

Staffordshire University Academy
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Period Ended 31 August 2012

Company Registration No 07704020
England and Wales

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Staffordshire University Academy

Financial Statements

Period Ended 31 August 2012

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Staffordshire University Academy

Reference and Administrative Details

Year Ended 31 August 2012

Governors (Trustees)	Mr P Richards (Chair) Mr N Scott Mr K Sproston
Governors (Non-Trustee)	Mr J Capper (Vice Chair) Dr L Rollason Mr P Hoornaert Mrs D Crook Mrs S Rowe (LA Governor) Mrs H Holyhead (Staff Governor) – Appointed Sept 2012 Mr S Charlesworth – Appointed Sept 2012 Mr D Evans (Principal & Ex-officio Governor) Mrs S Turner (Staff Governor) – Appointed Sept 2012 Mrs G Russell – Appointed Sept 2012

Executive team

Vice Principal	Mr R Hatch
Assistant Vice Principal – Standards & Achievement	Miss S A Bloom
Assistant Vice Principal – Specialisms	Mr R Adams
Assistant Vice Principal – Operations & Finance	Mr M Clenaghan

Leadership Team

Director of Teaching & Learning	Mrs L Davies
Director of Maths	Ms S Pearson

Principal and registered office	Mr D Evans Marston Road Cannock Staffordshire WS12 4JH
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Company registration number	07704020
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Independent auditor	RSM Tenon Audit Limited Charterhouse Legge Street Birmingham B4 7EU
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Bankers	Lloyds Bank plc 3 Market Place Cannock
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Staffordshire University Academy

Governors' Report

Period Ended 31 August 2012

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period 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 Staffordshire University Academy and are also the directors for the Charitable Company for the purpose of company law. The Charitable Company is known as Staffordshire University Academy.

Detail 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.

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. See note 12 to the Financial Statements for further details.

Principal Activities

To advance education for the public benefit, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

Staffordshire University, as Principal Sponsor, shall appoint up to 10 Sponsor Governors, including appointing itself as Sponsor Governor.

Staff Governors have been appointed by invitation to all staff followed by interview with the Chair of Governors and Principal. They may not exceed one third the total number of Governors.

The Local Authority (LA) Governor was invited to be appointed by the Academy.

Parent Governors must be a parent of a pupil at the Academy at the time they are elected and are elected by parents of registered pupils at the Academy, unless the number of Parent Governors standing for election is less than the number of vacancies, in which case the Governing Body will appoint them.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters.

Staffordshire University Academy

Governors' Report (continued)

Period Ended 31 August 2012

All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The structure consists of three levels: the Governors, the Executive team and the Leadership team.

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, including capital expenditure and major procurement.

The Executive Team are the Principal, the Vice Principal, three Assistant Vice Principals (which includes the Director of Finance). This team control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Leadership team consists of four Directors. Two of these positions are to be confirmed (Director of English/Literacy and Director of Post 16), plus Directors of Teaching & Learning and Director of Mathematics. As a group the Executive and Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Leadership Team always contain or request a Governor's attendance.

The Teaching Staffing Structure includes the Executive Team, Leadership Team, Team Leaders and Subject Teachers. This structure is responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

The Support Staff structure includes the Assistant Vice Principal (Operations & Finance), Team Leaders and various support functions including IT, Administration, Data, Exams and Caretaking.

Risk Management

The major risks to which the Academy Trust is exposed have been identified by the Governors and reviewed. Systems and procedures are in place to manage or mitigate against these risks.

Connected Organisations including related Party Relationships

There are no connected organisations other than the sponsor, Staffordshire University.

Auditors

Insofar 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 auditors are aware of that information.

Staffordshire University Academy

Governors' Report (continued)

Period Ended 31 August 2012

Objectives and Activities

Objects and aims

The object of the Academy Trust, as stated in the Articles of Association, is specifically restricted to the following 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 offering a broad and balanced curriculum

Objectives, Strategies and Activities, including Public Benefit

In furtherance of this object, the Academy Trust has exercised the following powers -

- To draw, make, accept, endorse, execute and issue promissory notes, bills, cheques and other instruments and to operate bank accounts in the name of the Academy Trust,
- To raise funds and to invite and receive contributions provided that in raising funds the Academy Trust shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations,
- To acquire, alter, improve and (subject to such consents as may be required by law) to charge or otherwise dispose of property,
- To employ such staff as are necessary for the proper pursuit of the Object and to make all reasonable and necessary provision for the payment of pensions and superannuation to staff and their dependants,
- To co-operate with other charities, other independent and maintained schools, voluntary bodies and statutory authorities operating in furtherance of the Object and to exchange information and advice with them,
- To pay out of funds of the Academy Trust the costs, charges and expenses of and incidental to the formation and registration of the Academy trust,
- To establish, maintain, carry on, manage and develop the Academy at Marston Road, Hednesford, Staffordshire,
- To offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils,
- To provide educational facilities and services to students of all ages and the wider community for the public benefit,
- To carry out research into the development and application of new techniques in education in particular in relation to the areas of curricular specialisation of the Academy and to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experience of industry, commerce, other schools and the voluntary sector to the education of pupils in academies,
- To provide indemnity insurance to cover the liability of Governors, subject to restrictions as set out in the Articles of Association

The Academy has sought to benefit from a capital build project worth £9.7M which has been awarded to Staffordshire County Council. They in turn have engaged Balfour Beatty plc as main contractors, to decant, demolish, construct and fit out a significantly new school and to refurbish and remodel remaining parts to the school. Planning permission was granted by Staffordshire County Council on 1st March 2012 with contracts having been signed and work commenced shortly thereafter.

Staffordshire University Academy

Governors' Report (continued)

Period Ended 31 August 2012

Achievements and Performance

The Academy is in its first year of operation and has broadly achieved the forecast numbers of students. Total students in the year ended 31 August 2012 numbered 578. The Academy has obtained agreement from the Department for Education (DfE) for a rising profile on roll rising from the current numbers through to the capacity of 750 (+ 150 Post 16) in the academic year 2017-18.

For the academic year 2011-12, the Academy achieved a pass rate of 87% for students obtaining 5 or more A*-C grades at GCSE level and a 98% pass rate for A*-E grades at A2 level.

Additionally, 100% of students who left our Sixth form this year moved on to achieve places at their chosen University or within their chosen career.

School Aims

To ensure that standards are continually raised the Academy

- Operates a programme of observation of lessons,
- Is visited by inspectors,
- Undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value,
- The Academy also participates in national programmes looking at added value through the key stages
- Has an Academy Transformation Plan which is monitored, evaluated and reviewed every six weeks
- Self-evaluates its progress regularly against Ofsted criteria
- Has a comprehensive CPD and Performance Management programme which help to develop all staff

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

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. Prior to 1/4/12 these grants were paid by the Young Peoples Learning Authority (YPLA). The grants received from the EFA during the year ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

During the year ended 31 August 2012, total expenditure of £3,494,000 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £899,000.

Staffordshire University Academy

Governors' Report (continued)

Period Ended 31 August 2012

At 31 August 2012 the net book value of fixed assets was £nil. The reason for this is that there are no fixed assets currently being utilised within the Academy which will be moved across to the new building and as such it has been considered relevant not to capitalise any such asset. Assets were used exclusively for providing education and the associated support services to the students of the Academy.

Financial and Risk Management Objectives and Policies

Within the balance sheet is shown a liability for the Local Government Pension Scheme (LGPS), a defined pension scheme to which all non-teaching staff are entitled to join. The Academy Trust is a member of the Staffordshire Pension Fund which has a declared deficit based on expected future contributions, investments and other income being lower than expected future payouts and expenses. As a member of this scheme, the Academy Trust shares in the liability of this deficit, but it is not expected that this liability will crystallise as the deficit is expected to be recouped over a number of years. As such, the liability shown is not expected to materially affect the day to day liquidity of the Academy, nor to affect it as a going concern.

Principal Risks and Uncertainties

The Academy has developed and embedded a system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Governors have a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, Governors will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy level which is reviewed at least annually by Governors and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

- Strategic & Reputational,
- Operational Risk,
- Compliance Risk,
- Financial Risk

1 Government funding

The Academy has considerable reliance on continued government funding through the EFA. In 2011/12, 97.66% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue, this calculation was made after deducting the amount for

Staffordshire University Academy

Governors' Report (continued)

Period Ended 31 August 2012

fixed assets There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms

This risk is mitigated in a number of ways

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA

2 Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 17

Reserves Policy

The governors review the reserve levels of the Academy annually This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves

The academy's current level of free (unrestricted) reserves (total funds less the amount held in fixed assets and restricted funds) is £103,000

Investment Policy

The Academy does not currently have an investment policy as there are no investments Should a decision be taken to consider a strategy requiring investment, this would be in line with a policy approved by Governors

Plan for Future Periods

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure it's students secure employment or a place in Higher education once they leave

As stated above, there is currently a capital build project being undertaken on the school site This is expected to be completed in Autumn 2013 with the Academy Trust occupying the new building at that time The total investment of £9.7M is expected to transform the landscape both physically and emotionally Students, staff and the community are expected to benefit from state of the art buildings and facilities which provide greater opportunity to learn, succeed, raise and achieve aspirations throughout the local area

The new build takes fully into account any plans for future expansion

Auditors

Insofar 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 auditors are aware of that information

Staffordshire University Academy

Governors' Report (continued)

Period Ended 31 August 2012

Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Staffordshire University Academy 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 7 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mr P Richards	7	7
Mr J Capper	4	7
Dr L Rollason	3	7
Mr P Hoornaert	4	7
Mrs D Crook	7	7
Mrs S Rowe	4	7
Mrs H Holyhead	2	2
Mr S Charlesworth	0	2
Mr D Evans	7	7

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 Staffordshire University Academy for the period 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 period 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.

Staffordshire University Academy

Governance Statement

Period Ended 31 August 2012

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 not to appoint an internal auditor. However, the governors have appointed Angela Randle, Finance Director at City of Wolverhampton Academy Trust, 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 termly 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 Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the 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 Finance and General Purposes 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 6th December 2012 and signed on its behalf

by



P Richards
Chair



D Evans
Principal and Accounting Officer

Staffordshire University Academy

Statement on Regularity, Propriety and Compliance

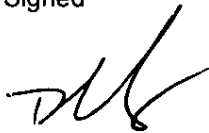
Period Ended 31 August 2012

As accounting officer of Staffordshire University Academy, I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and noncompliance 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



D R Evans
Principal & Accounting Officer

Staffordshire University Academy
Statement of Governors Responsibilities

Period Ended 31 August 2012

The governors (who act as trustees for charitable activities of Staffordshire University Academy 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 6th December 2012 and signed on its behalf by

Signed


P Richards
Chair

Staffordshire University Academy

Independent Auditor's Report on the Financial Statements to the Governing Body of Academy Trust Limited

Period Ended 31 August 2012

We have audited the financial statements of Staffordshire University Academy for the period ended 31 August 2012, which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, the Principal Accounting Policies and the related notes. 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 auditor's 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 Governors and auditors

The Governors act as trustees for the charitable activities of The John Taylor High School and are also the directors of the company for the purposes of company law.

As explained more fully in the Statement of Governors' Responsibilities set out in the Governors' Report, the Governors 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 (APB'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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material 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 requirements of the Companies Act 2006,

Staffordshire University Academy

**Independent Auditor's Report on the Financial Statements
to the Governing Body of Academy Trust Limited**

Period Ended 31 August 2012

- 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 relevant financial period, and
- grants made by the Young People's Learning Agency have been applied for the purposed intended

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial period 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

Melanie Crooks
RSM Tenon Audit Limited

Melanie Crooks, Senior Statutory Auditor
for and on behalf of RSM Tenon Audit Limited

RSM Tenon Audit Limited
Charterhouse
Legge Street
Birmingham
B4 7EU

Date 18.12 2012

Staffordshire University Academy

Statement of Financial Activities (including Income and Expenditure Account and Statement

Period Ended 31 August 2012

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 August 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 the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it 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 the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the governing body and Auditors

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis of opinion

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

Opinion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 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.

Melanie Crooks

RSM Tenon Audit Limited

Melanie Crooks, Senior Statutory Auditor

for and on behalf of RSM Tenon Audit Limited

RSM Tenon Audit Limited

Charterhouse
Legge Street
Birmingham
B4 7EU

Date 18 12 2012

Staffordshire University Academy

Statement of Financial Activities (including Income and Expenditure Account and Statement)

Period Ended 31 August 2012

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2012 £000
Incoming resources					
Incoming resources from generated funds					
- Voluntary income- transfer from Local Authority on conversion	3	54	-	-	54
- Activities for generating funds	4	48	-	-	48
- Investment income	5	1	-	-	1
Incoming resources from charitable activities					
- Funding for the academy's educational operations	6		4,267	23	4,290
Total incoming resources		103	4,267	23	4,393
Resources expended					
Charitable activities					
- Academy's educational operations	8		(3,484)	-	(3,484)
Governance costs	9	-	(10)	-	(10)
Total resources expended	7	-	(3,494)		(3,494)
Net incoming/(outgoing) resources before transfers					
Gross transfers between funds	15	-	-	-	-
Net income/(expenditure) for the year		103	773	23	899
Other recognised gains and losses					
Brought forward defined benefit scheme		-	(627)	-	(627)
Actuarial (losses) gains on defined benefit pension schemes	15 25	-	(132)	-	(132)
Net movement in funds		103	14	23	140
Reconciliation of funds					
Total funds brought forward at 1 September 2011	15	-	-	-	-
Total funds carried forward at 31 August 2012		103	14	23	140

All of the academy's activities derive from acquisitions in the current financial period

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

Staffordshire University Academy

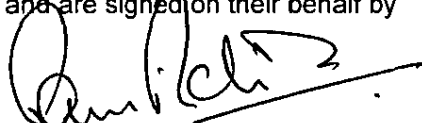
Balance Sheet

Registered number 07704020

Period Ended 31 August 2012

	Notes	2012 £000	2012 £000
Fixed assets			
Tangible assets		-	
Current assets			
Stock		-	
Debtors	13	43	
Cash at bank and in hand		1,095	
		<u>1,138</u>	
Liabilities			
Creditors Amounts falling due within one year	14	(218)	
		<u>920</u>	
Net current assets			920
Total assets less current liabilities			<u>920</u>
Net assets excluding pension liability			
Pension scheme liability	25		(780)
			<u>140</u>
Net assets including pension liability			<u>140</u>
Funds of the academy:			
Restricted income funds			
- Fixed asset fund(s)	15		23
- General fund(s)	15		<u>14</u>
- Total restricted funds			<u>37</u>
Unrestricted funds			
General funds	15		103
			<u>103</u>
Total unrestricted funds			<u>103</u>
Total funds			<u>140</u>

The financial statements were approved by the governors, and authorised for issue on 6th December 2012 and are signed on their behalf by



P Richards
Chair

Staffordshire University Academy

Cash Flow Statement

Period Ended 31 August 2012

	Notes	2012 £000
Net cash inflow from operating activities	19	1,041
Cash transferred on conversion to an academy trust		54
Return on investments and servicing of finance	20	-
Capital expenditure	21	-
(Decrease)/Increase in cash in the year	22	<u>1,095</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 1 September 2011		<u>-</u>
Net funds at 31 August 2012		<u>1,095</u>

All of the cash flows are derived from acquisitions in the current financial period

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012

1. Statement of Accounting Policies

Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from Blake Valley Technology College to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Coketown Academy Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Basis of Preparation

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

Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

Fixed asset grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not matched to relevant expenditure during the period is shown in the restricted general fund on the balance sheet. The annual recurrent grant from DfE which is intended to meet recurrent costs, is credited direct to the statement of financial activities.

- **Interest receivable**

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

- **Sponsorship income**

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

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. For the current period, this includes the carry forward surplus from the LEA.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Staffordshire University Academy
Notes to the Financial Statements (continued)
Period Ended 31 August 2012

1. Statement of Accounting Policies (continued)

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

Resources Expended

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

- **Costs of generating funds**
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable activities**
These are costs incurred on the academy trust's educational operations.
- **Governance Costs**
These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined

Staffordshire University Academy
Notes to the Financial Statements (continued)
Period Ended 31 August 2012

by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the EFA.

2. General Annual Grant (GAG)

a. Results and Carry Forward for the Year	2012 £000
GAG brought forward from previous year	-
GAG allocation for current year	3,650
	<hr/> 3,650
Total GAG available to spend	
Recurrent expenditure from GAG	(3,306)
GAG carried forward to next year	<hr/> 344
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	 (438)
	<hr/>
GAG to surrender to DfE (12% rule breached if result is positive)	 (94)
	<hr/>
	No breach

Staffordshire University Academy
Notes to the Financial Statements (continued)
Period Ended 31 August 2012

3 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Transfer from Local Authority on conversion	54	-	54
	<u>54</u>	<u>-</u>	<u>54</u>

4. Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Lettings income	48	-	48
	<u>48</u>	<u>-</u>	<u>48</u>

5. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Bank interest income	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

6. Funding for academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
DfE/EFA revenue grants			
General Annual Grants (GAG) (note 2)	-	3,650	3,650
Start Up Grants	-	433	433
Other DfE/EFA grants	-	164	164
Other DfE/EFA capital grants	-	23	23
	<u>-</u>	<u>4,270</u>	<u>4,270</u>
Other Government grants			
Local authority grants	-	20	20
	<u>-</u>	<u>20</u>	<u>20</u>
	<u>-</u>	<u>4,290</u>	<u>4,290</u>

Staffordshire University Academy
Notes to the Financial Statements (continued)
Period Ended 31 August 2012

7 Resources Expended

	Staff Costs £000	Non pay expenditure Premises £000	Other costs £000	Total 2012 £000
Academy's educational operations				
– Direct costs	2,547	329	161	3,037
– Allocated support costs	134	313	-	446
	<u>2,681</u>	<u>641</u>	<u>161</u>	<u>3,483</u>
Governance costs including allocated support costs	-	-	11	11
	<u>2,681</u>	<u>641</u>	<u>172</u>	<u>3,494</u>
Incoming/outgoing resources for the period include:				Total 2012 £000
Operating leases				9
Fees payable to auditor - audit				8
- other				<u>2</u>

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012

8. Charitable Activities - Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Direct costs			
Teaching and educational support staff costs	-	2,547	2,547
Depreciation	-	-	-
Educational supplies	-	233	233
Examination fees	-	82	82
Staff development	-	14	14
Educational consultancy	-	-	-
Other direct costs	-	161	161
	-	3,037	3,037
	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Allocated support costs			
Support staff costs	-	134	134
Depreciation	-	-	-
Recruitment and support	-	28	28
Maintenance of premises and equipment	-	113	113
Cleaning	-	70	70
Rent & rates	-	20	20
Insurance	-	28	28
Security and transport	-	54	54
	-	446	446
	-	3,484	3,484

Staffordshire University Academy
Notes to the Financial Statements (continued)
Period Ended 31 August 2012

9. Governance costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Legal and professional fees	-	1	1
Auditor's remuneration			
– Audit of financial statements	-	8	8
– Responsible officer audit	-	2	2
	<u> </u>	<u>11</u>	<u>11</u>

10 Staff costs

	2012 £000
Wages and salaries	1,790
Social security costs	481
Pension costs	276
	<u>2,547</u>
Supply teacher costs	134
	<u>2,681</u>

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

	2012 £000
Charitable activities	
Teachers	32
Administration and support	33
Management	7
	<u>72</u>

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

	2012 £000
£60,000 – £70,000	1
£100,000 - £110,000	<u>1</u>

Four of the above employees participated in the Teachers' Pension Scheme During the year ended 31 August 2012, pension contributions for these staff amounted to £22,746

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012

11. Governors' remuneration and expenses

Governors did not receive any payments, other than expenses, from the academy in respect of their role as governors

During the year ended 31 August 2012, travel and subsistence expenses totalling £nil were reimbursed to governors

Other related party transactions involving the trustees are set out in note 28

12. 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 £4,000,000 on any one claim and the cost for the year ended 31 August 2012 was £1,440

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

13. Debtors

	Total 2012 £000
Trade debtors	6
Other debtors	37
	<hr/> 43

14. Creditors' amounts falling due within one year

	Total 2012 £000
Trade creditors	(97)
Taxation and social security	(85)
Accruals and deferred income	(36)
	<hr/> (218)

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012

15. Funds

	Balance at 1 September 2011 £000	Incoming Resources £000	Resources expended £000	Gains, Losses and Transfers £000	Total £000
Restricted general funds					
General Annual Grant (GAG)	-	3,650	(3,306)	-	344
Start up Grant	-	433	(113)	-	320
Other DfE/EFA grants	-	184	(54)	-	130
Pension reserve	-	-	(780)	-	(780)
	-	4,267	(4,253)	-	14
Restricted fixed asset funds					
DfE/EFA capital grants	-	23	-	-	23
Total restricted funds	-	4,290	(4,253)	-	37
Unrestricted funds					
Unrestricted funds	54	49	-	-	103
Total unrestricted funds	54	49	-	-	103
Total funds	54	4,339	(4,253)	-	140

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

Start-up grant

This grant is to support any additional temporary costs the school incurs for a period after the academy opens. This covers both staff resource management and training costs along with learning materials for teaching.

Pupil premium grant

This applies to free school meals for pupils whose parents are on reduced levels of income.

Devolved Capital Grant

The purpose of this grant is to fund capital expenditure within the school.

Lead-In Grant

This fund is in relation to non-recurring costs through the conversion to Academy status with regards both salary backfill costs along with software and license costs for the new finance package.

Special Educational Needs (SEN) Grant

Teaching assistant resource is supplied from this in order to accommodate any SEN students.

Teacher Grant

The fund provided helps to provide any supply cover for the school along with helping implement the graduate teacher program and masters in teaching and learning.

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012

16-19 Bursary

This is a bursary to supply discretionary payments to low income families

16. Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	-	-
Current assets	103	1,012	23	1,138
Current liabilities	-	(218)	-	(218)
Pension Scheme Liability	-	(780)	-	(780)
Total net assets	103	14	23	140

17. Capital commitments

	Total 2012 £000
Contracted for, but not provided in the financial statements	22
	22

18. Financial commitments

Operating leases

At 31 August 2012 the academy had annual commitments under non-cancellable operating leases as follows

	Total 2012 £000
Land and buildings	
Expiring within one year	-
Expiring within two and five years inclusive	-
Expiring in over five years	-
	-

The company currently has a 3 year operating lease in place for their existing premises for £nil value

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012

	Total 2012 £000
Other	
Expiring within one year	9
Expiring within two and five years inclusive	-
Expiring in over five years	-
	<u>9</u>
	<u> </u>
19. Reconciliation of net income to net cash inflow from operating activities	
	Total 2012 £000
Net income	843
Depreciation (note 13)	-
Interest receivable (note 5)	1
FRS 17 pension cost less contributions payable (note 27)	(7)
FRS 17 pension finance income (note 27)	29
(Increase)/decrease in stocks	-
(increase)/decrease in debtors	(43)
Increase/(decrease) in creditors	218
Net cash inflow from operating activities	<u>1,041</u>
	<u> </u>
20. Returns on investments and servicing of finance	
	Total 2012 £000
Interest received	<u>1</u>
Net cash inflow from returns on investment and servicing of finance	<u>1</u>
	<u> </u>
21. Capital expenditure and financial investment	
	Total 2012 £000
Purchase of tangible fixed assets	-
Capital grants from DfE/EFA	-
Capital funding received from sponsors and others	-
Receipts from sale of tangible fixed assets	-
	<u>-</u>
Net cash outflow from capital expenditure and financial investment	<u> </u>

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012

22. Analysis of changes in net funds

	At		At
	2011	Cash	2012
	£000	Flows	£000
		£000	
Cash in hand	-	1,095	1,095

23. Contingent Liabilities

As at 31 August 2012, the academy had no contingent liabilities

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. Pension and similar obligations

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

As described in note 26 the LGPS obligation relates to the employees of the academy trust, who were employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the LGPS was performed in September 2012

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year

Teachers' Pension 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

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012

25. Pension and other obligations (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 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. 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.

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012

25. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £268,599, of which employer's contributions totalled £179,927 and employees' contributions totalled £88,672. The agreed contribution rates for future years are 11.7 % per cent for the school and on a variable scale, depending on salary for employees (which ranges from 5.5% to 7.5%)

	Total 2012
Rate of increase in salaries	4.5%
Rate of increase for pensions in payment/inflation	2.2%
Discount rate for scheme liabilities	4.1%

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

	Total 2012
Retiring today	
Males	21.2
Females	23.4
Retiring in 20 years	
Males	23.3
Females	25.6

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

	Expected return at	Fair value at
	2012 £000	2012 £000
Equities	5.50%	343
Bonds	2.80%	59
Property	3.70%	41
Cash	3.80%	9
		<hr/> 452
Total market value of assets		
Present value of scheme liabilities		
- Funded		(1,232)
		<hr/> (780)
Surplus/(deficit) in the scheme		<hr/>

The actual return on scheme assets was £33,000

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012

25. Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	Expected return at
	2012 £000
Current service cost (net of employee contribution)	(8)
Past service cost	-
	<u>(8)</u>
Total operating charge	<u>(8)</u>

Analysis of pension finance income/(costs)

Expected return on pension scheme	(23)
Interest on pension liabilities	52
	<u>29</u>
Pension finance income/(costs)	<u>29</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £132,000 loss.

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

	2012 £000
At 1 September 2011	927
Current service cost	81
Interest cost	52
Employee contributions	29
Actuarial (gain)/loss	143
At 31 August 2012	<u>1,232</u>

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	£000
At 1 September 2011	300
Expected return on assets	23
Employee contributions	29
Actuarial gain/(loss)	11
Employer contributions	89
At 31 August 2012	452

The estimated value of employer contributions for the year ended 31 August 2013 is £94,000

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

	2012 £'000
Present value of defined benefit obligations	(1,232)
Fair value of share of scheme assets	452
Deficit in the scheme	(780)
Experience adjustments on share of scheme assets	
Amount £'000	(11)

26. Related Party Transactions

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

27. Conversion to an academy trust

On 1 September 2011, Blake Valley Technology College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Staffordshire University Academy from the Staffordshire Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012

	Unrestricted Funds £000	Restricted General Fund £000	Restricted Fixed Asset Funds £000	Total 2012 £000
Budget surplus/(deficit) on LA funds	54	-	-	54
LGPS pension surplus/(deficit)	-	(627)	-	(627)
	54	(627)	-	(573)

Staffordshire University Academy

Notes to the Financial Statements (continued)

Period Ended 31 August 2012
