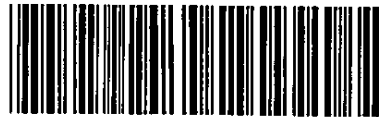


# **ANNUAL REPORT for CfBT SCHOOLS TRUST**

**For the Period Ended 31 August 2011**

WEDNESDAY



\*A10AGH8W\*

A04

11/01/2012

#323

COMPANIES HOUSE

**Company Number 7468210**

## INTRODUCTION

The Trustees of CfBT Schools Trust, as directors of the charity for the purposes of the Companies Act, present their Annual Report, which includes audited Financial Statements, for the period from 13 December 2010 (the date of incorporation) to 31 August 2011

This document explains the role of the Trust and tells the story of our work over the period in question

## CONTENTS

<b>1</b>	<b>REFERENCE AND ADMINISTRATIVE INFORMATION</b>	<b>2</b>
<b>2</b>	<b>TRUSTEES' REPORT</b>	<b>4</b>
<b>3</b>	<b>RESPONSIBILITIES OF THE BOARD OF TRUSTEES IN RELATION TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS</b>	<b>8</b>
<b>4</b>	<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>13</b>
<b>5</b>	<b>FINANCIAL STATEMENTS</b>	
	Statement of Financial Activities	15
	Balance Sheet	16
	Cash Flow Statement	17
	Notes to the Financial Statements (including Principal Accounting Policies)	18

# 1 REFERENCE AND ADMINISTRATIVE INFORMATION

## CHARITY DETAILS

Name	CfBT Schools Trust
Exempt charity	----
Company limited by guarantee	7468210
Registered office	60 Queens Road, Reading, RG1 4BS
Website	www.cfbt-schoolstrust.com
Email	enquiries@cfbt.com
Telephone	0118 902 1000
Fax	0118 902 1410

## TRUSTEES

Trustee	Changes		Status
	Appointed	Resigned	
Neil McIntosh	Dec 2010		Chair
Clive Adderley	Dec 2010	Oct 2011	
Andy Breckon	Aug 2011		Accounting Officer
Catherine Paine	Nov 2011		Principal (Primary)
Kelvin Simmonds	Nov 2011		Principal (Secondary)
Jonathan Theobalds	Nov 2011		Chair of Governors
Wendy Woodcock	Dec 2010		

## GOVERNANCE ADMINISTRATION

Company Secretary	Clive Adderley
Programme Manager	Shelley Connor (on maternity leave)

## EXECUTIVE

The Executive of the Trust is led by the Director of Academies and School Improvement and includes the Director of Schools, the Director of Operations (interim) and the Head of Finance (interim). The Executive also draws on other expertise within the CfBT group of companies to support activities as the Trust evolves.

The Executive currently meets fortnightly on Fridays to overview the work of the Trust and its development. The Programme Manager is responsible for convening such meetings.

**BANKERS AND PROFESSIONAL ADVISERS****Bankers**

Lloyds Bank Plc  
24 Broad Street  
Reading  
RG1 2BT

**Solicitors**

Bates Wells & Braithwaite London LLP  
2-6 Cannon Street  
London  
EC4M 6YH

**Auditors**

BDO LLP  
Emerald House  
East Street  
Epsom, Surrey  
KT17 1HS

## **2 TRUSTEES' REPORT**

### **CfBT SCHOOLS TRUST – WHO WE ARE**

The principal activity of the Trust is to advance, for the public benefit, education in England, in particular by establishing, maintaining, managing and developing schools as Academies – as defined by the Academies Act 2010 – which offer a broad curriculum. This includes the establishment of Free Schools.

The Trust has entered into a Master Funding Agreement with the Secretary of State for Education which places certain obligations both on the Trust and the Department for Education in relation to the establishing, maintaining, managing and developing the Academies in the Trust. A Supplemental Funding Agreement in respect of each Academy in the Trust has also been entered into between the Secretary of State and the Trust.

In setting the Trust's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The main objectives of the Trust are summarised below:

- To ensure all pupils make maximum progress in their learning,
- To raise the standard of educational attainment,
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review,
- To facilitate all schools in the Trust working together to enhance performance,
- To incentivise all schools to become outstanding,
- To ensure our schools have access to research and development of educational thinking within this country and internationally,
- To provide value for money for the funds expended,
- To comply with all appropriate statutory and curriculum requirements,
- To conduct business in accordance with the highest standards of integrity, probity and openness.

The Trust empowers all learners to realise their potential and to enjoy success within a safe and supportive, yet challenging environment, and inspires our school communities to become responsible and active citizens, offering a positive contribution to local, national and global society. The Trust will place great emphasis in developing a workforce capable of delivering world-class education.

### **OUR PERFORMANCE IN 2010-11**

For the period under review, the Trust has taken on responsibility for the design, opening and support of Oxford Spires Academy, which joined the Trust on 1 January 2011 and has made good improvements to the quality of education provided and student outcomes over the two terms to the end of the academic year, most notable of which is the ten percentage point increase in the number of students achieving five or more good grades at GCSE, including English and mathematics (31% in 2010 to 41% in 2011).

Student attendance and behaviour have improved significantly over the period, while at the same time the number of incidents and days lost through exclusion have been reduced

In its first year, the Trust has also designed, developed and prepared one of the country's first Free Schools for opening on 6 September 2011 All Saints Junior School, Reading

Since the period end, three schools have converted to academies and joined the Trust Danum Academy, Mount Street Academy and Stamford Queen Eleanor School

## LOOKING FORWARD

The Trust is seeking to extend its family of schools to include a diverse mix of sponsored, converter and free school Academies, ranging from underperforming to outstanding, to ensure it has good capacity to deliver sustained improvement in every Academy At the end of 2011, seven schools are in the process of conversion to becoming Academies within the Schools Trust It is intended that further schools be encouraged to join the Trust over the coming months

The Trust will be developing and opening two new Free Schools in September 2012 Oakbank Secondary in Wokingham Borough and Enfield Heights Primary in Enfield Other opportunities to work in partnership with parent and community groups to develop proposals for further Free Schools are being sought, with a view to opening further Free Schools in 2013

## OUR GOVERNANCE

### CONSTITUTION

The Trust is a company limited by guarantee, without share capital and an exempt charity which was incorporated on 13 December 2010

The company's Articles of Association are the primary governing documents of the Trust and they reflect the governance scheme required by the Department for Education

The Trust was set up under the requirements of the Department for Education to run state-funded independent schools – Academies (which also includes Free Schools) As well as a governance scheme required by the Department, the Trust has also a Master Funding Agreement and Supplemental Funding Agreements for each Academy in the Trust

In addition, the Department for Education is the principal regulator for the charity which is an exempt charity (and is therefore required not to register with the Charity Commission) The majority of the Trust's income is paid on behalf of the Department for Education by the Young People's Learning Agency ("YPLA") , under the funding agreements

### MEMBERS

During the period under review, the Charity had two Members, CfBT Education Trust and the Chair of CfBT Schools Trust Board of Trustees Each member of the Charity undertakes to contribute to the assets of the Charity in the event of it being wound up while he/she/it is a member, or within one year after he/she/it ceases to be a member, such amount as may be required, but not exceeding £10, for the debts and liabilities contracted before he/she/it ceased to be a member

## **BOARD OF TRUSTEES**

The Board of Trustees meets three times a year to determine the Trust's strategy and policies and to review performance, delegating specific responsibilities to the Local Governing Bodies of each Academy in the Trust. The Board exercises its powers and functions with a view to fulfilling its strategic leadership role in the running of the Trust. In doing so, it considers advice given by the Local Governing Bodies and addresses such matters as

- policy development and strategic development,
- ensuring sound management and administration of the Trust,
- ensuring compliance with legal requirements,
- establishing and maintaining effective internal controls,
- overseeing the management of all resources,
- the monitoring of performance,
- helping the Trust to be responsive to the needs of parents, carers and the communities,
- setting the Trust's standards of conduct and values, and
- assessing and managing risk

### *Appointment of Trustees*

All new Trustees are supported through an induction process, which includes meetings with the Chairperson as well as written induction materials and relevant training. Trustees will be encouraged to attend board and relevant committee meetings before formally taking up post and to visit the schools after appointment.

### *Service by Trustees*

As the Trust is in its development stage, elections to the Board have been postponed to the autumn of 2012. All Trustees are therefore currently nominated by the Members.

No trustee received any remuneration from the Trust in respect of his or her duties as a trustee during the period.

The Trust has arranged qualifying third party indemnity insurance for its trustees.

### *Committees*

In accordance with the requirements of the Department for Education governance scheme, the Trust has constituted Advisory Committees for each school in the Trust and has designated the Advisory Committees as Local Governing Bodies.

The Trust is currently developing its committee structure.

## **INDIVIDUAL ROLES REQUIRED UNDER THE DFE GOVERNANCE SCHEME**

The Director, School Improvement & Academies is the Accounting Officer, the Responsible Officer function is performed by the internal audit function of CfBT Education Trust. These officers perform the functions required of them by the Department for Education and as set out in the Academies Handbook, published by the YPLA.

## **STAFF**

The Trust employed 162 staff on average through the period. They are the Headteacher Designate of All Saints Junior School as well as all the staff at Oxford Spires Academy.

During the period under review, the Trust has provided training at all levels.

## **EQUAL OPPORTUNITIES**

The Trust is committed to the principle of equal opportunities and seeks to ensure the working environment values the needs of all employees and students. It is the policy of the Trust to support the recruitment and retention of employees and students with disabilities by making resources available and through training and career development.

The Trust believes in providing training and development for educators and managers, and in extending opportunities impartially to all. All our employment decisions, policies and practices are made without regard to an individual's gender, race, colour, religion, creed, sexual preference or national origin.

## **PARENTS / CARERS**

In order to achieve maximum potential in its pupils, the Trust believes it is vital that parents/carers are fully involved in developing our schools but also in holding them to account. The schools also have a critical role in engaging all parents/carers in either assisting pupils in their learning or in creating an environment where study can take place at home. Excellent parent/carer relationships are therefore critical to a school's success. The Trust's annual assessment will include a measurement of parent/carer engagement with the school.

## **CONNECTED ORGANISATIONS INCLUDING RELATED PARTY RELATIONSHIPS**

In respect of specific schools, the Trust enters into partnerships with other organisations:

- Oxford Spires works closely in partnership with Oxford and Cherwell College as well as with the Local Authority.
- All Saints Junior School has been designed and developed in close partnership with the All Saints Action Group, a group of parents and community representatives.

The Trust reserves funding from individual academies to contribute to the costs of governance and general management of the Trust including financial management and the provision of support services which it is more efficient to provide from the centre.

CfBT Education Trust is within the same charitable group as the Trust and is assisting the Trust to achieve its objectives of providing education within the academies programme.



### **3 RESPONSIBILITIES OF THE BOARD OF TRUSTEES IN RELATION TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**

The Board of Trustees is responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The report and accounts have been prepared in accordance with the Charity's Memorandum and Articles and Statement of Recommended Practice 'Accounting and Reporting by Charities', published by the Charity Commission in 2005 ("SORP 2005"), guidance issued by the Young People's Learning Agency (YPLA) set out in the Academies Financial Handbook and all current statutory requirements.

The Board of Trustees is also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity and company law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the Trust for that period. The Trustees have a reasonable expectation that the grant funding from the Department for Education will continue for the foreseeable future and that therefore the charity will continue in existence for the foreseeable future. They have therefore used a going concern basis in preparing the financial statements.

In preparing those financial statements, the Board of Trustees is required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in SORP 2005,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees have overall responsibility for keeping proper accounting records that show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that grants received under contract from the Department for Education through the Young People's Learning Agency and other sources have been applied for the purposes intended.

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

The Trustees are responsible for the maintenance and integrity of the financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **RISK MANAGEMENT AND INTERNAL CONTROL**

### **Principal Risks And Uncertainties**

The principal risk and uncertainty faced by the Trust in the medium term (over the next two to five years) relates to recruiting pupil numbers as grant funding from the YPLA is based on the number of pupils on roll. There is also concern over the changing and somewhat unstable nature of LACSEG funding as well as over property costs where Local Authorities have failed to maintain their buildings and plant adequately.

The Trust is also concerned at the potential risk of poor industrial relationships over public sector pension changes and the impact of the concept of a regional pay structure within a single Trust.

### **Capacity To Handle Risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to manage those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period ending 31 August 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

### **Risk and Control Framework**

CfBT Education Trust has introduced a formal risk management process for all the companies in the CfBT Education Trust group (which includes CfBT Schools Trust) to assess operational risks and implement risk management strategies. This process identifies the type of risks the group faces (including business, operational, compliance and financial risks) prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of managing the risks.

A system of internal control has been developed to provide reasonable, but not absolute, assurance against inappropriate use of resources and against the risk of errors or fraud. It also supports the achievement of the organisation's policies, aims and objectives.

The Board of Trustees also acknowledges responsibility for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Trust is operating efficiently and effectively,
- its assets are safeguarded against unauthorised use or disposition,
- proper records are maintained and financial information used within the Trust or for its publication is reliable,
- the Trust complies with relevant laws and regulations,
- a three-year strategic plan approved by the Board of Trustees against which performance is monitored,
- an annual budget approved by the Board of Trustees,

- consideration of the financial results of the Trust by the Board of Trustees including variance from budgets, non-financial performance indicators and benchmarking reviews,
- regular consideration of the impact of the Trust's activities on its beneficiaries,
- delegation of authority and segregation of duties,
- identification and management of risks or potential risks through a risk register,
- processes in place for identifying and managing compliance with relevant legislation and with the requirements of regulatory bodies,
- operational policies and procedures for staff including a whistle-blowing policy and serious incident reporting policy

The Trust has appointed a Responsible Officer for Oxford Spires Academy, whose role includes performing a range of checks on the Academy's financial systems. Where improvements have been suggested by the Responsible Officer, a programme has been put in place to implement them.

The Internal Audit function of CfBT Education Trust is responsible for the planning and completion of a rolling programme of risk-based audits designed to review the effectiveness of internal control processes across the CfBT Education group and to provide recommendations on the strengthening of the control environment. As such, CfBT Schools Trust and each academy will also be reviewed under that programme.

The Audit Committee of CfBT Education Trust (to whom the Internal Audit function reports) provides an independent oversight of the effectiveness of the systems of internal control and is responsible for reviewing and approving the annual audit programme, reviewing the key findings of the audit reports as well as monitoring the implementation of accepted recommendations. The Committee also meets at least twice a year with the external auditors, both with and without management, to discuss the annual statutory audit and any internal control weaknesses identified in the management letter.

### **Purpose of 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 being designed to identify and prioritise the risks to the achievement of the Trust's 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.

### **Scope Of Responsibility**

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

The Board has delegated the day-to-day responsibility to the Accounting Officer, in the first instance, for ensuring financial controls conform to 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 CfBT Schools Trust and the Department for Education. Under a scheme of delegation, the Governing Bodies of each Academy in the Trust are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### **Effectiveness of Controls**

As Accounting Officer, the Director, School Improvement & Academies has responsibility for ensuring the effectiveness of the system of internal control

During the period in question a review of the systems has been informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management process,
- reporting from the Principals and managers within the Trust

A plan to address weaknesses and ensure continuous improvement of systems is being put in place

### **INVESTMENT POLICY**

The Trust's investment policy is to put any significant amounts of cash balances not required immediately on fixed term deposit, for between six and 12 months, with a major UK bank

### **RESERVES**

The Trustees have carried out an initial review of the Trust reserves and will further review reserves in the light of the financial performance of the period under review and future plans

However, as the majority of income is received from the YPLA, with restrictions on the amount that can be carried forward, it is not possible to build up reserves in line with other charities. It should also be noted that funds provided by the YPLA are intended for use in the period in which they are given

At the end of the period under review, the Trust holds the following free reserves in respect of Oxford Spires and All Saints Junior School £24,000

### **FINANCIAL OVERVIEW**

Total income for the period was £4.9 million and expenditure amounted to £4.2 million. After including the FRS 17 adjustments for the Local Government Pension Scheme, this resulted in a net outflow of funds for the year of £279,000.

Total funds at 31 August 2011 are in deficit by £279,000, made up of a deficit of £303,000 within restricted funds, including a pension reserve deficit of £961,000, and £24,000 of unrestricted general funds. The restricted funds comprise £152,000 for the restricted fixed asset fund, £506,000 on the general restricted funds and a pension reserve deficit of £961,000.

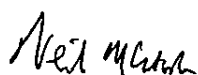
Of the total income for the period, £4.7 million was obtained as YPLA grants, with £48,000 of income as government grants via Oxford County Council. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The £4.7 million received from the YPLA was a combination of the General Annual Grant of £3.7 million, Start Up funds of £812,000, capital grants of £9,000 and other grants of £173,000.

Almost all expenditure relates to the Trust's educational activities, with a small amount £87,000 identified as governance. £2.4 million of expenditure was for teaching and educational support staff, with a further £691,000 for other staff and £454,000 classified as other direct costs. The remaining £603,000 of costs covers maintenance, cleaning, catering, insurance and all other occupancy and support costs.

At 31 August 2011, the net book value of fixed assets was £143,000 and movements in tangible fixed assets are shown in note 13 to the financial statements. Grants for fixed assets, in accordance with SORP 2005, are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

Approved by the Board and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Neil McIntosh'.

Neil McIntosh  
Chair

Date: 22 December 2011

## 4 INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CFBT SCHOOLS TRUST

We have audited the financial statements of CfBT Schools Trust for the period from 13 December 2010 to 31 August 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2010/11 issued by the Young People's Learning Agency (YPLA)

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Respective responsibilities of trustees and auditor***

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

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

### ***Scope of the audit of the financial statements***

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### ***Opinion on financial statements***

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Accounts Direction 2010/11 issued by the YPLA, and,
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matters prescribed by the Companies Act 2006 and the Annual Accounts Direction 2010/11 issued by the YPLA**

In our opinion

- the information given in the trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements, and
- grants from the YPLA/Department for Education have been applied only for the purposes for which they were received

**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

*BDO LLP*

James Aston, Senior Statutory Auditor  
for and on behalf of BDO LLP, Statutory Auditor  
Epsom  
United Kingdom

Date *22 December 2011*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## 5 FINANCIAL STATEMENTS

### Statement of Financial Activities for the period ended 31 August 2011

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total* 2011 £'000
<b>INCOMING RESOURCES</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2		1		1
Activities for generating funds	3	64			64
Investment income	4	-	-	-	-
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	5	-	4,791	9	4,800
Other incoming resources		-	-	-	-
<b>Total incoming resources</b>		<b>64</b>	<b>4,792</b>	<b>9</b>	<b>4,865</b>
<b>RESOURCES EXPENDED</b>					
<i>Cost of generating funds</i>					
Costs of generating voluntary income		-	-	-	-
Fundraising trading		35	-	-	35
<i>Charitable activities</i>					
Academy's educational operations	8	205	3,906	8	4,119
Governance costs	9	39	48	-	87
<b>Total resources expended</b>	7	<b>279</b>	<b>3,954</b>	<b>8</b>	<b>4,241</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>(215)</b>	<b>838</b>	<b>1</b>	<b>624</b>
Gross transfers between funds	16	239	(390)	151	-
<b>Net income/(expenditure) for the period</b>		<b>24</b>	<b>448</b>	<b>152</b>	<b>624</b>
<b>Other recognised gains and losses</b>					
Gains (losses) on investment assets		-	-	-	-
Brought forward defined benefit Pension scheme liability		-	-	-	-
FRS17 Deficit acquired with new academy	21		(1,024)		(1,024)
Actuarial (losses) gains on defined benefit	21	-	121		121
<b>Net movement in funds</b>		<b>24</b>	<b>(455)</b>	<b>152</b>	<b>(279)</b>
<b>Funds carried forward at 31 August 2011</b>		<b>24</b>	<b>(455)</b>	<b>152</b>	<b>(279)</b>

All of the Academy's activities derive from continuing operations during the above period

The accompanying notes are an integral part of these financial statements

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


\* The period covers the 13 December 2010 to 31 August 2011



**Balance sheet as at 31 August 2011**

	Note	2011 £'000	2011 £'000
<b>Fixed assets</b>			
Tangible assets	13		143
Investments			-
			<u>143</u>
<b>Current assets</b>			
Stock			-
Debtors	14	321	
Cash at bank and in hand		<u>1,121</u>	
		1,442	
<b>Creditors</b> Amounts falling due within one year	15	(903)	
<b>Net current assets</b>			<u>539</u>
Total assets less current liabilities			<u>682</u>
<b>Creditors</b> Amounts falling due after more than one year			-
Provisions for liabilities and charges			-
<b>Net assets excluding pension liability</b>			<u>682</u>
Pension scheme liability	21	(961)	
<b>Net assets including pension liability</b>			<u>(279)</u>
<b>Funds of the academy</b>			
<b>Restricted funds</b>			
Fixed asset fund(s)	16		152
General fund(s)	16		506
Pension reserve	16		(961)
<b>Total restricted funds</b>			<u>(303)</u>
<b>Unrestricted funds</b>			
General fund(s)	16		24
<b>Total unrestricted funds</b>			<u>24</u>
<b>Total funds</b>			<u>(279)</u>

The financial statements on pages 15 to 17 were approved by the Trustees, and authorised for issue on 22 December 2011 and are signed on their behalf by



**Neil McIntosh**  
Chair

# **Cash Flow Statement for the period ended 31 August 2011**

	Note	2011 £'000
<b>Reconciliation of net income to net cash inflow from operating activities</b>		
Net income		624
Depreciation	13	8
(Loss)/profit on disposal of tangible fixed assets		-
Capital grants from DfE and other capital income		(9)
Interest receivable		-
FRS 17 Pensions costs		58
(Increase)/decrease in stocks		-
(Increase)/decrease in debtors		(330)
Increase/(decrease) in creditors		726
Increase/(decrease) in provisions		9
<b>Net cash inflow from operating activities</b>		<b>1,086</b>
<b>Returns on investments and servicing of finance</b>		
Interest received		-
<b>Net cash inflow from returns on investment and servicing of finance</b>		<b>-</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets		(151)
Capital grants from DfE/YPLA		9
Capital funding received from sponsors and others		-
Receipts from sale of tangible fixed assets		-
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(142)</b>
<b>(Decrease)/Increase in cash in the period</b>		<b>944</b>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Net funds at 13 December 2010		-
<b>Net funds at 31 August 2011</b>		<b>944</b>
<b>Represented by</b>		
Cash at Bank		1,121
Bank overdrafts		(177)
		<b>944</b>

## Notes to the Financial Statements for the period ended 31 August 2011

### 1 PRINCIPAL ACCOUNTING POLICIES

#### Format of financial statements

The standard format for the financial statements as required by Part 15 of the Companies Act 2006 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 (SORP 2005) and reflects the activities of the Trust

#### Basis of accounting

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

#### Going Concern

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

#### Incoming resources

##### Grants receivable

Grants are included in the statement of financial activities on an accruals basis. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The balance of income received for specific purposes but not matched to relevant expenditure during the period is shown in the restricted income fund on the balance sheet. For grants provided to fund fixed assets, this includes the net book value of assets acquired

##### Interest receivable

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

##### Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured

##### Other Income

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

#### Resources expended and the basis of apportioning costs

Resources expended are recognised in the period in which they are incurred and include irrecoverable / non-reimbursable VAT. They have been classified under headings that aggregate all costs relating to that activity. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources. Central costs have been apportioned on the basis of the size of the school as expressed in the places available

#### Allocation of costs

In accordance with the SORP 2005, expenditure has been analysed between the Trust's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned

#### Governance costs

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, legal advice and trustee costs

## Notes to the Financial Statements for the period ended 31 August 2011 (continued)

### PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised

Depreciation is charged on a straight-line basis beginning in the year in which the asset is brought into use at the following annual rates

Motor vehicles	25% p a
Office furniture and equipment	20% p a
Computer Equipment	33% p a
IT infrastructure and system software	20% p a

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

The costs of assets being constructed are capitalised but not depreciated until they are completed.

#### Fund accounting

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

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

#### Leased Assets

Rentals under operating leases are charged in the year they are incurred over the lease term.

#### Taxation

The Trust is a 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. The cost of any irrecoverable / refundable VAT incurred by the Trust has been included in the statement of financial activities.

#### Pensions

Trust staff are members of one of two multi-employer defined benefit pension schemes. More details of the schemes are given in note 21. During the period, an individual was seconded to the Trust and this individual was a member of a defined contribution scheme.

#### Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Teachers' Pensions. As the TPS is unable to identify the Trust's share of the underlying (notional) assets and liabilities of the scheme, the Trust has taken advantage of the exemption in Financial Reporting Standard (FRS17) and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Trust in the year.

#### Local Government Pension Scheme

Non-teaching members of staff working in the academies are offered membership of the Local Government Pension Scheme (LGPS) of the Local Authority in which the Academy is located. The LGPS is a defined benefit pension scheme and is able to identify the Trust's share of assets and liabilities and requirements of the FRS 17. Retirement Benefits have been followed.

The Trust's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

## 2 Voluntary Income

	Unrestricted	Restricted	Total
	Funds	Funds	2011
	£'000	£'000	£'000
Other Donations	<u>          </u>	<u>          1</u>	<u>          1</u>
	<u>          </u>	<u>          1</u>	<u>          1</u>

# Notes to the Financial Statements for the period ended 31 August 2011 (continued)

## 3 Activities for Generating Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000
Hire of Facilities	47	-	47
Uniform sales	1	-	1
Sundry income	16	-	16
	<u>64</u>	<u>-</u>	<u>64</u>

## 4 Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000
Gift aid payment from wholly owned subsidiary	-	-	-
Short term deposits	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

## 5 Funding for Academy's educational operations

### Oxford Spires

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000
<b>DfE/YPLA capital grant</b>			
Devolved Formula Capital allocations	-	9	9
	<u>-</u>	<u>9</u>	<u>9</u>
<b>DfE / YPLA revenue grants</b>			
General Annual Grant (GAG)	-	3,726	3,726
Start Up Grants	-	664	664
Pupil Premium	-	25	25
Other DfE / YPLA grants	-	148	148
	<u>-</u>	<u>4,563</u>	<u>4,563</u>
<b>Other Government grants</b>			
Local Authority Grants			
Go 4 it	-	18	18
Raising Achievement	-	12	12
Other	-	10	10
Other Grants	-	8	8
	<u>-</u>	<u>48</u>	<u>48</u>
<b>Other Income</b>			
Catering	-	32	32
	<u>-</u>	<u>32</u>	<u>32</u>
	<u>-</u>	<u>4,652</u>	<u>4,652</u>

### All Saints

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000
<b>DfE / YPLA revenue grants</b>			
Start Up Grants	-	148	148
	<u>-</u>	<u>148</u>	<u>148</u>
	<u>-</u>	<u>148</u>	<u>148</u>

# Notes to the Financial Statements for the period ended 31 August 2011 (continued)

## 6 General Annual Grant (GAG)

### Oxford Spires Academy

#### Results and Carry Forward for the Period

	2011
	£'000
GAG allocation for current period	3,726
<b>Total GAG available to spend</b>	<b>3,726</b>
Recurrent expenditure from GAG	(3,726)
Fixed assets purchased from GAG	
Transfer from unrestricted fund	
<b>GAG carried forward to next period</b>	<b>-</b>
Maximum permitted GAG carry forward at end of current	447
<b>GAG to surrender to DfE</b>	<b>(447)</b>
(12% rule breached if result is positive)	

## 7 Resources Expended

	Staff Costs	Non Pay Expenditure Supplies and Services			Total
	£'000	Premises £'000	Other Costs £'000	Other Costs £'000	2011 £'000
Costs of generating voluntary income	-	-	-	35	35
Costs of activities for generating funds	-	-	-	-	-
Academy's educational operations					
Direct costs	2,371	-	-	454	2,825
Allocated support costs	691	201	-	402	1,294
Implementation costs	-	-	-	-	-
	<b>3,062</b>	<b>201</b>	<b>-</b>	<b>891</b>	<b>4,154</b>
Governance costs including allocated support costs	-	-	-	87	87
	<b>3,062</b>	<b>201</b>	<b>-</b>	<b>978</b>	<b>4,241</b>

#### Net Incoming/outgoing resources for the year include

	2011 £'000
Operating leases	7
Fees payable to auditor - audit	10
- other services	-
Profit/(loss) on disposal of fixed assets	-

## Notes to the Financial Statements for the period ended 31 August 2011 (continued)

### 8 Charitable Activities - Academy's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000
<b>Direct costs</b>			
Teaching and educational support staff costs	-	2,371	2,371
Depreciation	-	-	-
Educational supplies	-	145	145
Examination fees	-	59	59
Staff development	-	12	12
Educational consultancy	87	95	182
Other direct costs	4	52	56
	<u>91</u>	<u>2,734</u>	<u>2,825</u>
Extended schools programme			-
<b>Allocated support costs</b>			
Support staff costs	47	644	691
Depreciation	-	8	8
Recruitment and support	-	31	31
Maintenance of premises and equipment	-	159	159
Cleaning	-	21	21
Rent & rates	-	21	21
Insurance	-	38	38
Security and transport	-	9	9
Catering	-	36	36
Bank interest and charges	-	1	1
Other support costs	67	212	279
	<u>114</u>	<u>1,180</u>	<u>1,294</u>
<b>Development costs</b>			-
	<u>205</u>	<u>3,914</u>	<u>4,119</u>

### 9 Governance costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000
Legal and professional fees	26	-	26
Auditor's remuneration			
Audit of financial statements	10	-	10
Responsible officer audit	-	-	-
Other services	-	-	-
Support costs	3	47	50
Governor training	-	-	-
Governors' reimbursed expenses	-	1	1
	<u>39</u>	<u>48</u>	<u>87</u>

## Notes to the Financial Statements for the period ended 31 August 2011 (continued)

### 10 Staff costs

Staff costs during the period were

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000
Wages and salaries	40	2 421	2,461
Social security costs	5	173	178
Pension scheme - employer contributions	2	340	342
Pension scheme costs	-	58	58
	<u>47</u>	<u>2,992</u>	<u>3,039</u>
Supply teacher costs	-	23	23
Compensation payments	-	-	-
	<u>47</u>	<u>3,015</u>	<u>3,062</u>

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

	2011 No
<b>Charitable Activities</b>	
Teachers and Teaching Assistants	107
Education support	-
Administration and support	52
Management	<u>3</u>
	<b>162</b>

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

	2011 No
£60,001 - £70,000	2
£70,001 - £80,000	1
£80,001 - £90,000	-
£90,001 - £100,000	-
£100,001- £110,000	<u>1</u>

All four of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2011 pension contributions for these staff amounted to £10,327

### 11 Trustee's remuneration and expenses

No trustees or any persons connected with them have received remuneration during the period

During the period ended 31 August 2011, travel and subsistence expenses totalling £535 were reimbursed to 1 trustee



## Notes to the Financial Statements for the period ended 31 August 2011 (continued)

### 12 Governors' and Officers' Insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2011 was £3,234. The cost of this insurance is included in the total insurance cost.

### 13 Tangible Fixed Assets

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £000
<b>Cost</b>						
At 13 December 2010	-	-	-	-	-	-
Additions	-	67	28	56	-	151
Transfers	-	-	-	-	-	-
Inherited assets	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 August 2011	-	67	28	56	-	151
<b>Depreciation</b>						
At 13 December 2010	-	-	-	-	-	-
Charged in year	-	-	2	6	-	8
Disposals	-	-	-	-	-	-
At 31 August 2011	-	-	2	6	-	8
<b>Net book values</b>						
At 31 August 2011	-	67	26	50	-	143

### 14 Debtors

	2011 £'000
Trade debtors	45
Prepayments	68
Accrued income	30
Pension control	22
Recoverable VAT	109
Other debtors	47
	<u>321</u>

# Notes to the Financial Statements for the period ended 31 August 2011 (continued)

## 15 Creditors' amounts falling due within one year

	2011 £'000
Bank overdraft	177
Trade creditors	59
Other taxation and social security	89
Amounts owed to parent undertaking	273
Other creditors	67
Accruals and deferred income	238
Retention building costs	-
Capital expenditure	-
Amount due to subsidiary undertaking	-
	<b>903</b>

## Deferred income ( included in creditors above )

	2011 £'000
16-18 Bursary Fund for distribution 2011/2012	18
Pupil Premium paid in advance	5
Devolved capital grant paid in advance	12
Insurance grant paid in advance	36
	<b>71</b>

## 16 Funds

	Incoming Resources £'000	Resources Expended £'000	Gains, Losses and Transfers £'000	Balance at 31 August 2011 £'000
<b>Restricted general funds</b>				
General Annual Grant (GAG)	3,726	(3,487)	(239)	-
Start Up Grant	813	(156)	(151)	<b>506</b>
Other DfE/YPLA grants	173	(173)		-
LEA and other grants	40	(40)		-
Other restricted	40	(40)		-
Pension reserve			(961)	<b>(961)</b>
	<b>4,792</b>	<b>(3,896)</b>	<b>(1,351)</b>	<b>(455)</b>
<b>Restricted fixed asset funds</b>				
DfE/YPLA capital grants	9	(8)	151	<b>152</b>
Capital expenditure from GAG	-	-	-	-
Private sector capital sponsorship	-	-	-	-
	<b>9</b>	<b>(8)</b>	<b>151</b>	<b>152</b>
<b>Endowment funds</b>	-	-	-	-
<b>Total restricted funds</b>	<b>4,801</b>	<b>(3,904)</b>	<b>(1,200)</b>	<b>(303)</b>
<b>Total unrestricted funds</b>	<b>64</b>	<b>(279)</b>	<b>239</b>	<b>24</b>
<b>Total funds</b>	<b>4,865</b>	<b>(4,183)</b>	<b>(961)</b>	<b>(279)</b>

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

### Restricted general funds

This fund represents grants received for the Academy's operational activities and development  
The pension reserve relates to the Trust's share of the deficit to the Local Government Pension Scheme

### Fixed asset fund

These grants relate to funding received from the DfE, YPLA and private sponsors to carry out works of a capital nature as part of the School Building project  
The gross transfer from the restricted general fund to the restricted fixed asset fund of £151,000 represents the total capital expenditure from the Start Up Grant

### Unrestricted funds

The unrestricted funds represent funds available to the Governors to apply for the general purposes of the Trust  
Unrestricted funds can be used for any purpose covered by the objectives of the Trust  
The transfer from the restricted general fund to the unrestricted fund of £238,664 represents the reserved funds retained by the Trust to provide services to its schools, and cover the costs of governance and general management

## Notes to the Financial Statements for the period ended 31 August 2011 (continued)

### 17 Analysis of net assets between funds

Fund balances at 31 August 2011 are represented by

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Restricted other fund	Endowment fund	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	143	-	-	143
Current assets	24	1,409	9	-	-	1,442
Current liabilities	-	(903)	-	-	-	(903)
Pension scheme liability	-	-	-	(961)	-	(961)
<b>Total net assets</b>	<b>24</b>	<b>506</b>	<b>152</b>	<b>(961)</b>	<b>-</b>	<b>(279)</b>

### 18 Financial commitments

#### *Operating leases*

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

	2011 £'000
<u>Land and buildings</u>	
Expiring within one year	-
Expiring within two and five years inclusive	-
Expiring in over five years	-
	<u>-</u>
<u>Other</u>	
Expiring within one year	-
Expiring within two and five years inclusive	13
Expiring in over five years	-
	<u>13</u>

### 19 Major non-cash transactions

There were no major non cash transactions during the year

### 20 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/it is a member, or within one year after he/she/it ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she/it ceases to be a member

## Notes to the Financial Statements for the period ended 31 August 2011 (continued)

### 21 Pensions and similar obligations

The Company operates two defined benefit pension schemes

For teaching staff, the company contributes to the Teachers' Pension Scheme which is an unfunded, statutory, final salary scheme. Under this scheme benefits are paid out of monies provided by Parliament and teachers' and employers' contributions are credited to the Exchequer. The pension cost charge represents contributions payable to the fund and amounted to £228,857. No contributions were payable to the fund at the period end.

Contributions are also made to the Local Government Pension Scheme for non teaching staff via participation in the fund administered by Oxfordshire County Council. The assets of the schemes are held separately from those of the company. The total amount of contributions in respect of the period was £113,219. The pension cost is assessed in accordance with the advice of independent qualified actuaries using the projected unit method.

#### Derivation of figures

The figures disclosed below have been derived by approximate methods from the full actuarial valuation of the fund at 31 March 2010 carried out by Barnett Waddingham LLP. There is no provision for unitising the assets of a fund under the LGPS. The assets of each fund as a whole are allocated to participating bodies on a consistent and reasonable basis. The values placed on the assets and liabilities that relate to the company are shown below.

#### Mortality assumptions

A set of demographic assumptions that are consistent with those used for the formal funding valuation as at 31 March 2010 have been used for this valuation. The post retirement mortality tables adopted were the S1PA Heavy tables allowing for medium cohort projection, with a minimum 1% improvement.

#### Return on assets

The overall long term rate of return expected at 31 August 2011 is 6.5%. This is based on a weighted average of the expected returns on the different classes of assets within the fund.

#### P/E 31/8/2011

#### Assumptions

RPI	3.40%
CPI	2.60%
Salary increases pa	4.90%
Pension increases pa	2.60%
Discount Rate pa	5.40%

#### P/E 31/8/2011

Assets held 31/3 (£'k)	
Equities	600,119
Gilts	95,671
Other bonds	60,882
Property	52,184
Cash	17,395
Other (hedge funds)	43,487
Total	<u>869,738</u>

# Notes to the Financial Statements for the period ended 31 August 2011 (continued)

## 21 Pensions and similar obligations (continued)

		<b>P/E 31/8/2011</b>
Reconciliation of funded status to balance sheet (£'k)		
Fair value of assets		869,738
Present value of funded liabilities		<u>1,830,935</u>
		(961,197)
Present value of unfunded liabilities		-
<b>Net liability</b>		<b><u>(961,197)</u></b>
Amounts in the balance sheet		
Assets		-
Liabilities		(961,197)
<b>Net liability</b>		<b><u>961,197</u></b>
		<b>P/E 31/8/2011</b>
<b>Analysis of SOFA charge (£'k)</b>		
Current service cost		153,616
Past service cost		-
Interest cost		64,584
Expected return on assets		(36,002)
Curtailments & Settlement cost		-
Expense recognised		<u>182,198</u>
		<b>P/E 31/8/2011</b>
<b>Return on assets (£'k)</b>		
Actual return on assets		<u>17,698</u>
		<b>P/E 31/8/2011</b>
<b>Analysis of amount recognised in STRGL (£'k)</b>		
Total actuarial gains/ (losses)		<u>120,557</u>
		<b>P/E 31/8/2011</b>
<b>Changes to the present value of liabilities during the period (£'k)</b>		
Opening present value of liabilities		1,736,400
Current service cost		153,616
Interest cost		64,584
Contributions by participants		45,037
Actuarial (gains)/ losses on liabilities		(138,861)
Net benefits paid out		(29,841)
Transfers		-
Past service cost		-
Settlements		-
Closing present value of liabilities		<u>1,830,935</u>
		<b>P/E 31/8/2011</b>
<b>Changes to the fair value of assets during the period (£'k)</b>		
Opening fair value of assets		712,200
Expected return on assets		36,002
Actuarial gains / (losses) on assets		(18,304)
Contributions by the employer		124,644
Transfers		(29,841)
Settlements		-
Contributions by participants		45,037
Net benefits paid out		-
Closing fair value of assets		<u>869,738</u>
	<b>31/08/2011</b>	<b>01/01/2011</b>
History (£'k)		
Fair value of assets	869,738	712,200
Present value of liabilities	1,830,935	1,736,400
Surplus / (deficit)	(961,197)	(1,024,200)
Experience gains / (losses) on assets	(18,304)	-
Experience gains / (losses) on liabilities	-	-

## Notes to the Financial Statements for the period ended 31 August 2011 (continued)

### 21 Pensions and similar obligations (continued)

Predicted SOFA charge (£'k)	<u>2011/12</u>
Current service cost	215,154
Past service costs	-
Interest cost	107,294
Expected return on assets	<u>(63,484)</u>
Total	<u>258,964</u>

Estimated employer contributions (£'k)	180,960
--	---------

### 22 Post Balance Sheet Events

Since the balance sheet date, the global economic downturn has resulted in volatility in investment markets. As a result there is an increased risk that the value of investments held by the Academy, whether directly or indirectly (such as through the pension fund) may have deteriorated. However, any such deterioration is considered to be a non adjusting event and as such has not been reflected in these financial statements.

On 6 September 2011, All Saints Junior School (a Free School) opened. On 1 October 2011, Danum Academy and Mount Street Junior School joined the Trust. On 1 November Stamford Queen Eleanor School joined the Trust.

### 23 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.

The Charity has taken advantage of the exemption allowed by Financial Reporting Standard No. 8 "Related Party Disclosures" from disclosing transactions with other related companies that are wholly owned by CfBT Education Trust.

### 24 Taxation

The Trust 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.

### 25 Ultimate Parent Company

The directors regard CfBT Education Trust, a company limited by guarantee and a registered charity, as the ultimate parent company and controlling party. Copies of the parent's consolidated financial statements may be obtained from 60 Queens Road, Reading, RG1 4BS.