7533362

De Aston School, Academy Trust

(A Company Limited by Guarantee)

Annual Report and Audited Financial Statements

Year ended 31 August 2012

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De Aston School Academy Trust

Reference and Administrative Details

Governors	C Badmin*	Parent	
	E Beighton*	Staff	Head teacher
	S Bibby*	Parent	
	K Bridger	Member	
	M J Cartwright	Foundation	
	S Dale	Parent	
	M Davenport*	Community	Vice Chair of Governors
	I C Davey*	Foundation	
	R A de Smit*	Co-opted	
	R W Foley*	Staff	
	W R Glover*	Sponsor	
	S Keast*	Parent	
	T A Kendall*	Staff	
	R Marshall *	Community	Chair of Resources
	D M Pattison	Foundation	
	A J Robson*	Community	Chair of Governors
	L Rusling	Parent	(resigned March 2012)
	J Smith	Foundation	
	K M Smith*	Community	
	I Wallace	Staff	
	J C Whybrow	Parent	(resigned May 2012)

(both parent Governors who resigned in year were due to be replaced in September 2012)

* = members of the Resources 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 LN8 3RF
Company Registration Number	07533362
Auditors	Duncan & Toplis 5 Resolution Close Endeavour Park Boston PE21 7TT

Reference and Administrative Details

Bankers	Lloyds TBS Bank plc 202 High Street Lincoln LN5 7AP
Solicitors	Browne Jacobsen 44 Castle Gate Nottingham NG1 7BJ

De Aston School Academy Trust

Governors' Report

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

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust The governors act as the trustees for the charitable activities of 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

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 forgoing by establishing, maintaining, carrying on, managing and developing a school with a designated Christian faith This is achieved by 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 Head teacher, and up to two Co-opted Governors (currently just one in place)

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

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 Governors 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 Head teacher 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 Head teacher 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
- 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 Head teacher 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

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, 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 committee meets at least once per year The committee meets at least once per year

The Head teacher is responsible for monitoring monthly expenditure, miscellaneous financial decisions, entering into contracts/agreements provided they are under £49,999, appointment of staff, dismissal of staff, suspension of staff (except Head teacher), establishing and implementing the curriculum policy, standards of teaching, individual children's education, implementing the performance management polices, 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 This has resulted in a RISK REGISTER which is fully updated every September and monitored on a regular basis during the year

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) 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 below

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

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)

   Utilise the new Key Stage Groups to ensure that
   - i the quality of teaching and learning at each Key Stage 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

Appendix Key Aspects of Leadership and Management for the 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 Responding 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

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 5A*-C measure, including English and Maths*
Outcomes remain well above prediction for the school and are likely to be significantly above the national average

ii *Provide intensive support and challenge for improving subjects at KS4 (Geography, German, Art and PE)*
Outcomes have improved in all four subjects, however, more work needs to be done to raise these to outstanding (This is especially important in Art where we have a new Head of Department for the third consecutive year)

iii *Ensure that outcomes for all ICT subjects offered are consistently good*
Outcomes in KS4 remain good, however, while outcomes have improved at KS5 there are still areas that require improvement, particularly in relation to the E/U boundary and particularly in Computing

iv *Improving the performance of C/D borderline students in some GCSE subjects*

There has been some improvement, nevertheless, there is still a discrepancy between the "traditional" GCSEs and the vocational equivalencies However, some of this is a result of the recent changes in grade boundaries, but this needs to be monitored in view of the changes that will affect the 2014 cohort (our current Year 10) Put simply, there will be significantly less tariff attached to equivalencies in many public accountability measures and students will have to do more to get less (this has begun this year in ICT and Science)

v *Make controlled assessments work for us*

As a centre we were extremely rigorous about following examination board regulations on these assessments, which replaced coursework In the main, students scored appropriate grades to their targets A number of subjects were affected by changes in notional mark grade equivalencies and addressing the implications of this will be a focus for departmental improvement planning In a minority of cases centre marking was adjusted This will be a focus at Head teacher and Head of Department exams meetings

vi *Maximise the achievement of students against the English Baccalaureate in 2013*

We will be unable to fully assess the success of our efforts in this area until the curriculum revisions we made in 2011 feed their way through the system in 2013, although we saw some improvement (up from 11% to 19% of Y11) as a result of some changes that were made for a small group in the 2012 cohort Further improvements in Science outcomes will have a considerable impact on this measure in future years, another reason why this is so important

vii *Improve outcomes in Y12*

Improvements have been made, and student progress was better, however, the E/U boundary was a significant issue this year and this will be an area of focus in the coming year

viii *Raise the achievement and attainment of the current Y13 during their second year of study*

We were fairly successful on this and considerable progress was made from their starting point Now we need to ensure that we are not in this position again

ix *At KS4, reduce the gap in achievement between those collecting free school meals and those who are not*

The gap in attainment between those collecting FSM and those who are not has reduced on some measures and increased on others between 2011 and 2012, however, this needs to be put into context The 2012 FSM group was a much weaker cohort than 2011 (2012 KS2-24 1, CATs-88 0 compared to 2011 KS2-25 8 and CATs-93 0 and 2010 where KS2 APS was 26 and average CAT was 91 1) There were only 11 students in this group and 1 had no prior attainment data With such small numbers, we need to approach the data with caution All students achieved 5A*-G EM, capped point scores for the group (354 8) were well above the national average for all students, but below those for non FSM students at De Aston Only 36% of the group achieve 5A*- C EM, average point scores in English and Maths for FSM are also below those of non-FSM students nationally and at De Aston, however, this was a very weak group on entry

Value-added scores for the student without prior attainment data (using YELLIS) are in line with expectations The overall value-added score for FSM students using RAISEonline formulas in 2012 was 1049 8, comparing favourably with both the national at 981 2, and that of non-FSM students at De Aston at 1033 2 (NB using last year's formulas and statistics) Using YELLIS the

value-added scores for FSM group is significantly positive - at 115 - this indicates a significant improvement using this measure on the previous year when it was 93 8

In terms of progress, there would appear to be an issue with the numbers of FSM students making three levels progress in Maths in 2012 However when we examine those who did not make the progress, two had severe medical conditions which meant extreme low attendance and a number of others were extremely weak academically and the national progression paths for these students is poor Three levels progress in English improved from 54% to 70% between 2011 and 2012, but remains below that of non-FSM students Narrowing the gap remains a priority for the school

Going Concern

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

Key Financial Performance Indicators

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

Financial Review

In this financial year the Academy has received the majority of its income from the EFA in the form of recurrent grants The grants received from the EFA during the period ended 31 August 2012 and the associated expenditure are shown in the statement of financial activities

During the period ended 31 August 2012, total expenditure of £5,768,228 was more than covered by the recurrent grant funding from the EFA together with other incoming resources and the carry forward from the previous year at 31 August 2011 The excess of income over expenditure (excluding land and buildings transfers and depreciation expense) for the financial year ending 31 August 2012 was £408,441

Financial and Risk Management Objectives and Policies

As noted previously the Academy has a Risk Management Policy from which a Risk Register is drafted The financial risks for the Academy are described below

Principal Risks and Uncertainties

The governors of the Academy are aware of the 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

Principal risks and uncertainties (other than the pension deficit) are

- Pupil numbers
- Uncertainty over timeline for ending of pupil sector pay freeze
- New national funding agreement
- Public sector pensions
- Success of capital building projects
- The impact if a significant drop in boarding places happened

Funds in deficit

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS) 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 £622,000 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

Reserves Policy

The Academy holds total reserves (excluding boarding house, fixed asset and pension funds) of £940,720 which consists of £378,730 of GAG and £561,990 of non-GAG

The Academy also holds £400,159 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 coming years However, the Academy has built in a £540,000 budget for 2012/13 to meet essential capital works needed to update and improve the current provision and has been earmarked currently for student sixth form area improvement, single room boarding conversions and other such enhancements This budget is taken from the reserve figures stated above

The Academy will always ensure to stay within the EFA guidelines on levels and appropriate use of reserves

Investment Policy

Investments must be made only when approved by the governing body

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated The information required will normally be the date of purchase, the cost and a description of the investment Additional procedures may be required to ensure any income receivable from the investment is received

Periodically (at least annually) review interest rates and compare with other investment opportunities
A working balance of £250,000 to £500,000 should be maintained in the main Academy's current account

The Academies current position is to only invest funds in risk free and easily accessible deposit accounts Funds can be invested up to 12 months if appropriate Investing cash over more than a year has to be approved by the Governing body and referenced with detailed cash flow workings

Plans for Future Periods

1 Achievement (Academic Standards & QA)

Ensure achievement is securely *outstanding* by

i Sustaining high achievement and attainment at KS4 on the 5A*-C measure, including English and Maths

ii Ensuring that outcomes for all Science courses offered are consistently good

iii Ensuring all GCSE subjects tackle any identified underperformance on specific grade boundaries

iv Maximising the achievement of students against the English Baccalaureate in 2013 (Y2)

v Improving outcomes in the Sixth Form

vi At KS4, reducing the gap in achievement between those collecting free school meals and those who are not

vii Improving levels of literacy and numeracy at KS3

viii Creating an excellent careers provision

ix Ensuring that the new appraisal and capability processes are used effectively to secure high quality teaching

2 Teaching (Academic Standards & QA)

Ensure teaching is securely *outstanding* by

i Ensuring the quality of teaching and learning at each Key Stage is very good and ensure that routinely no teaching is less than good and that a growing number of lessons are outstanding,

ii Embedding revised quality assurance and appraisal procedures, including inter-school partnership work

3 Behaviour, Safety and Attendance (Student Welfare and Boarding)

Ensure behaviour, safety and attendance are securely *outstanding* by

i Sustaining improvements in adherence to the school dress code

ii Sustaining improvements in authorised absence figures

iii Responding to the recommendations of the Boarding review and student surveys

iv Reasserting the principles that underpin positive, effective behaviour management

v Sustaining improvements in staff consistency in the application of school behaviour management and rewards systems

vi Developing an outstanding, systematic anti-bullying programme

vii Expanding our programme of leadership development activities for students, including a focus on students as co-leaders of learning

viii Ensure a decisive response to any reported instances of low level disruption to learning

4 Leadership and Management (Resources)

Ensure leadership is securely *outstanding* by

i Implementing the vision for the VLE as a learning tool and for online reporting

ii Developing the role individual middle leaders play in whole school improvement

5 School strategic direction (Chairs and Vice Chairs)

i Ensuring the primacy of the Leadership of Teaching in the coming year

ii Securing a greater consistency in response to concerns raised by parents and carers

iii Developing better lines of communication between boarders' parents and governors

iv Improving dialogue between staff and governors

v Securing effective succession planning and governor development generally, in order that the current high standards in governance are maintained

Other Key Aspects of Leadership and Management for the Coming Year

1 Maintaining staff morale at a time of considerable change
2 Ensure Pupil Premium funding is used to the maximum benefit of vulnerable children
3 Student recruitment
4 Proactively engaging with on-going education reforms, including the widening of the participation age
5 Developing Boarding and school accommodation for dual usage
6 Continuing to develop the physical appearance of the school
7 Updating the school website to ensure better access for key language groups and for persons with disabilities
8 Leading the school through a critical financial period
9 Review admission arrangements
10 Respond to the implications of the conditions survey
11 Improve extra-curricular provision

Funds held as Custodian Trustee on behalf of others

The Academy does not hold such funds

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

Approved by order of the members of the governing body on 10 December 2012 and signed on its behalf by

[Signed] Alan J. Robson

Reverend Canon Alan Robson

[Chair]

Governance Statement

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 Head teacher, 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

Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities The **governing body** has formally met 6 times during the year Attendance during the year at meetings of the governing body was as follows

Governor	Meetings attended	Attendance percentage
C Badmin	1/1/1/1/1/0	83%
E Beighton	1/1/1/1/1/0	83%
S Bibby	0/0/1/0/0/0	17%
K Bridger	1/1/0/1/1/1	83%
M J Cartwright	1/0/0/0/0/0	17%
S Dale	0/1/1/1/0/1	67%
M Davenport	0/1/1/1/1/0	67%
I C Davey	0/1/1/1/1/1	83%
R A de Smit	1/0/1/1/1/1	83%
R W Foley	0/1/1/1/1/1	83%
W R Glover	1/1/1/1/0/1	83%
S Keast	1/0/1/0/0/0	33%
T A Kendall	1/1/1/1/0/1	83%
R Marshall	1/1/1/1/1/0	83%
D M Pattison	0/1/0/1/0/1	50%
A J Robson	1/1/1/1/0/1	83%

L Rusling*	0/0/0/0/-/-	0%
J Smith	0/0/1/1/0/1	50%
K M Smith	1/1/1/1/1/1	100%
I Wallace	1/1/1/1/0/0	67%
J C Whybrow*	0/0/1/0/-/-	25%

*L Rusling resigned in March 2012
*JC Whybrow resigned in May 2012

The **Resources Committee** is a sub-committee of the main governing body Its main responsibilities are,

- review of the annual budget,
- the regular monitoring of actual expenditure and income against budget for academy and boarding,
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies,
- authorising orders/contracts over £50,000,
- reviewing and updating of the Premises & ICT plan,
- staffing issues and structures
- reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls These reports must also be reported to the full governing body

There were 5 formal meetings of the Resources Committee during the year, attendance was as follows

Governor	**Meetings attended**	**Attendance percentage**
C Badmin	1/1/1/0/1	80%
E Beighton	1/1/1/1/1	100%
S Bibby	1/0/1/1/0	60%
I C Davey	1/0/1/1/1	80%
M Davenport	1/0/1/0/1	60%
R A de Smit	1/0/1/0/1	60%
R W Foley	1/1/1/1/1	100%
W R Glover	0/1/1/1/0	60%
S Keast	1/0/0/0/0	20%
T A Kendall	1/0/1/1/0	60%
R Marshall	1/1/1/1/1	100%
A J Robson	0/1/1/1/0	60%
KM Smith	1/1/1/1/1	100%

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 year ended 31 August 2012 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2012 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

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

The Responsible Officer works to the guidelines set by the EFA The Resources Committee can also recommend new regular/one off checks additional to the EFA's recommended checklist

There were no material issues for the Governing body to act on from the Responsible Officers report during the financial year ended 31 August 2012

Review of Effectiveness

As accounting officer, the Head teacher has responsibility for reviewing the effectiveness of the system of internal control During the year in question the review has been informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance 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 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 10 December 2012 and signed on its behalf by

[Signed]

Reverend Canon Alan Robson

[Chair]

[Signed]

Mrs Ellenor Beighton

[Accounting officer]

Statement on Regularity, Propriety and Compliance

As accounting officer of De Aston School Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook

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

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

[Signed]

Mrs Ellenor Beighton

[Accounting officer]

Statement of governors' Responsibilities

The governors (who act as trustees 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 Education Funding 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 accounting 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 EFA/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 10 December 2012 and signed on its behalf by

[Signed] Alan J Robson

Reverend Canon Alan Robson [Chair]

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 year ended 31 August 2012 on pages 23 to 47 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) and the Annual Accounts Direction 11/12 issued by the Education Funding Agency

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 trustees 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 Report of the Trustees to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on Financial Statements
In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the 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 and the Annual Accounts Direction 11/12 issued by the Education Funding Agency

Emphasis of matter – accounting policy with regard to land and buildings

In forming our opinion, which is not modified, we have considered the disclosures in note 16 to the financial statements concerning the fact that the Academy Trust has at this stage been unable to determine the underlying title to the whole of the leasehold land and buildings occupied by the academy and is therefore unable to evaluate the property in its accounts

This exclusion is in contravention of the EFA Accounts Direction 2011/12

The Trustees are currently exploring the possibility of including the land and buildings in future years' accounts

The financial statements do not include the adjustments that would result if the Academy Trust were to account for the value of its land and buildings

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

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

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 28th December 2012

DE ASTON SCHOOL ACADEMY TRUST
INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF DE ASTON SCHOOL ACADEMY TRUST

In accordance with the terms of our engagement letter dated 10 December 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by De Aston School Academy Trust during the year 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

Retrospective responsibilities of De Aston School Academy trust's accounting officer and the reporting accountant
The accounting officer is responsible, under the requirements of De Aston School Academy Trust's funding agreement with the Secretary of State for Education dated 1 March 2011 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

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

Approach
We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA We performed a limited assurance engagement as defined in our engagement letter The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity

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

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

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

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 28th December 2012

DE ASTON SCHOOL ACADEMY TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2012

	Notes	Unrestricted funds £	Restricted Boarding fund £	Other Restricted funds £	Restricted fixed asset funds £	YEAR ENDED 31/8/12 Total funds £	PERIOD 17/2/11 to 31/8/11 Total funds £
INCOMING RESOURCES							
Incoming resources from generated funds							
Voluntary income	3	-	-	-	-	-	454,925
Activities for generating funds	4	14,015	14,287	5,642	-	33,944	34,618
Investment income	5	5,278	2,980	-	-	8,258	1,569
Incoming resources from charitable activities	6						
Funding for the academy's educational operations		-	733,775	5,204,170	-	5,937,945	3,387,752
Total incoming resources		19,293	751,042	5,209,812	-	5,980,147	3,878,864
RESOURCES EXPENDED							
Charitable activities	7						
Funding for the academy's educational operations		-	645,179	4,883,252	25,066	5,553,497	3,258,322
Governance costs	10	-	-	43,275	-	43,275	34,197
Total resources expended		-	645,179	4,926,527	25,066	5,596,772	3,292,519
NET INCOME FOR THE YEAR before transfers		19,293	105,863	283,285	(25,066)	383,375	586,345
Gross transfers between funds	21	-	-	(88,241)	88,241	-	-
Net income/(expenditure) for the year before other recognised gains and losses		19,293	105,863	195,044	63,175	383,375	586,345
Actuarial gains/losses on defined benefit schemes		-	-	(175,000)	-	(175,000)	37,000
Net movement in funds		19,293	105,863	20,044	63,175	208,375	623,345
RECONCILIATION OF FUNDS							
Total funds brought forward		120,320	294,296	159,063	49,666	623,345	-
FUNDS CARRIED FORWARD		139,613	400,159	179,107	112,841	831,720	623,345

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 Activities

The notes form part of these financial statements

DE ASTON SCHOOL ACADEMY TRUST

BALANCE SHEET
AT 31 AUGUST 2012 07533362

	Notes	Unrestricted funds £	Restricted Boarding Funds £	Other Restricted funds £	Restricted fixed asset funds £	2012 Total funds £	2011 Total funds £
FIXED ASSETS							
Tangible assets	16	-	-	-	112,841	112,841	9,666
CURRENT ASSETS							
Debtors amounts falling due within one year	17	-	278,201	95,737	-	373,938	443,807
Cash at bank		139,613	423,506	986,072	-	1,549,191	1,203,314
		139,613	701,707	1,081,809	-	1,923,129	1,647,121
CREDITORS							
Amounts falling due within one year	18	-	(301,548)	(280,702)	-	(582,250)	(612,442)
NET CURRENT ASSETS		139,613	400,159	801,107	-	1,340,879	1,034,679
TOTAL ASSETS LESS CURRENT LIABILITIES		139,613	400,159	801,107	112,841	1,453,720	1,044,345
PENSION LIABILITY	20	-	-	(622,000)	-	(622,000)	(421,000)
NET ASSETS		139,613	400,159	179,107	112,841	831,720	623,345
FUNDS	21						
Unrestricted funds						139,613	120,320
Restricted Boarding Funds						400,159	294,296
Other Restricted funds						801,107	580,063
Restricted pension funds						(622,000)	(421,000)
Restricted fixed asset funds						112,841	49,666
TOTAL FUNDS						831,720	623,345

The financial statements were approved by the Board of Trustees on 10 December 2012 and were signed on its behalf by

Alan J. Robson

A Robson -Trustee

The notes form part of these financial statements

DE ASTON SCHOOL ACADEMY TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2012

	Notes	YEAR ENDED 31/8/12 £	PERIOD 17/2/11 TO 31/8/11 £
Net cash inflow from operating activities	1	465,860	1,211,684
Returns on investments and servicing of finance	2	8,258	1,569
Capital expenditure and financial investment	2	(128,241)	(9,939)
Increase in cash in the period		345,877	1,203,314

	Notes		
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		345,877	1,203,314
Change in net debt resulting from cash flows		345,877	1,203,314
Movement in net debt in the period		345,877	1,203,314
Net debt at 1 September		1,203,314	-
Net debt at 31 August		1,549,191	1,203,314

The notes form part of these financial statements

DE ASTON SCHOOL ACADEMY TRUST

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2012

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

	YEAR ENDED 31/8/12 £	PERIOD 17/2/11 TO 31/8/11 £
Net incoming resources	383,375	586,345
Depreciation charges	25,066	273
Interest received	(8,258)	(1,569)
Interest costs of FRS17	79,000	444,000
Current pension service costs	131,000	14,000
Employer pension contributions	(120,000)	-
Expected return on employer assets	(64,000)	-
Decrease/(increase) in debtors	69,869	(443,807)
(Decrease)/increase in creditors	(30,192)	612,442
Net cash inflow from operating activities	465,860	1,211,684

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

	YEAR ENDED 31/8/12 £	PERIOD 17/2/11 TO 31/8/11 £
Returns on investments and servicing of finance		
Interest received	8,258	1,569
Net cash inflow for returns on investments and servicing of finance	8,258	1,569
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(128,241)	(9,939)
Net cash outflow for capital expenditure and financial investment	(128,241)	(9,939)

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/11 £	Cash flow £	At 31/8/12 £
Net cash			
Cash at bank	1,203,314	345,877	1,549,191
Total	1,203,314	345,877	1,549,191

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

1 GENERAL ANNUAL GRANT

	2012 £	2011 £
a. Results and carry forward for the year		
GAG brought forward from previous year	251,261	-
GAG allocation for current year	4,862,629	2,364,979
Total GAG available to spend	5,113,890	2,364,979
Recurrent expenditure from GAG	4,646,919	2,113,718
Capital expenditure from GAG	88,241	-
GAG carried forward to next year	378,730	251,261
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	583,515	292,449
GAG to surrender to DfE	-	-

b Use of GAG brought forward from previous year for recurrent purposes
(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes Any balance, up to a maximum of 12%, can only be used for capital purposes

Recurrent expenditure from GAG in current year	4,670,582	-
GAG allocation for current year	(4,862,629)	-
GAG allocation for previous year x 2%	(47,300)	-
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(239,347)	-
2% rule breached if result is positive	no breach	

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 Education Funding 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

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 as fees for boarding are paid in advance

Other income
Any other income arising 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

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

Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

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

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

2 ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

	YEAR ENDED 31/8/12	PERIOD 17/2/11 TO 31/8/11
	£	£
Donations	-	454,925

4. ACTIVITIES FOR GENERATING FUNDS

	YEAR ENDED 31/8/12 £	PERIOD 17/2/11 TO 31/8/11 £
Hire of facilities	17,669	13,272
Other income	16,275	21,346
	33,944	34,618

5. INVESTMENT INCOME

	YEAR ENDED 31/8/12 £	PERIOD 17/2/11 TO 31/8/11 £
Bank account interest	8,258	1,569

6 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	YEAR ENDED 31/8/12 £	PERIOD 17/2/11 TO 31/8/11 £
Boarding house income		733,775	271,197
Grants	Funding for the academy's educational operations	5,204,170	3,116,555
		5,937,945	3,387,752

6 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - continued

Grants received, included in the above, are as follows

	YEAR ENDED 31/8/12	PERIOD 17/2/11 TO 31/8/11
	£	£
General Annual Grant	4,862,629	2,364,979
SEN 1 1 funding	146,847	64,218
Local Authority	81,346	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	49,033	19,295
16-18 Bursary Funding	9,399	10,070
DSG Practical Learning	14,226	23,253
Economic Disadvantage	-	5,720
Devolved Capital	22,090	22,951
Wolfson foundation grant	-	27,000
Other grants	18,600	-
	5,204,170	3,116,555

7 CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8)	Support costs (See note 9)	Totals
	£	£	£
Funding for the academy's educational operations	3,695,457	1,858,040	5,553,497

8 DIRECT COSTS OF CHARITABLE ACTIVITIES

	YEAR ENDED 31/8/12	PERIOD 17/2/11 TO 31/8/11
	£	£
Staff costs	3,046,823	1,538,096
Other operating leases	3,339	1,140
Books, apparatus and stationary	108,567	45,838
Equipment maintenance	25,611	39,470
Other direct costs	122,075	56,547
Examination fees	163,505	87,519
Staff development	8,524	4,449
Boarding house meals	191,947	113,975
Depreciation	25,066	273
	3,695,457	1,887,307

9 SUPPORT COSTS

	£
Funding for the academy's educational operations	1,858,040

Support costs, included in the above, are as follows

9 SUPPORT COSTS - continued

	YEAR ENDED 31/8/12 Funding for the academy's educational operations	PERIOD 17/2/11 TO 31/8/11 Total activities
	£	£
Staff costs	1,070,212	523,011
Rates	52,600	20,760
Insurance	43,966	52,750
Light and heat	110,274	55,472
Telephone	4,730	4,910
Postage and stationery	29,176	25,106
Advertising	20,112	3,636
Sundries	14,047	3,121
Maintenance of premises and equipment	318,323	111,516
Cleaning	118,218	70,297
Technology costs	43,637	20,116
Other support costs	4,006	4,458
Transport	4,206	1,600
Bad debts	9,533	25,262
Expected return on pension scheme assets	(64,000)	(33,000)
Interest on pension scheme liabilities	79,000	38,000
Pension deficit on incorporation	-	444,000
	1,858,040	1,371,015

10 GOVERNANCE COSTS

	YEAR ENDED 31/8/12	PERIOD 17/2/11 TO 31/8/11
	£	£
Accountancy	-	445
Personnel fees	20,360	14,795
Legal and professional fees	4,720	11,952
Auditors remuneration - EFA pilot scheme	7,500	-
Auditors' remuneration – annual accounts	6,400	7,005
Auditors' remuneration for non-audit work	4,295	-
	43,275	34,197

11. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	YEAR ENDED 31/8/12	PERIOD 17/2/11 TO 31/8/11
	£	£
Auditors' remuneration	6,400	7,005
Auditors' remuneration for non-audit work	11,795	-
Depreciation - owned assets	25,066	273
Other operating leases	3,339	1,140

12 TRUSTEES' REMUNERATION AND BENEFITS

The principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as governors Other governors do not receive any payments, other than expenses, from the Academy in respect of their role as governors

The value of governors' remuneration was as follows

Mrs E Beighton, Principal	£100k - £105k
Mr T Kendall, Staff governor	£40k - £45k
Ms I Wallace, Staff governor	£30k - £35k
Mr R Foley, Staff governor	£10k - £15k

Trustees' Expenses

During the year ended 31 August 2012, expenses totalling £100 were reimbursed to 2 trustees

13 STAFF COSTS

	YEAR ENDED 31/8/12 £	PERIOD 17/2/11 TO 31/8/11 £
Wages and salaries	3,399,630	1,705,351
Social security costs	252,018	123,014
Other pension costs	465,387	232,742
	4,117,035	2,061,107

The average monthly number of employees during the year to 31 August 2012, expressed as a full time equivalent, was as follows

	2012	2011
Teachers	62	62
Administration and support staff	45	45
	107	107

During the year ended 31 August 2012 3 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

	2012	2011
£60,000 - £70,000	2	2
£100,000 - £110,000	1	1

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme During the year ended 31 August 2012, pension contributions for the members of staff amounted to £31,838

14 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2012 was £920

15. BOARDING HOUSE

The amount carried forward of £105,863 on the Boarding House is made up as follows

	2012 £	2011 £
Incoming resources		
Donation from predecessor school	-	340,495
Income from house borders	733,775	271,197
Income from letting	14,287	10,690
	748,062	622,382
Investment income		
Bank interest	2,980	689
Total incoming resources	751,042	623,071
Outgoing resources		
Staff costs	238,428	113,788
Other operating leases	2,736	1,140
Equipment	12,941	5,713
Other direct costs	52,601	28,607
Boarding house meals	191,947	113,975
Legal and professional fees	-	277
Rent and rates	7,280	2,376
Light and heat	25,229	11,884
Telephone	711	433
Postage and stationary	1,781	106
Advertising	9,122	3,636
Maintenance of premises	77,369	16,346
Cleaning	6,639	3,600
Other support costs	4,656	32
Transport	4,206	1,600
Bad debts	9,533	25,262
Total outgoing resources	645,179	328,775
Incoming resources in excess of outgoing resources	105,863	294,296

16 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2011	-	-	9,939	9,939
Additions	88,034	3,980	36,227	128,241
At 31 August 2012	88,034	3,980	46,166	138,180
DEPRECIATION				
At 1 September 2011	-	-	273	273
Charge for year	8,803	995	15,268	25,066
At 31 August 2012	8,803	995	15,541	25,339
NET BOOK VALUE				
At 31 August 2012	79,231	2,985	30,625	112,841
At 31 August 2011		-	9,666	9,666

All of the tangible fixed assets are used for educational purposes

The Academy Trust has at this stage been unable to determine the underlying title to the whole of the leasehold land and buildings occupied by the academy, and is therefore unable to evaluate this property in its accounts

17 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	204,863	269,065
Other debtors	110,545	100,753
VAT	58,530	73,989
	373,938	443,807

18 CREDITORS· AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	224,647	93,218
Social security and other taxes	-	83,715
Other creditors	106,330	195,395
Accruals and deferred income	251,273	240,114
	582,250	612,442

19. OPERATING LEASE COMMITMENTS

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

	Other operating leases	
	2012	2011
	£	£
Expiring		
Within one year	6,604	412
Between one and five years	6,680	8,958
In more than five years	-	2,736
	13,284	12,106

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 Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

The total pension cost to the Academy during the year ended 31 August 2012 was £465,387 of which £334,535 relates to the TPS and £130,852 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, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

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

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3 5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

20. PENSION COMMITMENTS (continued)

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

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions The assumed real rate of return is 3 5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1 5% The assumed gross rate of return is 6 5%

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19 75%, and the supplementary contribution rate was assessed to be 0 75% (to balance assets and liabilities as required by the regulations within 15 years) This resulted in a total contribution rate of 20 5%, which translated into an employee contribution rate of 6 4% and employer contribution rate of 14 1% payable The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6 4% and 8 8%, depending on a member's Full Time Equivalent salary Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15

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

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

The pension cost charged in the financial statements for this scheme for the period ended 31 August 2012 was £334,535 which were the contributions due for the period, of which, £nil was outstanding at the year end

20. PENSION COMMITMENTS - continued

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 year ended 31 August 2012 was £160,424 of which employer's contributions totalled £119,852 and employees' contributions totalled £40,572 The agreed contribution rates for the year ended 31 August 2012 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 2012 by a qualified independent actuary The major assumptions used by the actuary were

	At 31 August 2012	At 31 August 2011
Rate of increase in salaries	4 5%	4 9%
Rate of increase in pensions	2 2%	2 6%
Discount rate for liabilities	4 1%	5 4%
Inflation	5 0%	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 2012	Value at 31 August 2012 £'000	Long-term rate of return expected at 31 August 2011	Value at 31 August 2011 £'000
Equities	5 5%	909	6 8%	695
Bonds	3 7%	157	4 6%	133
Property	3 7%	133	4 8%	114
Cash	2 8%	12	3 9%	10
Total fair value of assets		1,211		952
Present value of scheme liabilities		(1,833)		(1,373)
Net pension liability		(622)		(421)

20. PENSION COMMITMENTS - continued

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 £98,000

Analysis of amount chargeable to the Statement of Financial Activities

	2012 £'000	2011 £'000
Current service cost	131	67
Interest cost	79	38
Expected return on assets	(64)	(33)
Effect of curtailments/settlements	-	-
Total expenditure to be recognised in the SOFA	146	72

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

	2012 £'000	2011 £'000
Actuarial gain (loss) on pension scheme assets	34	(87)
Actuarial (loss) gain on the scheme liabilities	(209)	124
Actuarial (loss) gain recognised in STRGL	(175)	37

Contributions

The total contributions made by the employer during the year were £120,000 The best estimate for contributions to be paid for the year ended 31 August 2013 is £120,000

Movement in deficit during the period

	2012 £'000	2011 £'000
Deficit in the scheme at 1 September	(421)	(444)
Movement in year		
Current service cost	(131)	(67)
Employer contributions	120	58
Past service costs	-	-
Interest costs	(79)	(38)
Expected return on assets	64	33
Actuarial (loss) gain	(175)	37
Curtailments and settlements	-	-
Deficit in the scheme at 31 August 2012	(622)	(421)

20. PENSION COMMITMENTS - continued

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

	2012	2011
	£'000	£'000
Scheme liabilities at 1 September	1,373	1,372
Current service cost	131	67
Interest cost	79	38
Contributions by members	41	20
Actuarial losses / (gains)	209	(124)
Past service cost	-	-
Losses/(gains) on curtailments	-	-
Scheme liabilities at 31 August 2012	1,833	1,373

	2012	2011
	£'000	£'000
Scheme assets at 1 September	952	928
Expected return on assets	64	33
Contributions by members	41	20
Contributions by employer	120	58
Actuarial gains / (losses)	34	(87)
Scheme assets at 31 August 2012	1,211	952

History of experience gains and losses

	2012	2011
	£'000	£'000
Fair value of assets	1,211	952
Present value of scheme liabilities	1,833	1,373
Deficit in scheme	622	421
Experience adjustment on scheme assets	34	87
Experience adjustment on scheme liabilities	209	124
Percentage of scheme assets	2 8%	9 14%
Percentage of scheme liabilities	11 4%	9 03%

Sensitivity Analysis

Change in assumptions at the year end 31 August 2012	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
0 5% decrease in Real Discount Rate	13%	233
1 year increase in member life expectancy	3%	55
0 5% increase in the Salary Increase Rate	6%	108
0 5% increase in the Pension Increase Rate	7%	119

21 MOVEMENT IN FUNDS

	At 1/9/11 £	Net movement in funds £	Transfers between funds £	At 31/8/12 £
Unrestricted funds				
Other income not for capital purposes	120,320	19,293	-	139,613
Restricted Boarding Funds				
Boarding House	294,296	105,863	-	400,159
Other Restricted Funds				
General Annual Grant (GAG)	251,261	189,710	(62,241)	378,730
Start up grant	10,448	-	-	10,448
Other Government grants	231,646	2,289	-	233,935
Other income	86,708	91,286	-	177,994
Pension reserve	(421,000)	(175,000)	(26,000)	(622,000)
	159,063	108,285	(88,241)	179,107
Restricted fixed asset funds				
Fixed assets from capital grants	40,000	(4,000)	-	36,000
Capital expenditure from GAG	-	(17,753)	88,241	70,488
Capital expenditure from other income	9,666	(3,313)	-	6,353
	49,666	(25,066)	88,241	112,841
TOTAL FUNDS	623,345	208,375	-	831,720

21. MOVEMENT IN FUNDS - continued

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	19,293	-	-	19,293
Restricted Boarding Funds				
Boarding House	751,042	(645,179)	-	105,863
Other Restricted Funds				
Other Government grants	9,399	(7,110)	-	2,289
Other income	337,784	(246,498)	-	91,286
General Annual Grant (GAG)	4,862,629	(4,672,919)	-	189,710
Pension reserve	-	-	(175,000)	(175,000)
	5,209,812	(4,926,527)	(175,000)	108,285
Restricted fixed asset funds				
Capital expenditure from other income	-	(3,313)	-	(3,313)
Fixed assets from capital grants	-	(4,000)	-	(4,000)
Capital expenditure from GAG	-	(17,753)	-	(17,753)
	-	(25,066)	-	(25,066)
TOTAL FUNDS	5,980,147	(5,596,772)	(175,000)	208,375

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 trustee's discretion in relation to the academies 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 regard to its reserves

3 - 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

4 - 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 & other restricted income are the following

5 - Standards fund, school development and targeted support - these must be used to boost standards of the attainment within the Academy Unspent funds can be carried forward

6 - 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 mainstream funding and any unspent funds must be spent by the end of August in the financial year following payment

7 - 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 pupils of the 6th form during the year

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

9 - 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

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

11 - Devolved capital grants - This funding can be used for capital expenditure and repairs to enhance the fabric of the Academy's buildings This funding can be carried forward and if it is expected to be spent next year

12 - 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 Transfers between funds of £26,000 relates to the movement in the pension liability (excluding actuarial gains/losses)

Transfers between funds
During the year the Academy incurred capital expenditure of £128,241 Of this amount, £40,000 was represented by opening fixed asset fund balances The residual £88,241 has been treated as a transfer between funds in accordance with the Department for Education guidelines

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 RELATED PARTY DISCLOSURES

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

There were no such transactions during the year ended 31 August 2012

24 ULTIMATE CONTROLLING PARTY

The trustees have ultimate control of the Academy

25 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