

## **The Langley Academy**

### **Report and Financial Statements**

Period ended 31 August 2007

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Company Limited by Guarantee  
Registration Number  
5358533 (England and Wales)

Charity Registration Number  
1110449

BUZZACOTT

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## Reference and administrative information

<b>Trustees</b>	Mrs Annabel S Nicoll (Chair) Sir Martyn Arbib Mrs Linda R Sanderson Mr Michael Sanderson
<b>Registered office</b>	The Old Rectory 17 Thameside Henley-on-Thames Oxfordshire RG9 1LH
<b>Company registration number</b>	5358533 (England and Wales)
<b>Charity registration number</b>	1110449
<b>Auditors</b>	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
<b>Bankers</b>	Barclays Bank PLC 4 <sup>th</sup> Floor Apex Plaza Forbury Road Reading Berks RG1 1AX
<b>Solicitors</b>	Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP

## **Trustees' report** Period to 31 August 2007

The Trustees of The Langley Academy ('the Academy') present their statutory report together with the financial statements of the charitable company for the period from 1 March 2006 to 31 August 2007

The report has been prepared in accordance with Part VI of the Charities Act 1993

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 and 16 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005')

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy is a company limited by guarantee with no share capital (Company Registration No 5358533) and a registered charity (Charity Registration No 1110449). The charitable company's memorandum and articles of association are the primary governing documents of the Academy. Members of the charitable company are nominated either by the Secretary of State for Children, Schools and Families or the sponsors of the Academy, The Arbib Foundation. The articles of association require the members of the charitable company to appoint at least three Trustees.

#### **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.

#### **Trustees**

The Trustees are directors of the charitable company for the purposes of the Companies Act 1985. The following Trustees were in office at 31 August 2007 and served throughout the period, except where shown.

<b>Trustee</b>	<b>Appointed/Resigned</b>
Mrs Annabel S Nicoll (Chair)	
Sir Martyn Arbib	
Mrs Linda R Sanderson	
Mr Michael Sanderson	Appointed 5 February 2007

No Trustee received any remuneration in respect of their duties as a Trustee from the Academy during the period (2006 – none)

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

### **Trustees (continued)**

Trustees are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire

The Trustees currently rely on informal training and are considering more formal training for the future. All Trustees in office at 31 August 2007 have existing links with the sponsor, The Arbib Foundation or are the Secretary of State's representative

### **Statement of Trustees' responsibilities**

Company law requires the Trustees (who are the directors of the company for the purposes of company law) to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company at the end of the financial period and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing financial statements giving a true and fair view, the Trustees are required to

- ◆ select suitable accounting policies and then apply them consistently,
- ◆ make judgements and estimates that are reasonable and prudent,
- ◆ state whether applicable 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 Academy will continue in operation

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 1985. The Trustees 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 Trustees are responsible for the maintenance and integrity of 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

Each of the Trustees confirms that

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the Academy's auditors are unaware, and

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Statement of Trustees' responsibilities (continued)**

- ◆ the Trustee has taken all steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Academy's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

### **Organisational structure**

The Trustees are heavily involved in the management of the Langley Academy project and have set up a Steering Committee which meets monthly to review progress, including reviewing progress on the construction of the building. The building construction is overseen in detail by the Construction Project Managers, EC Harris, who were appointed by the Department for Children, Schools and Families ('DCSF'), and the project as a whole by the Overall Project Managers, Faber Maunsell.

### **Connected organisations**

The Arbib Foundation pledged £2 million on 24 November 2005 and a further £33,000 on 7 November 2006 to assist the Academy in achieving its objectives. Of this, £1 million has already been paid to The Langley Academy and the balance will be paid before the Academy opens in September 2008.

### **Risk management**

The Trustees and the Steering Committee have reviewed the major risks to which the Academy is exposed, in particular those relating to the capital project and its finances. The Trustees are satisfied that appropriate measures are in place to limit and manage those risks.

### **Statement on the system of internal financial controls**

The Trustees acknowledge they have overall responsibility for ensuring that the Academy has an effective and appropriate system of controls, financial and otherwise. The Trustees acknowledge their responsibilities set out in the statement on page 3 and additionally for taking steps to provide reasonable assurance that

- ◆ the Academy is operating efficiently and effectively,
- ◆ its assets are safeguarded against unauthorised use or disposition,
- ◆ proper records are maintained and financial information used within the Academy or for publication is reliable,
- ◆ the Academy complies with relevant laws and regulations

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

### **Statement on the system of internal financial controls (continued)**

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement. They are based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes

- ◆ budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees,
- ◆ reviews by the Trustees 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 guidelines,
- ◆ delegation of authority and segregation of duties,
- ◆ identification and management of capital build risk

During the period to 31 August 2007, there have been no employees

In the coming year, when a management structure is put in place, the Trustees will consider the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they will

- ◆ set policies on internal controls which cover the following
  - the type of risks the Academy faces,
  - the level of risks which they regard as acceptable,
  - the likelihood of the risks materialising,
  - the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise,
  - the costs of operating particular controls relative to the benefits obtained,
- ◆ clarify the responsibility of the Management Team to implement the Trustees' policies and to identify and evaluate risks for the Trustees' consideration,
- ◆ explain to employees that they have responsibility for internal control as part of their accountability for achieving objectives,
- ◆ embed the control system in the Academy's operations so that it becomes part of the culture of the Academy,
- ◆ develop systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment, and
- ◆ include procedures for reporting failings immediately to appropriate levels of management and the Trustees together with details of corrective action being undertaken

## **OBJECTIVES AND ACTIVITIES**

### **Objects, aims and objectives**

The objects of the charitable company are to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to, science and museums

The Trustees are carrying out these objects by establishing the Langley Academy, funded by the DCSF and a sponsor, The Arbib Foundation, to provide a free education for pupils of all abilities between the ages of 11 and 18. The Langley Academy will teach the full national curriculum but extra emphasis will be placed on science education, contacts with museums and sport

#### *The Langley Academy Aim*

The Langley Academy aims for the highest achievement for all and to provide a welcoming, imaginative and creative environment which enriches the lives of all involved. We aim to instil traditional values and promote respect for other beliefs.

The Academy will strive to be at the forefront of science education. We will develop links with national and regional museums to add an external dimension to learning.

### **Strategies and activities**

During the 18 month period ended 31 August 2007, the Academy commenced building in the grounds of the current Langleywood School using Wates as the main contractor. The Academy and Foster and Partners, the architects, are very pleased with the quality of finish and progress of the building. The Principal, who has been in office since 1 October 2007, and the Overall Project Manager are planning the educational strategies and staff structures in order to be ready for the opening of the Academy to students in September 2008.

In the next few months the sponsor will be appointing further Trustees in order that there will be a full complement within a short while of the Academy opening.

### **Equal opportunities**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.



## **OBJECTIVES AND ACTIVITIES (CONTINUED)**

### **Disabled persons**

The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy will do this by adapting the physical environment, by making support resources available and through training and career development. The capital project to construct the new school building will include the installation of lifts, ramps and disabled toilets and door widths that are adequate to enable wheelchair access to all the main areas of the Academy.

## **ACHIEVEMENTS AND PERFORMANCE**

The construction of the Academy building is progressing well. Performance of the Academy against its charitable objectives will be reported once the Academy opens in September 2008.

## **FINANCIAL REVIEW**

### **Financial report for the period**

The Academy's total incoming resources for the period ended 31 August 2007 amounted to £11,639,124 of which £11,231,882 relates to the capital grant funding from the DCSF and the sponsor to meet the costs of the initial stages of the capital project. In addition, the Academy has received DCSF implementation grant funding of £295,626 to cover the project management costs.

The Academy held fund balances at 31 August 2007 of £14,056,103, of which £14,018,287 are restricted in nature and £37,816 are unrestricted.

### **Reserves policy**

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The Trustees will keep the level of reserves under review.

The funding received and to be received for the development of the school and all associated capital works are intended to fully cover the costs and therefore the level of reserves is not currently a significant issue. The Trustees have therefore determined that the appropriate level of reserves, which are not invested in tangible assets, should be reviewed shortly after the Academy commences operations as a school in September 2008.

**Trustees' report** Period to 31 August 2007

**PLANS FOR FUTURE PERIODS**

A Principal has been employed starting in October 2007 to plan the running of the school. Construction of the new buildings will continue in future periods with the opening of the Academy set for September 2008.

**Auditors**

On 30 September 2007, Buzzacott, the Academy's auditors, transferred their entire business to Buzzacott LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Trustees consented to treating the appointment of Buzzacott as extending to Buzzacott LLP. In accordance with section 385 of the Companies Act 1985, Buzzacott LLP will be proposed for re-appointment as auditors of the Academy.

Approved by the Trustees and signed on their behalf by

Trustee



Approved by the Trustees on

30/11/07

**Report of the independent auditors to the members of The Langley Academy**

We have audited the financial statements on pages 11 to 21, which have been prepared in accordance with the accounting policies, set out on pages 15 and 16

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described on page 3 the Trustees, who are also the directors of The Langley Academy for the purposes of company law, are responsible for the preparation of the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' report is not consistent with the financial statements, if the Academy has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charitable company is not disclosed.

We review whether we are satisfied that the Academy's systems of internal controls are such as to comply with the obligations placed on the Governing Body by the Secretary of State for Education and Skills.

We read other information contained in the Trustees' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

## **Independent auditors' report** 31 August 2007

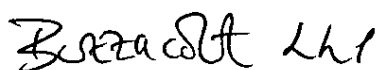
### **Basis of opinion** (continued)

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion

- (a) the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Academy as at 31 August 2007 and of its incoming resources and application of resources, including its income and expenditure, in the period then ended and have been properly prepared in accordance with the Companies Act 1985,
- (b) the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families in respect of the relevant financial period,
- (c) proper accounting records have been kept by the Academy throughout the financial period,
- (d) grants made by the Department for Children, Schools and Families have been applied for the purposes intended,
- (e) the information given in the Trustees' report is consistent with the financial statements



Buzzacott LLP  
Chartered Accountants and Registered Auditors  
12 New Fetter Lane  
London  
EC4A 1AG

21 December 2007

# Statement of financial activities Period to 31 August 2007

		Restricted funds				Period to 31 August 2007 Total funds £	Period to 28 February 2006 Total funds £
Notes	General fund £	DCSF £	Fixed assets £	Other £			
<b>Incoming resources</b>							
Incoming resources from generated funds							
Voluntary income	1	—	—	1,000,000	73,800	<b>1,073,800</b>	50,000
Interest receivable		37 816	—	—	—	<b>37,816</b>	—
Incoming resources from charitable activities							
Funding for the Academy's development	2	—	295,626	10,231,882	—	<b>10,527,508</b>	2,748,260
<b>Total incoming resources</b>		<b>37,816</b>	<b>295,626</b>	<b>11,231,882</b>	<b>73,800</b>	<b>11,639,124</b>	<b>2 798 260</b>
<b>Resources expended</b>							
Charitable activities							
Academy's development costs	4	—	288,283	—	—	<b>288,283</b>	82 655
Governance costs	5	—	7,343	—	—	<b>7,343</b>	3,000
<b>Total resources expended</b>	3	—	<b>295 626</b>	<b>—</b>	<b>—</b>	<b>295,626</b>	<b>85,655</b>
<b>Net incoming resources before transfers</b>		37 816	—	11 231 882	73,800	<b>11,343,498</b>	2,712,605
Gross transfers between funds	12	—	—	50,171	(50,171)	—	—
<b>Net movement in funds</b>		37 816	—	11,282,053	23,629	<b>11,343,498</b>	2,712,605
<b>Fund balances brought forward at 1 March 2006</b>		—	—	2,662,605	50,000	<b>2,712,605</b>	—
<b>Fund balances carried forward at 31 August 2007</b>		37 816	—	13,944,658	73,629	<b>14,056,103</b>	2,712,605

All of the Academy's activities derived from operations commenced during the above two financial periods

The Academy had no recognised gains or losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the net movement in funds stated above and its historical cost equivalent

## Income and expenditure account Period to 31 August 2007


	Notes	Period to 31 August 2007 £	Period to 28 February 2006 £
<b>Income</b>			
DCSF capital grants	2	10,231,882	2,662,605
Other DCSF grants	2	295,626	85,655
Private sponsorship and donations	1	1,073,800	50,000
Interest receivable		37,816	—
<b>Total income</b>		<b>11,639,124</b>	<b>2,798,260</b>
<b>Expenditure</b>			
DCSF grant expenditure		295,626	85,655
Other expenditure		—	—
<b>Total expenditure</b>	3	<b>295,626</b>	<b>85,655</b>
<b>Excess of income over expenditure</b>		<b>11,343,498</b>	<b>2,712,605</b>
<b>Net movement to funds</b>			
Restricted funds		11,305,682	2,712,605
Unrestricted general funds		37,816	—
		<b>11,343,498</b>	<b>2,712,605</b>

The income and expenditure account is derived from the statement of financial activities on page 11 which, together with the notes to the financial statements on pages 17 to 21 provides full information on the movements during the period on all the funds of the Academy

# **Balance sheet** 31 August 2007

	Notes	31 August 2007 £	31 August 2007 £	28 February 2006 £	28 February 2006 £
<b>Fixed assets</b>					
Tangible assets	9		13,465,977		2,662,605
<b>Current assets</b>					
Debtors	10	1,322,365		963,972	
Cash at bank and in hand		612,415		50,000	
		<u>1,934,780</u>		<u>1,013,972</u>	
<b>Creditors</b> amounts falling due within one year	11	<u>(1,344,654)</u>		<u>(963,972)</u>	
<b>Net current assets</b>			<u>590,126</u>		<u>50,000</u>
<b>Total net assets</b>			<u>14,056,103</u>		<u>2,712,605</u>
<b>Represented by</b>					
<b>Funds and reserves</b>					
<b>Income funds</b>					
Restricted funds	12				
Fixed assets			13,944,658		2,662,605
Other restricted funds			<u>73,629</u>		<u>50,000</u>
			<u>14,018,287</u>		<u>2,712,605</u>
Unrestricted funds					
General fund			<u>37,816</u>		<u>—</u>
			<u>14,056,103</u>		<u>2,712,605</u>

Approved by the Trustees  
and signed on their behalf by

Trustee   
Approved on 30/11/07

# **Cash flow statement** Period to 31 August 2007

	Period to 31 August 2007 £	Period to 28 February 2006 £
<b>Operating activities</b>		
<b>Receipts</b>		
DCSF Implementation grant	284,705	85,655
Donation received	73,800	50,000
<b>Total receipts</b>	<b>358,505</b>	<b>135,655</b>
<b>Payments</b>		
Staff costs	—	—
Other cash payments	275,045	85,655
<b>Total payments</b>	<b>275,045</b>	<b>85,655</b>
<b>Net cash inflow from operating activities</b>	<b>83,460</b>	<b>50,000</b>
<b>Returns on investment and servicing of finance</b>		
Interest received	37,816	—
<b>Capital expenditure and financial investment</b>		
Capital grants received from DCSF	9,884,410	2,662,605
Capital funding received from sponsor	1,000,000	—
Purchase of tangible fixed assets	(10,443,271)	(2,662,605)
	<b>441,139</b>	<b>—</b>
<b>Increase in cash</b>	<b>562,415</b>	<b>50,000</b>

## **A Analysis of changes in net funds**

	At 1 March 2006 £	Cash flows £	At 31 August 2007 £
Cash at bank and in hand	50,000	562,415	<b>612,415</b>



## **Principal accounting policies 31 August 2007**

### **Format of financial statements**

The standard format for the financial statements as required by the Companies Act 1985 schedule 4 part I 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

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1985 Applicable United Kingdom accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) have been followed in these financial statements

### **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

#### **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

### **Resources expended**

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity

#### **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

### **Fund accounting**

The unrestricted general fund represents those monies that are freely available for application towards achieving any charitable purpose that falls within the Academy's charitable objects

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions

## **Principal accounting policies 31 August 2007**

### **Tangible fixed assets**

All professional fees and other associated costs incurred as part of the capital development works have been capitalised, irrespective of value

Depreciation is not charged on capital development works that are ongoing at 31 August 2007

### **Taxation**

The Academy is a registered charity and accordingly is exempt from taxation on its charitable activities which fall within the scope of section 505(1) of the Taxes Act 1988 and section 256 of the Taxation of Chargeable Gains Act 1992

## Notes to the financial statements 31 August 2007

### 1 Voluntary income

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Sponsorship	—	1,000,000	<b>1,000,000</b>	—
Donations received				
Thames Water	—	50,000	<b>50,000</b>	50,000
DEFRA	—	23,800	<b>23,800</b>	—
	<b>—</b>	<b>1,073,800</b>	<b>1,073,800</b>	<b>50,000</b>

### 2 Funding for the Academy's development

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
DCSF implementation grant				
Revenue funding	—	295,626	<b>295,626</b>	85,655
DCSF capital grant				
Capital funding	—	10,231,882	<b>10,231,882</b>	2,662,605
	<b>—</b>	<b>10,527,508</b>	<b>10,527,508</b>	<b>2,748,260</b>

### 3 Resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2007 £	Total 2006 £
Academy's development costs (note 4)					
Direct costs	—	—	288,283	<b>288,283</b>	82,655
Governance costs (note 5)	—	—	7,343	<b>7,343</b>	3,000
	<b>—</b>	<b>—</b>	<b>295,626</b>	<b>295,626</b>	<b>85,655</b>

### 4 Academy's development costs

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Project management costs	—	288,283	<b>288,283</b>	82,655

## Notes to the financial statements 31 August 2007

### 5 Governance costs

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Audit fees	—	7,343	7,343	3,000

### 6 Staff costs

The Academy did not employ any members of staff prior to 31 August 2007

### 7 Trustees' remuneration and expenses

None of the Trustees received any remuneration in respect of their services during the period nor were any expenses reimbursed to the Trustees in the period (2006 – none)

### 8 Taxation

The Academy is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities

### 9 Tangible fixed assets

	Academy development costs £	Total £
<b>Cost</b>		
At 1 March 2006	2,662,605	2,662,605
Additions	10,803,372	10,803,372
At 31 August 2007	13,465,977	13,465,977
<b>Depreciation</b>		
At 1 March 2006	—	—
Charge for period	—	—
At 31 August 2007	—	—
<b>Net book values</b>		
At 31 August 2007	13,465,977	13,465,977
At 28 February 2006	2,662,605	2,662,605

## Notes to the financial statements 31 August 2007

### 9 Tangible fixed assets (continued)

Source of funding for assets acquired

	31 August 2007 £	28 February 2006 £
DCSF capital grants	12,915,806	2,662,605
Sponsor's capital funding	500,000	—
Donations	50,171	—
<b>Cost of fixed assets at period end</b>	<b>13,465,977</b>	<b>2,662,605</b>
Less Accumulated depreciation	—	—
<b>Net book value of fixed assets at period end</b>	<b>13,465,977</b>	<b>2,662,605</b>
Add Capital funding not yet spent	478,681	—
<b>Fixed asset fund balance at period end</b>	<b>13,944,658</b>	<b>2,662,605</b>

### 10 Debtors

	31 August 2007 £	28 February 2006 £
DCSF capital grant receivable	1,225,789	878,317
DCSF implementation grant receivable	96,576	85,655
	<b>1,322,365</b>	<b>963,972</b>

### 11 Creditors amounts falling due within one year

	31 August 2007 £	28 February 2006 £
Trade creditors	1,238,418	878,317
Accruals	106,236	85,655
	<b>1,344,654</b>	<b>963,972</b>

## Notes to the financial statements 31 August 2007

### 12 Restricted funds

The income funds of the Academy include restricted funds which comprise the following unexpended balances of grants held for specific purposes

	At 1 March 2006 £	Incoming resources £	Resources expended and transfers £	At 31 August 2007 £
Restricted general funds				
DCSF implementation grant	—	295,626	(295,626)	—
Restricted fixed asset funds				
DCSF capital grant	2,662,605	10,231,882	—	<b>13,894,487</b>
Sponsorship	—	1,000,000	—	<b>1,000,000</b>
Donations	—	—	50,171	<b>50,171</b>
	<u>2,662,605</u>	<u>11,231,882</u>	<u>50,171</u>	<u><b>13,944,658</b></u>
Other restricted funds				
Donations	50,000	73,800	(50,171)	<b>123,800</b>
Total restricted funds	<u>2,712,605</u>	<u>11,601,308</u>	<u>(295,626)</u>	<u><b>14,018,287</b></u>

The transfer of £50,171 from other restricted funds to the fixed asset fund represents the Thames Water and DEFRA donations which have been spent on the capital project

## Notes to the financial statements 31 August 2007

### 13 Analysis of net assets between funds

	General fund £	Restricted funds			Total 2007 £
		DCSF £	Fixed assets £	Other £	
<b>Fund balances at 31 August 2007 are represented by</b>					
Tangible fixed assets	—	—	13,465,977	—	<b>13,465,977</b>
Current assets	37,816	96,576	1,726,759	73,629	<b>1,934,780</b>
Creditors amounts falling due within one year	—	(96,576)	(1,248,078)	—	<b>(1,344,654)</b>
<b>Total net assets</b>	<b>37,816</b>	<b>—</b>	<b>13,944,658</b>	<b>73,629</b>	<b>14,056,103</b>

### 14 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 and Skills 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