

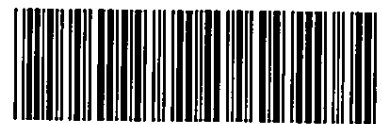
Company Limited by Guarantee
Registration number: 7442789 (England and Wales)

THE DE FERRERS ACADEMY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2011

THURSDAY



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COMPANIES HOUSE

THE DE FERRERS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY,
ITS GOVERNORS AND ADVISORS

Members

Mrs H Dutton
Mr R Fraser
Mrs B Highway
Mrs J Matkin
Dr W Peacock
Mr M A York (resigned 31/08/11)

Governors

Ms W Ballington (C) (3) (4)
Mr P Baxter (S) (1) (4)
Mrs J Botten (S) (2) (4) (Resigned 31/8/11 and
reappointed 01/09/11)
Mrs J Dennis (P) (1) (2)
Mrs H Dutton (P) (1) (2) (3) (4)
Mr R Fraser (C) (1) (2) (3) (4)
Mr C Hawthorn (P) (2)
Mrs B Highway (C) (1) (2) (3) (4)
Mrs M Hulcoop (CO) (1) (3)
Miss S Jagpal (LA) (2) (4) (Resigned 04/10/11)
Mr M Jones (C) (1) (3)
Mrs J Matkin (C) (1) (4)
Mr P Mills (C) (1) (4)
Mr G Milnes (C) (3)
Mr D Moss (RO) (P) (2)
Dr W Peacock (C) (1) (3)
Mr S Tunstall (C) (2)
Mr M A York (Principal) (1) (2) (3) (4) (Resigned
31/8/11)
Mrs E A Laughlin (Appointed 04/10/11)
Mrs C H Varanka-Haywood (Appointed 04/10/11)
Mrs L M Wells (Appointed 04/11/11)
Mr A Burns (Appointed 04/10/11)
Mrs C Wakelin (Appointed 04/10/11)

KEY

(RO) Responsible Officer
(S) Staff Governor
(P) Parent Governor
(C) Core Governor
(LA) Local Authority Governor
(CO) Co-opted Governor

(1) Member of Finance and Premises Committee
(2) Member of Teaching and Learning Committee
(3) Member of Human Resources Committee
(4) Member of Support for Learning Committee

Company Secretary

Miss A Walton

Company Registration Number

7442789

Registered Office

St Mary's Drive
Burton on Trent
Staffordshire
DE13 0LL

Auditors

Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
B69 2DG

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

THE DE FERRERS ACADEMY TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY,
ITS GOVERNORS AND ADVISORS**

Bankers

Lloyds TSB
16 High Street
Burton on Trent
DE14 1JA

THE DE FERRERS ACADEMY TRUST

REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2011

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THE DE FERRERS ACADEMY TRUST

REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2011

REPORT OF THE GOVERNORS 31 AUGUST 2011

The Governors present their report and the audited financial statements for the period ended 31 August 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The de Ferrers Academy Trust was incorporated on 17 November 2010 as a company limited by guarantee (company number 7442789). On 1 January 2011, de Ferrers Specialist Technology College converted from a Local Authority maintained secondary school to an academy. To facilitate this conversion, the existing Governing Body consulted widely with stakeholders and trade unions. The Academy Trust was formed with the support of the governing body and consists of six members (as detailed on page 1) including the Principal and Chair of the Governing Body and the Chair of each committee (where possible). The full governing body approved the conversion to academy status and the adoption of the Memorandum and Articles of Association. The Company's Memorandum and Articles of Association are the primary governing documents for the Company. The Company does not have a share capital. Every member of the 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.

Governors

In accordance with the Articles of Association, The de Ferrers Academy has adopted revised Terms of Reference. There have been five full governing body meetings this period and ten committee meetings. The first AGM is to be held 4 October 2011. During the first governing body meeting of the period the Chair and Vice-Chair were elected, together with governors holding specific responsibilities. The full governing body has a minimum of three members, but is not subject to any maximum. Further to this, there are four committees each with its individual focus on specific areas of the academy, Finance and Premises, Human Resources, Teaching and Learning, and Support for Learning. Members of the senior leadership team regularly attend meetings in order to provide key updates to governors. There are a minimum of three governors on each of these committees.

The Academy Trust has the following Governors

- a) Up to 11 Governors appointed by the Trust Members,
- b) Up to 3 Staff Governors appointed by the Trust Members through such process as they may determine,
- c) Up to 1 LA Governor appointed by the LA,
- d) A minimum of 2 Parent Governors elected by parents of pupils at the Academy,
- e) The Principal,
- f) Up to 3 Co-opted Governors appointed by the Governors

The Governors who were in office at the date of the annual report, and those who served throughout the period are shown on page 1.

The training and induction provided for new governors and trustees will depend upon their existing experience. Induction is tailored specifically to the individual, however, all governors receive membership to the Modern Governor e-learning programme which provides training on all aspects of school governance and they receive subscription to relevant periodicals, e.g. Staffordshire Governor. Specific training sessions are arranged for governors as and when required.

The day to day management of the charity is delegated to the Academy Leadership Team, as follows

Principal – Mr Michael York
Vice Principal – Mrs Margaret Hulcoop
Assistant Principal (Key Stage 3) – Mr Michael O'Hare
Assistant Principal (Key Stage 4) – Mr Paul Wickstead

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REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2011

Assistant Principal (Key Stage 5) – Mr Paul Galloway
Assistant Principal (Engagement and Experience) – Mr Greg Hughes
Assistant Principal (Strategies for Learning) – Mr Nick Holmes
Finance Director – Mrs Maureen Evans
Consultant (Leadership of Learning) – Mrs Alison Bickle
Consultant (Engagement and Experience) – Mr Craig Brown

Following Mr York's resignation (with effect from 31 August 2011), the Governing Body approved an interim leadership structure with the Vice Principal, Mrs Hulcoop, taking on the role of Acting Principal from 1 September 2011

On 29 September 2011, Mr S Allen was appointed to the role of Principal, and he takes up this appointment from 1 January 2012

Statement of Governors' responsibilities for the financial statements

The governors (who act as trustees for charitable activities of the Charitable Company and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governor's report and the financial statements in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law and the Charities Act 2006 require the governors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and of the resources received and expended by the Company for that period. In preparing these financial statements, the Governors have

- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- followed applicable accounting standards, and
- prepared the financial statements on the going concern basis

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

Risk Management

The governors confirm that the major risks to which the Academy is exposed have been reviewed and systems have been established to mitigate those risks. The principal risks and uncertainties facing the Academy are as follows

Risk Description	Action
Problems with day to day operations on Dove site due to failure to agree premises lease	Good progress has been made on this after raising with local council representative. Most areas have now been agreed verbally and we are awaiting formal proposal from the Local Authority. Continue to monitor
Poor public perception due to change in government targets and / or new initiatives. Potential for narrower curriculum (focussed on E-bacc subjects) at all key	Monitor for changes in policy and respond as appropriate, while maintaining as wide a curriculum provision as possible. Ensure marketing of the

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REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2011

stages	academy responds to such changes
Disruption to students' education as a result of strike action (e.g. action over public sector pensions)	Take reasonable steps to keep the academy open as normal without compromising strike action
Late and potentially inaccurate information on funding (due to rapid expansion of academy programme) leads to poor financial planning / unexpected shortfall in funding	Continue to raise concerns with the YPLA (Young People's Learning Agency)
Risk of shortfall in future funding due to <ul style="list-style-type: none">• lack of information more than 1 year in advance• changes to academy funding,• cost pressures (e.g. energy, LGPS contributions)	Continue to raise concerns with YPLA and plan on basis of current information (e.g. known reduction in 6 th form funding)

Where significant financial risk still remains the Governors have ensured that they have in place adequate insurance cover. The Academy has an effective system of internal financial controls as detailed below.

Statement on the system of internal financial controls

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

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The de Ferrers Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in The de Ferrers Academy Trust for the year ended 31 August 2011 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,

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REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2011

- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed D Moss, a governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The Governors are satisfied that the RO function has been delivered in line with the YPLA's requirements. No material control issues have been identified as a result of the RO's work.

Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Connected organisations

The de Ferrers School Fund has been aggregated into these accounts as the fund is under the control of the academy, with four of the School Fund's trustees also being Governors of the academy. The income and expenditure of the School Fund are shown in the academy's restricted and unrestricted general funds, as appropriate.

OBJECTIVES AND ACTIVITIES

The Vision Statement and Key Objectives

The Academy holds a firm belief that in order to achieve our goals we will work in true partnership. Key stakeholders are the Governors, staff, students, parents, the community and external influences.

By working together to an agreed set of guiding principles that will govern this partnership, we will create the foundation on which the partnership will flourish.

The principal activity of the Company is the operation of The de Ferrers Academy to provide education for students of differing abilities between the age of 11 and 19 with an emphasis on raising levels of achievement. The four key areas are

Leadership of Learning, (aspects of Academy Organisation and Design and Workforce Reform i.e. the deployment of adults other than teachers within the Academy)

Experience and Engagement, (Curriculum and New Technologies)

Strategies for Learning (AfL, Student Voice and L2L)

Support for Learning (Advice and Support and Mentoring and Coaching)

The four areas identified above are essential and integral to the raising of achievement and it is the inter-relationship between these four areas which brings about student progress. The key foci for the next academic year (2011/2012) are White Paper implementation, imminent Ofsted inspection and Academy

THE DE FERRERS ACADEMY TRUST

REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2011

development, i.e. the move from being a local authority school to an Academy. Within the key areas the main priorities are listed below.

Leadership of Learning

- To launch the Academy and manage its on-going development,
- To analyse education policy changes and develop appropriate strategic planning,
- To model effective leadership in the Academy with emphasis on senior and central Leadership,
- To develop Leadership capacity and succession strategies,
- To review self-review and evaluation systems/structures in order to meet priorities,
- To ensure appropriate meeting structures are in operation linked to effective CPD.

Experience and Engagement

- To work with Strategies for Learning to ensure that highly structured Schemes for Learning reflect progression and differentiation,
- To work with Strategies for Learning to ensure that assessment is effectively embedded in Schemes for Learning,
- To conduct a curriculum review and work with Strategies for Learning to review pathways/groupings to comply with the new White Paper,
- To review the use of data to focus on student progression.

Strategies for Learning

- To work with Experience and Engagement to ensure that the new highly structured Schemes for Learning reflect progression and differentiation,
- To work with Experience and Engagement to ensure that assessment is effectively embedded in Schemes for Learning,
- To create an integrated QA system for subject specialisms,
- To provide training opportunities in monitoring progression, learning walks, observation, work scrutiny.

Support for Learning

- To review the Behaviour Management Policy to focus on creating a learning culture that ensures progression,
- To work with Experience and Engagement to review Pathways/groupings,
- To ensure that effective IAG/Mentoring/Intervention strategies are in place to support the drive for improvement,
- To work with Experience and Engagement to maintain tracking and monitoring systems to deliver planned progression targets,
- To develop collaborative working arrangements with stakeholders, this includes parents, local businesses and partner primary schools.

Equal Opportunities

The Academy recognises 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.

Disabled Persons

Due to the age and nature of its premises the Academy cannot offer complete access to all curriculum areas and facilities at present. However, within these constraints, the Academy has made a number of reasonable adjustments to cater for staff and students with a range of disabilities, and is committed to making further improvements to provide increased access.

The Academy has implemented a number of detailed policies and guidelines in relation to all aspects of personnel matters, including

THE DE FERRERS ACADEMY TRUST

REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2011

Equal Opportunities Policy
Health and Safety Policy
ICT Security Policy
Pay Policy
Performance Review Policy
PPA and Cover Policy
Safeguarding Policy
Staff Development Policy

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission general guidance on public benefit

ACHIEVEMENTS AND PERFORMANCE

The academy has had a very successful period, building on the previous success of de Ferrers Specialist Technology College. Our students make significant achievements both academically, and in a range of extra-curricular activities. The academy remains popular and over-subscribed, with 346 Year 7 students on roll in September 2011, against a planned admission number of 325

Extra-curricular achievements

We take great pride in the generosity of our students. This is reflected in the large sums of money they raise each year. Of particular note is the Senior Citizens' Party, organised and funded by Y11 students, the Y9 Charity Challenge and our long standing relationship with the National Children's Home. Last year our students donated £4,546 in total to charities, with £262 of this to the Senior Citizens' Party

Our students are keen to participate in a wide range of events both within the academy and local community. Post-16 students excel in the challenges presented by the Young Enterprise awards, having had both regional and national finalists in the last three years. They also write and produce a pantomime on an annual basis for our Key Stage 3 students. A significant number are involved in the Duke of Edinburgh programme (120 Bronze Award students, 30 Silver Award Students, 60 Gold Award Students) and support internal and external events e.g. bag packing at Sainsbury's at Christmas

Throughout the academy, due to the large number of students involved there is stiff competition for musical and sporting activities. Approximately 600 students take part in our extra-curricular sporting programme, most notably 120 in the Dance Club with over 200 involved in musical activities

The academy production equally attracts a large number of students involved in costume design and production (this reinforces the practical application of the BTEC design curriculum), light and sound technology, backstage and front of house management and of course, leading roles and chorus

A major incentive with the introduction of the AQA Bacc is the opportunities offered by the programme for our post-16 students e.g. 24 students work alongside primary schools by guiding Key Stage 2 staff on a subject specialism of their choice

Over 200 Y7 students take the opportunity to take part in the PGL induction camp and start to consolidate relationships with staff. The Duke of Edinburgh Award Scheme, CRE and Young Enterprise programme all offer opportunities for students to be engaged with the community

The academy bands are regularly invited to perform in Care Homes for the Elderly, at Civic events and in the town

Students also serve on the Local Parish Council. We currently have Y12 and Y13 representatives on both Stretton and Rolleston Parish Councils and have had for the past three years

At an international level students are encouraged to think about children more disadvantaged than themselves, and Y7 students have raised funds and contributed resources for deaf children in the Gambia, Christmas shoe boxes for children in Romania, clothing for babies in the Gambia and there is an exciting venture planned by our Post-16 students to work in Nicaragua in 2012. Substantial fund-raising is on-going

THE DE FERRERS ACADEMY TRUST

REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2011

for this cause. Last year, Y7 students raised £1,613 to train teachers to work with the hearing impaired in The Gambia. On an annual basis the sign language choir works with students from the Royal School for the Deaf in Derbyshire to present a concert to students and parents in the academy. Students have already donated almost 5000 reward points to local/national charities.

Academic achievements

Highlights of Key Stage Four results for 2011 are as follows

- 88% (2010 82%) of students gained five or more GCSE or equivalent passes at A*-C grade against expected results based on Fischer Family Trust (FFT D) figures of 78% (2010 71%).
- 58% (2010 55%) of students achieved five or more A*-C GCSE or equivalent grades including English and Mathematics GCSE. This represents a three year increase on this indicator.
- 99% of students achieved one or more A*-G GCSE or equivalent grades.
- 236 students (75%) achieved eight or more GCSE or equivalent A*-C grades.
- 45% achieved 12 or more A*-C grades.
- The average total point score per student at Key Stage 4 was 532, which is significantly above the national average.
- There was continued improvement in Science results, with 77% of students gaining two A*-C GCSE or equivalent grades.
- 36% of students achieved a grade C or higher in a Modern Foreign Language. Again, this is above the national average.
- As within previous years the results for OCR and BTEC courses were excellent.

Key Stage 5 results

At A level students secured a pass rate of 98%, compared to 94% in 2010, with 32% of passes at grade A*-B. The average points per student was an impressive 825.

Our International Baccalaureate Diploma Programme students achieved excellent results. All of the cohorts were awarded the prestigious International Baccalaureate Diploma with 11 students scoring 30 points or above. One student scored 37 points which only 3.24% of IBDP candidates globally manage to achieve and five students achieved the top points score of seven in their individual subjects. We were also very pleased that four of our students gained two or more points in their Extended Essay and Theory of Knowledge elements of the Diploma Programme.

To ensure that standards are maintained, the Academy operates a policy of lesson observation, visits from inspectors, intervention activities, comparison of results from Key Stage Three to GCSE and GNVQ to A Level, to assess the added value for each student.

Key performance indicators

The following key performance indicators are considered by management when reviewing performance

GCSE

Percentage of students achieving 5 or more A*-C

Percentage of students achieving 5 or more A*-C including English and Maths

Average points per student

A level

Average points per student

FINANCIAL REVIEW

Financial Report for the Period

During the period the academy received income of £6,633,000 in government and local authority grants and £272,000 of other income. In addition an amount of £16,691,000 was received in respect of donations which represented the transfer of assets from the Local Authority to the academy, namely the land and buildings together with fixtures and fittings and ICT infrastructure. The academy also inherited £887,000 in funds on

THE DE FERRERS ACADEMY TRUST

REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2011

conversion to academy status Of this £497,000 was from the funds of de Ferrers Specialist Technology College, and £390,000 from the de Ferrers High School Fund

Expenditure amounted to £7,581,000

The academy's financial performance was better than budget, allowing the academy to carry balances forward which will be available to support the academy's medium term financial strategy

The academy held fund balances at 31 August 2011 of £17,020,000, comprising an amount of £730,000 in respect of unrestricted general funds, £16,847,000 in respect of restricted fixed asset funds, and a deficit of £557,000 in respect of restricted general funds The deficit in respect of restricted funds has arisen as a result of an inherited deficit of £1,120,000 in the local government pension fund

Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements

The governors have identified a number of priorities for capital projects to improve the academy's facilities, including the on-going need to replace a substantial proportion of the academy's ICT infrastructure each year The level of reserves will be kept under review by the governors

Investments policy

The Academy currently has no material investments

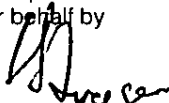
PLANS FOR FUTURE YEARS

In accordance with the aims and objectives of The de Ferrers Academy Trust it will continue to drive improvements in the levels of performance of its students at all levels and will continue its efforts to ensure its students gain employment or a place in higher education The academy will continue to develop its facilities for its staff and students, and is currently considering a number of possible projects to improve both the premises and the ICT infrastructure

AUDITORS

The appointment of the current auditor, Crowe Clark Whitehill LLP, will be continued in accordance with Section 487(2) of the Companies Act 2006

The report of the Governors was approved by the Governors on 6 December 2011 and signed for and on their behalf by



Mr R Fraser
Chair of Governors

THE DE FERRERS ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DE FERRERS ACADEMY TRUST

We have audited the financial statements of the de Ferrers Academy Trust for the period ended 31 August 2011 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 28

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 Peoples Learning Agency

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

Respective responsibilities of governors and auditor

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors' Report and any other surround information to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

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

Opinion on other matter prescribed by the Young Peoples Learning Agency/Department for Education

In our opinion the grants received from the Young Peoples Learning Agency/Department for Education have been applied for the intended purpose.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

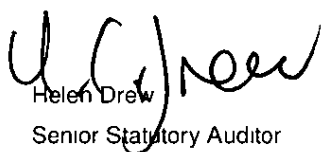
THE DE FERRERS ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DE FERRERS ACADEMY TRUST

Matters on which we are required to report by exception

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

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



Helen Drew

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

B69 2DG

THE DE FERRERS ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 AUGUST 2011**

	Note	Un- restricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2011 £000
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	768	130	16,691	17,589
Investment income	3	1	-	-	1
Incoming resources from charitable activities					
Funding for the Academy's educational operations	5	-	6,580	53	6,633
Other income		54	206	-	260
TOTAL INCOMING RESOURCES		823	6,916	16,744	24,483
RESOURCES EXPENDED					
Charitable activities					
Academy's educational operations	9	-	7,176	198	7,374
Other costs		93	88	-	181
Governance costs	10	-	26	-	26
TOTAL RESOURCES EXPENDED	6	93	7,290	198	7,581
NET INCOMING RESOURCES BEFORE TRANSFERS					
		730	(374)	16,546	16,902
Gross transfers between Funds	19	-	(301)	301	-
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		730	(675)	16,847	16,902
Actuarial gain / (losses) on defined benefit pension schemes		-	118	-	118
NET MOVEMENT IN FUNDS					
		730	(557)	16,847	17,020
<i>Total funds at 1 January 2011</i>	19/ 20	-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2011	19/ 20	730	(557)	16,847	17,020

The notes on pages 18 to 35 form part of these financial statements

THE DE FERRERS ACADEMY TRUST

INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2011

	Note	2011 £000
INCOME		
General annual grant (GAG)		5,808
Start up grants		-
Other government grants		652
Capital grant		53
Implementation grant		-
Local authority grant		30
Private sponsorship and donations		16,702
Other income		1,237
Interest receivable	3	1
Total Income		<u>24,483</u>
EXPENDITURE		
Grant related expenditure		7,202
Depreciation	15	198
Other expenditure		181
Total expenditure	6	<u>7,581</u>
Excess of income over expenditure		<u>16,902</u>
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		
Surplus for the financial year		16,902
Actuarial gain / (loss) on defined benefit schemes		118
Total recognised (loss)/gain for the year		<u>17,020</u>
Transferred to funds		
Unrestricted funds		730
Restricted income funds		(557)
Restricted fixed asset funds		16,847
		<u>17,020</u>

The income and expenditure account is derived from the statement of financial activities on page 14 which, together with the notes to the financial statements on pages 18 to 35 provides full information on the movements during the period on all the funds of the academy


All of the academy's activities derived from continuing operations during the above financial period

THE DE FERRERS ACADEMY TRUST

BALANCE SHEET
Company Number 7442789
AS AT 31 AUGUST 2011

	Note	£000	2011 £000
FIXED ASSETS			
Tangible assets	15		16,847
Investments			-
			16,847
CURRENT ASSETS			
Stock			
Debtors	16	302	
Cash at bank and in hand		2,235	
		2,537	
CREDITORS amounts falling due within one year			
	17	1,244	
NET CURRENT ASSETS			1,293
NET ASSETS EXCLUDING PENSION LIABILITY			18,140
Pension scheme liability	26		(1,120)
NET ASSETS INCLUDING PENSION LIABILITY			17,020
FUNDS			
<i>Income Funds</i>			
<i>Restricted funds</i>			
Restricted fixed asset funds	19	16,847	
Restricted general funds	19	563	
Pension reserve	19	(1,120)	
<i>Total restricted funds</i>		16,290	
<i>Unrestricted funds</i>			
General fund	20	730	
<i>Total unrestricted funds</i>			730
TOTAL FUNDS			17,020

The financial statements were approved and authorised for issue by the governors on the 6 December 2011 and signed on their behalf by

Mr R Fraser 
Chair of Governors

The notes on pages 18 to 35 form part of these financial statements

THE DE FERRERS ACADEMY TRUST

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2011**

	2011
	£000
RECEIPTS	
Implementation grant from the DiE	-
General annual grant (GAG)	5,958
Start up grants	-
Other government grants	641
Other receipts	325
Local authority grant	30
Sponsorship and donations	886
	<u>7,840</u>
PAYMENTS	
Staff costs	4,311
Other cash payments	1,303
Movement in Stock	-
	<u>5,614</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	2,226
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	
Interest received	1
CAPITAL EXPENDITURE	
Purchase of tangible fixed assets	(53)
Capital grants received	61
INCREASE IN CASH	2,235
 Reconciliation of net cash flow to movement in net funds	
Increase in cash	2,235
Change in net funds	<u>2,235</u>
Net funds at 1 January 2011	-
Net funds at 31 August 2011	<u>2,235</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2011 £000	Cash flows £000	At 31 August 2011 £000
Cash in hand and at bank	-	2,235	2,235
Fixed asset investments	-	-	-
Net funds	-	2,235	2,235

The notes on pages 18 to 35 form part of these financial statements

DE FERRERS ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

1 ACCOUNTING POLICIES

1 1 Format of financial statements

The standard format for the financial statements as required by 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 (Charities SORP 2005) and the Academies Accounts Direction issued by the YPLA and reflects the activities of the academy

1 2 Basis of accounting

The academy prepares its financial statements under the historic cost convention and in accordance with applicable accounting standards and the Charities SORP 2005. However, the emoluments of the Principal and staff elected to serve on the Board of Trustees are not individually disclosed by name and amount as would be required by the Charities SORP 2005. The Principal and staff receive no remuneration for their service as trustees, they only receive remuneration based on the normal salary levels for people in their position. Remuneration bandings are included in note 11 and the trustees consider that this disclosure provides sufficient and appropriate information to enable a proper understanding of the financial statements.

The company has cash resources and has no requirement for external funding. The directors have a reasonable expectation that the Charitable Company will have adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

1 3 Basis of consolidation

The de Ferrers School Fund has been aggregated into these accounts as the fund is under the control of the academy with four of the School Fund's trustees also being Governors of the academy. The income and expenditure of the School Fund are shown in the academy's restricted and unrestricted general funds, as appropriate.

1 4 Incoming resources

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

- Grants receivable are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.
- Donations 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.
- 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.
- Donated Services and gifts in kind
The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed

DE FERRERS ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

asset category and depreciated over the useful economic life in accordance with the academy's policies

- Land and buildings leased from Staffordshire County Council
As a maintained school converting under the Academies Act 2010, the academy continues to occupy the premises of the predecessor school, de Ferrers Specialist Technology College. The academy has a tenancy at will with Staffordshire County Council, which allows the academy to occupy the premises at a peppercorn rent. The academy is in the process of agreeing a long term (125 year) lease with Staffordshire County Council which will also be at a peppercorn rent.
Under the terms of the tenancy agreement, the risks and rewards of ownership of the buildings transfer to the academy, and therefore the buildings are recognised as an asset on the balance sheet as a fixed asset, with a corresponding entry to voluntary income as a gift in kind. In order to determine an appropriate fair value for the asset, the governors of the academy have obtained a professional valuation from Salloway Property Consultants. The basis of valuation used is depreciated replacement cost.

1 5 Resources expended

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

- Costs of generating funds
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. The academy did not incur any such costs in this period.
- Charitable activities
These are costs incurred on the Academy Trust's educational operations.
- Governance Costs
These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1 6 Liquid resources

The academy considers liquid resources to be cash at the bank and in hand plus short-term investments.

1 7 Recognition of liabilities

Liabilities are only recognised when the academy has an obligation as a result of a past event, and a reliable estimate can be made of the amount of the obligation.

1 8 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Young People's Learning Agency where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Young People's Learning Agency.

Where the academy purchases capital items from the General Annual Grant (GAG) during the period this is represented by a transfer from the restricted general fund to the restricted fixed asset fund.

1 9 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of

DE FERRERS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011

depreciation and any provision for impairment

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

Impairment losses are recognised in the Statement of Financial Activities.

1 10 Depreciation

Depreciation is provided on all tangible fixed assets other than leasehold land at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives as follows:

Long leasehold buildings 50 years

Fixtures, fittings and equipment 10 years

ICT equipment 4 years

1 11 Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

1 12 Taxation

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

1 13 Pensions

Academy staff are members of two pension schemes both of which are defined benefit schemes. More details of the schemes are given in Note 26.

Teachers' pension scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the teachers' pension scheme (TPS). The TPS, a statutory, contributory, final salary scheme, is administered by Capita Teachers' Pensions on behalf of the Department for Education. As De Ferrers Academy Trust is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the academy in the period.

Local government pension scheme

Non-teaching members of staff are offered membership of the local government pension scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to define the academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

Expenditure of £1,238,000 in the period relates to the Local Government Pension scheme, this includes a deficit of £1,197,000 arising in previous periods which has been brought into the accounts in the current period. The deficit of £1,197,000 primarily relates to employees transferred to the

DE FERRERS ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

academy under TUPE and represents a deficit accrued while the employees worked for the local government

2 VOLUNTARY INCOME

	2011 £000
Sponsorship and donations	4
Hire of facilities	7
Current assets inherited on conversion	887
Fixed assets inherited on conversion	16,691
	<u>17,589</u>

3. INVESTMENT INCOME

	2011 £000
Bank interest	1
	<u>1</u>

DE FERRERS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011

4. GENERAL ANNUAL GRANT

	2011 £000
a Results and carry forward for the year	
GAG brought forward from previous year	-
GAG allocation for current year	5,808
Total GAG available to spend	<u>5,808</u>
Recurrent expenditure from GAG	(5,808)
Fixed assets purchased from GAG	-
GAG carried forward to next year	<u>-</u>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u>(697)</u>
GAG to surrender to DfE	<u>(697)</u>
(12% rule breached if result is positive)	
b Use of GAG brought forward from previous year for recurrent purposes	N/A
(of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can be used for capital purposes)	
Recurrent expenditure from GAG in current year	
GAG allocation for current year	
GAG allocation for previous year x 2%	
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	N/A
(2% rule breached if result is positive)	

5 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	2011 £000
Capital grants	53
Start up grants	-
General annual grant	5,808
Other government grants	652
Local authority grants	30
Implementation grant	-
Other educational funding	90
	<u>6,633</u>

DE FERRERS ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

6 RESOURCES EXPENDED

	Staff costs £000	Depreciation £000	Other Costs £000	Total 2011 £000
Charitable activities				
Academy's educational operations	5,799	198	1,377	7,374
Other costs	-	-	181	181
Governance costs including allocated support costs	-	-	26	26
	<u>5,799</u>	<u>198</u>	<u>1,584</u>	<u>7,581</u>

7 ANALYSIS OF RESOURCES EXPENDED

	Direct costs £000	Support costs £000	Total 2011 £000
Charitable activities			
Provision of education	5,596	1,778	7,374
Other Costs	124	57	181
Governance costs	-	26	26
	<u>5,720</u>	<u>1,861</u>	<u>7,581</u>

Allocation of support costs

	Allocated to Governance £000	Allocated to Charitable activities £000	Total 2011 £000
Type of cost			
Staff costs	-	1,652	1,652
Administration and ICT	26	23	49
Premises costs	-	48	48
Depreciation	-	20	20
Recruitment	-	3	3
Training	-	3	3
Start up costs	-	46	46
Donations	-	4	4
Extra curricular	-	1	1
Other finance charges	-	35	35
	<u>26</u>	<u>1,835</u>	<u>1,861</u>

DE FERRERS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011

8. OTHER COSTS

Included within other costs above are

	2011 £000
Start up costs	46
Educational Activities	36
Transport	9
Visits	73
Extra-curricular	7
Donations	4
Staff costs	6
Administration and ICT	259
Premises costs	481
Recruitment	31
Educational Activities	567
Training and development	30
Other	35
	<u>1,584</u>

9. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATION

	2011 £000
Staff costs	4,071
Pensions costs	1,728
Administration and ICT	233
Premises costs	481
Recruitment	31
Educational activities	567
Training and development	30
Depreciation	198
Other	35
	<u>7,374</u>

10. GOVERNANCE COSTS

	2011 £000
Legal and professional fees	18
Audit fees	8
	<u>26</u>

DE FERRERS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011

11 STAFF COSTS

The average number of persons (including senior management team) employed by the Academy during the period ended 31 August 2011 expressed as full time equivalents was as follows

	2011 No
Charitable activities	
Administration and support	64
Management	10
Teachers	111
	<hr/>
	185
	<hr/>
	2011 £000
Staff costs comprise	
Wages and salaries	3,785
Social security costs	283
Other pension costs	1,728
Other staff costs	3
	<hr/>
	5,799
	<hr/>

Two employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the period ended 31st August 2011. The total emoluments of these employees were in the following ranges

	2011 No
Charitable activities	
£60,000 - £70,000	1
£70,000 - £80,000	-
£80,000 - £90,000	1
	<hr/>
	2
	<hr/>

Two of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the period ended 31 August 2011, pension contributions for these staff amounted to £21,423

DE FERRERS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011

12. GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of staff governor's remuneration was £181,000.

During the period ended 31 August 2011, travel and subsistence expenses totalling £NIL were reimbursed.

Interests in transactions

No governors had interests in transactions undertaken by the Academy.

13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal practice the Charitable Company has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for 2011 was £3,240.

14. SURPLUS FOR THE PERIOD

Surplus for the period is stated after charging

	2011
	£000
Auditors' remuneration for audit services	8
Depreciation	<u>198</u>

DE FERRERS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011

15 TANGIBLE FIXED ASSETS

	Furniture and Equipment £000	Computer equipment and software £000	Buildings and Land £000	Total £000
Cost				
At 1 January 2011	-	-	-	-
Additions	1,062	584	15,399	17,045
Disposals	-	-	-	-
At 31 August 2011	<u>1,062</u>	<u>584</u>	<u>15,399</u>	<u>17,045</u>
Depreciation				
At 1 January 2011	-	-	-	-
Charged in the year	69	129	-	198
Disposals	-	-	-	-
At 31 August 2011	<u>69</u>	<u>129</u>	<u>-</u>	<u>198</u>
Net book value				
At 31 August 2011	<u>993</u>	<u>455</u>	<u>15,399</u>	<u>16,847</u>
<i>At 1 January 2011</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sources of funding for assets acquired				
Implementation grants				
Donations	1,000	421	15,270	16,691
General purpose fund (grant income)	62	163	76	301
Capital grants	-	-	53	53
	<u>1,062</u>	<u>584</u>	<u>15,399</u>	<u>17,045</u>

All assets are used for educational purposes

The above net book value at 31 August 2011 represents fixed assets used for

Educational provision	894	410	13,859	15,163
Support services	99	45	1,540	1,684
	<u>993</u>	<u>455</u>	<u>15,399</u>	<u>16,847</u>

DE FERRERS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011

16. DEBTORS

	2011 £000
Prepayments and accrued income	38
Trade debtors	21
Other debtors	243
	<u>302</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £000
Trade creditors	657
Social security and other taxes	141
Accruals and deferred income	179
Other creditors	267
	<u>1,244</u>

18 DEFERRED INCOME

	2011 £000
At 1 January 2011	-
Deferred in year	41
	<u>41</u>

Deferred income comprises £19k 16-19 Bursary Fund received August 2011 for financial year 2011-12, and £21k Devolved Formula Capital received April 2011 for period September 2011 to March 2012

DE FERRERS ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

19 RESTRICTED FUNDS

	Balance at 31 December 2010 £000	Incoming resources £000	Resources expended £000	Transfers / Other gains / (losses) £000	Balance at 31 August 2011 £000
Restricted General Funds					
Local Authority grant	-	30	(30)	-	-
Other government grants	-	652	(36)	(301)	315
General Annual Grant	-	5,808	(5,808)	-	-
Other grant income	-	90	(90)	-	-
Other income	-	336	(88)	-	248
Actuarial gain / (loss)	-	-	(1,238)	118	(1,120)
	-	6,916	(7,290)	(183)	(557)
Restricted Fixed Asset Funds					
DfE grants	-	15	-	-	15
Capital grants	-	-	-	-	-
Government capital grant	-	38	-	-	38
Fixed Asset Donations	-	16,691	(198)	301	16,794
	-	16,744	(198)	301	16,847
Total restricted funds	-	23,660	(7,488)	118	16,290

- 1 The government capital funds are provided by the government for specific capital projects
- 2 The restricted income fund is subject to specific expenditure within the charitable company's declared objectives. DfE grants relate to government funding for the provision of education by the charitable company. Funding is repayable if the charitable company does not meet all funding requirements.
- 3 Local authority (Staffordshire County Council) grants relate to local authority funding for the provision of education by the charitable company.
- 4 The transfer of £301,000 is a transfer from the restricted general fund to the restricted fixed asset fund.
- 5 The gain of £118,000 is an actuarial gain on the defined benefit pension scheme.

20. UNRESTRICTED FUNDS

	Balance at 31 December 2010 £000	Incoming resources £000	Expenditure £000	Other gains/ (losses) £000	Balance at 31 August 2011 £000
Unrestricted general fund	-	823	(93)	-	730

DE FERRERS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Un- restricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2011 £000
Tangible fixed assets	-	-	16,847	16,847
Current assets	730	1,807	-	2,537
Current liabilities	-	(1,244)	-	(1,244)
Pension scheme liability	-	(1,120)	-	(1,120)
Total	730	(557)	16,847	17,020

22 CAPITAL COMMITMENTS

	2011 £000
Contracted for but not provided in the financial statements	<u>100</u>

23. OTHER FINANCIAL COMMITMENTS

At 31 August 2011 the academy had no other financial commitments

24. LEASE COMMITMENTS

Operating Leases

At 31 August 2011 the academy had annual commitments under operating leases as follows

	2011 £000
Expiring in under two years	10
Expiring within two to five years	23
Expiring after five years	<u>-</u>

DE FERRERS ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

25 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 reinvest the proceeds or to repay to the secretary of state for the Department for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the secretary of state

Upon termination of the funding agreement whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to

- a The value at that time of the academy's site and premises and other assets held for the purpose of the academy
- b The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement

26 PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes

- a The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff
- b The Nottinghamshire Local Government Pension Scheme (LGPS) for non-teaching staff

The total pension cost to the Academy during the period ended 31st August 2011 was £525,000 of which £394,000 relates to the TPS and £131,000 relates to the LGPS

Teachers' Pension Scheme (TPS)

The academy participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the Academy.

The latest actuarial valuation of the scheme by the government actuary published in November 2006 relating to the year 1st April 2001 to 31st March 2004 revealed that the total liabilities of the scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%

From 1st January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance the Scheme's assets and liabilities within 15 years as required by the regulations), a total contribution rate of 20.5%. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable. The valuation of the scheme by the government actuary as at 31st March 2008 has not yet been published.

The pension charge for the period includes contributions payable to the scheme of £394,000.

Local Government Pension Scheme

The support staff are members of the LGPS providing benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the charitable company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

DE FERRERS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011

The contributions paid for the period was £131,000

The amounts recognised in the balance sheet for 2011 are as follows

	2011
	£000
Present value of funded obligations	(2,059)
Fair value of plan assets	939
	<u>(1,120)</u>
Amounts recognised as	
Liabilities	(1,120)
Assets	-
Net amount recognised	<u>(1,120)</u>

The amounts include within the Statements of Financial Activities are as follows

	2011
	£000
Current service cost	137
Interest cost	74
Expected return on plan assets	(39)
Past service cost	-
Effect of prior years	1,197
Total pension cost charged within net incoming/(outgoing) resources	<u>1,369</u>
Actuaries gains	(118)
Total amount charged to SOFA	<u>1,251</u>

The cumulative amount of actuarial gains recognised is £118,000

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Charges in the present value of the defined benefit obligation are as follows

	2011 £000
Opening defined benefit obligation	1,992
Current service cost	137
Interest cost	74
Member contributions	47
Past service cost	-
Actuarial losses on liabilities	(191)
Benefits paid	-
Benefit obligation at the end of the year	2,059

Changes in the fair value of the scheme assets are as follows

	2011 £000
Opening fair value of scheme assets	795
Expected return on scheme assets	39
Actuarial gains/(losses)	(73)
Employer contributions	131
Member contributions	47
Benefits paid	-
Fair value of scheme assets at end of year	939

The weighted-average assets allocation at the period end was as follows

	Expected rate of return	Plan assets at 31/08/2011 £000
<u>Assets category</u>		
Equities	6.80%	685
Government bonds	4.60%	141
Property	4.80%	75
Cash	3.90%	38
	5.03%	939

To develop the expected long term rate of return on assets assumption, the employer considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for the future returns of each asset class. The expected return for each asset class was then weighted based on the asset allocation to develop the expected long term rate of return on assets assumption of the portfolio. This resulted in the selection of the above assumptions.

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	2011
	£000
The actual return on the scheme assets in the year	34

Weighted average assumptions used to determine benefit obligations at 31 August 2011

	2011
Discount rate	5.40%
Rate of compensation increase	4.90%
Rate of pension increase	2.60%

Weighted average assumptions used to determine net pension cost for period ended 31 August 2011

	2011
Discount rate	5.40%
Expected long term return on plan assets	6.20%
Rate of compensation increase	4.90%
Rate of pension increase	2.60%

Assumed life expectations on retirement age 65

Retiring today - males	21.20
Retiring today - females	23.40
Retiring in 20 years - males	23.30
Retiring in 20 years - females	25.60

Experience adjustments are as follows

	2011
Present value of defined benefit obligations	(2,059)
Fair value of share of scheme assets	939
Deficit in the scheme	(1,120)
Experience gains/(losses) on assets	(73)

Contributions

The employer expects to contribute £286,000 in the period to 31 August 2012

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NOTES TO THE FINANCIAL STATEMENTS
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27. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £000
Net income	16,902
Depreciation (note 15)	198
Capital grants from DfE and other capital income	(16,744)
Interest receivable	(1)
FRS 17 pension cost less contributions payable (note 26)	1,238
(Increase) / decrease in debtors	(289)
Increase / (decrease) in creditors	922
Net cash inflow from operating activities	<u>2,226</u>

28. SUMMARY ACCOUNTS FOR DE FERRERS SCHOOL FUND

Income and Expenditure for the period ended 31 August 2011	2011 £000
Income	552
Expenditure	<u>(181)</u>
	<u>371</u>
Balance Sheet as at 31 August 2011	2011 £000
Cash at bank	<u>371</u>
Reserves	<u>371</u>