme assets in the year was £53,000

Analysis of amount chargeable to the Statement of Financial Activities

	2011 £,000
Current service cost	67
Interest cost	38
Expected return on assets	<u>(33)</u>
Total expenditure to be recognised in the SOFA	<u>72</u>

Amount recognised in the statement of total recognised gains and losses (STRGL)

	2011 £'000
Actuarial loss on pension scheme assets	(87)
Actuarial gain on the scheme liabilities	<u>124</u>
Actuarial (loss) gain recognised in STRGL	<u>37</u>

Contributions

The total contributions made by the employer during the period were £58,000 The best estimate for contributions to be paid for the year ended 31 August 2012 is £114,000

Movement in deficit during the period

	2011 £'000
Deficit in the scheme at 1 March 2011	(444)
Movement in year	
Current service cost	(67)
Employer contributions	58
Interest costs	(38)
Expected return on assets	33
Actuarial gain	<u>37</u>
Deficit in the scheme at 31 August 2011	<u>(421)</u>

DE ASTON SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

20. PENSION COMMITMENTS

Reconciliation of opening and closing balances of the present value of the Academy's share of the scheme assets and liabilities.

	2011 £'000
Scheme liabilities at 1 March 2011	1,372
Current service cost	67
Interest cost	38
Contributions by members	20
Actuarial losses/(gains)	(124)
Scheme liabilities at 31 August 2011	<u>1,373</u>

	2011 £'000
Scheme assets at 1 March 2011	928
Expected return on assets	33
Contributions by members	20
Contributions by employer	58
Actuarial (losses)/gains	(87)
Scheme assets at 31 August 2011	<u>952</u>

History of experience gains and losses

Fair value of assets	952
Present value of scheme liabilities	1,373
Deficit in scheme	421
Experience adjustment on scheme assets	87
Percentage of scheme assets	9 14%
Experience adjustment on scheme liabilities	124
Percentage of scheme liabilities	9 03%

Sensitivity Analysis

	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
Change in assumptions at the year end 31 August 2011		
0 5% decrease in Real Discount Rate	13%	174
1 year increase in member life expectancy	3%	41
0 5% increase in the Salary Increase Rate	6%	80
0 5% increase in the Pension Increase Rate	7%	90

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

21. MOVEMENT IN FUNDS

	At 17/2/11 £	Net movement in funds £	Transfers between funds (inc capital expenditure) £	At 31/8/11 £
Unrestricted funds				
Other income not for capital purposes	-	120,320	-	120,320
Boarding house	-	294,296	-	294,296
	-	414,616	-	414,616
Restricted funds				
General Annual Grant (GAG)	-	237,261	14,000	251,261
Start up grant	-	10,448	-	10,448
Other Government grants	-	231,646	-	231,646
Other income	-	96,647	(9,939)	86,708
Pension reserve	-	(407,000)	(14,000)	(421,000)
	-	169,002	(9,939)	159,063
Restricted fixed asset funds				
Fixed assets	-	39,727	9,939	49,666
TOTAL FUNDS	-	623,345	-	623,345

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Other income not for capital purposes	120,320	-	-	120,320
Boarding house	623,071	(328,775)	-	294,296
	743,391	(328,775)	-	414,616
Restricted funds				
Other Government grants	241,248	(9,602)	-	231,646
Other income	464,246	(367,599)	-	96,647
General Annual Grant (GAG)	2,364,979	(2,127,718)	-	237,261
Start up grant	25,000	(14,552)	-	10,448
Pension reserve	-	(444,000)	37,000	(407,000)
	3,095,473	(2,963,471)	37,000	169,002
Restricted fixed asset funds				
Fixed assets	40,000	(273)	-	39,727
TOTAL FUNDS	3,878,864	(3,292,519)	37,000	623,345

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

21. MOVEMENT IN FUNDS - continued

1 - Other income not for capital purposes - Some of this balance relates to the unspent funds introduced from the predecessor school. This must be used for the running costs of the Academy. Other income in the fund can be spent at the trustees discretion in relation to the Academy's educational activities

2 - Boarding house income - Income received from the boarding house is designated by the parents of the boarders to be used for the boarding costs of their children. The boarding house is separately accounted for each year with regards to its reserves

2 - 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% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes

3 - Start up grant - these grants are awarded to assist the Academy during the conversion from a school. These were for recurrent expenditure, with any unspent funds available to carry forward

Included in other government grants and other restricted income are the following

4 - Standards fund, school development and targeted support - these must be used to boost standards of the attainment within the Academy

5 - Diploma formula grant - This funding is to be used to support the additional costs of diplomas at Key Stage 4 which cannot be met by main stream funding and any unspent funds must be spent by the end of August in the financial year following receipt

6 - 16 to 18 Bursary funding - This funding is a replacement of the Education Maintenance Allowance (EMA) given to 6th form pupils, this money is given to the Academy to be paid to the pupils of the 6th form

7 - SEN one to one funding - This funding is to be used for one to one tuition of children on the special needs education register

8 - Capital maintenance grant - This funding was won by the Academy from the Government for capital development, the Academy has decided to match this funding to commence a large security project in the future

9 - Pupil premium - is received to support deprived children, the money can be spent how the Academy best see fit

10 - Devolved capital grants - This funding can be used for capital expenditure and repairs to enhance the fabric of the Academy's buildings

11 - Pension reserve - the costs, income associated with the defined benefit pension scheme, the local government pension scheme (LGPS) have been recorded in the restricted fund. Staff costs are paid from this fund including contributions to the LGPS and the pension liability has therefore been aligned with these costs. Resources expended of £444,000 relates to the pension liability upon incorporation, transfers between funds of £14,000 relates to the movement in the pension liability (excluding actuarial gains/losses)

Transfers between funds

During the year the Academy incurred capital expenditure of £9,939. The Trustees agreed to fund the £9,939 out of income as detailed in note 16 to the accounts. This amount has been treated as a transfer between funds in accordance with the Department for Education guidelines

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 17 FEBRUARY 2011 TO 31 AUGUST 2011

22. CONTINGENT LIABILITIES

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

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

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

23. ULTIMATE CONTROLLING PARTY

The trustees have ultimate control of the Academy

24. 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

25. INCORPORATION

The company was incorporated on the 17 February 2011 and opened as an Academy on the 1 March 2011

26. CAPITAL COMMITMENTS

At the period end £52,000 was committed to be spent on new security fencing. This amount was subsequently increased to £80,000