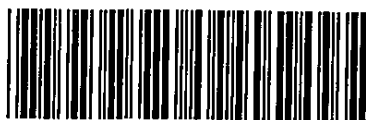


LANDAU FORTE CHARITABLE TRUST
(A COMPANY LIMITED BY GUARANTEE)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED
31 AUGUST 2011

THURSDAY



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COMPANIES HOUSE

LANDAU FORTE CHARITABLE TRUST
REFERENCE AND ADMINISTRATION INFORMATION

Year ended 31 August 2011

Members/Directors

M R Landau (President) (M)
P G Ashworth (Chairman) (M)
O Polizzi, CBE (Deputy Chairman) (M)
T M Bell (M)
The Honourable Sir Rocco Forte (M)
D Gould, OBE (M)
Sir Murdo Maclean (M)
The Honourable David McAlpine (M)
R Morgan (Appointed 29 March 2012)
T R Ousley (M)
S Shooter (M)
D Shore (Appointed 29 March 2012)
P Traves (Appointed 1 December 2010)
S Whiteley

Key

(M) Member of the company /Trustees of the company

Chief Executive S Whiteley

**Executive Director of Finance & Administration
and Company Secretary** J A Cox

Principal Landau Forte College Derby E A Coffey

Principal Landau Forte Academy Amington, D C Pickering

**Principal Landau Forte Academy Tamworth
Sixth Form** P Morris

Principal Landau Forte Academy QEMS R Fell

Status Landau Forte Charitable Trust is an exempt charity
and a company limited by guarantee

Company number 02387916

Auditors Cooper Parry LLP
Chartered Accountants and Statutory Auditor
Derby
DE24 8RF

Registered Office Landau Forte College
Fox Street
Derby
DE1 2LF

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2011

The Directors are pleased to present their Annual Report together with the audited financial statements for the year ended 31 August 2011

Structure, Governance and Management

Constitution and Members Liability

In order to satisfactorily move from maintaining a single Academy to successfully establish and maintain multiple Academies, the Members identified the need to re-organise the existing charitable company, this task was successfully completed in September 2009. Prior to this date the charitable company was known as Landau Forte College, a charitable company limited by guarantee (no 02387916) and an exempt charity.

The Principal Sponsors of the Trust are the Landau Charitable Foundation and the Honourable Sir Rocco Forte. The Principal Sponsors may appoint up to 6 members of the Trust in addition to the elected Chairman of Directors, the Secretary of State on behalf of the Department for Education (or his appointed representative) and such additional trustees as the trustees may agree unanimously in writing. The minimum number of members allowed is three.

The number of trustees of the Trust shall not be less than 3 but (unless determined by ordinary resolution) shall not be subject to any maximum. To carry out the business of the Trust the Members have appointed a Board of Directors. The company has the following categories of Directors: Principal Sponsor Directors, Academy Directors, the Chief Executive, provision for one Parent Director for every 10 or fewer Academies.

The Articles require the Trust to appoint a Local Governing Board of Governors to manage the affairs of each of its Academies. The Local Governing Bodies for each Academy shall include the Principal, the Chief Executive of the Company, one Governor appointed by the Local Authority, one elected parent/carer of a student at the Academy and such other Governors as the Directors of the Trust decide. The Chairman of the Local Boards of Governors shall be appointed by the Principal Sponsors of the Trust.

During the year there were no resignations as directors of the Trust. Peter Traves, former Director of Children's and Young People's Services, Staffordshire was appointed to the Board of Directors on 1 December 2010.

Each member of the Trust undertakes to contribute to the assets of the Trust in the event of it being wound up, such as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

Principal Activity

The principal activity is to operate the Trust's Academies including Landau Forte College Derby, which was formerly the 14th City Technology College established in the UK and became an Academy for up to 1,160 students in September 2006. The Trust also now operates three additional Academies in Tamworth, Staffordshire: Landau Forte Academy Amington, an 11 – 16 Academy for up to 960 students (opened September 2010), Landau Forte Academy QEMS, an 11 – 16 Academy for up to 840 students (opened September 2011), and Landau Forte Academy Tamworth Sixth Form, a 16 – 19 Academy for up to 860 students (opened September 2011). Within the period covered by the financial statements, Landau Forte College Derby and Landau Forte Academy Amington were operational, Landau Forte Academy Tamworth Sixth Form and Landau Forte Academy QEMS were in development and opened on 1 September 2011.

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2011

As an Academy, Landau Forte College (LFC) Derby specialises in Technology and Business Enterprise Landau Forte Academy (LFA) Amington specialises in Science and Business Enterprise, Landau Forte Academy (LFA) QEMS in Mathematics and Music and the Landau Forte Academy (LFA) Tamworth Sixth Form providing a strong A Level curriculum enabling progression for students attending the Academy from across all Tamworth secondary schools At 11 – 16 level, all of our Academies have a clear focus upon Mathematics, English, Science and Modern Languages The curriculum is enriched through inclusion of Arts, Humanities, Physical Education and Sport with a strong emphasis on preparing students for higher education and future employment

The core business of each of the Trust's Academies is to provide full time education for children aged from 11 to 19 years old

In LFC Derby currently there are 1,141 students on roll including 290 who are Post 16 students In LFA Amington there are currently 903 11 – 16 year old students, in LFA QEMS there are 744 11 – 16 year old students, at LFA Tamworth Sixth Form there are 350 students It is intended that the LFA Academies in Tamworth will grow to provide full time education for up to 2,660 children aged 11 – 19 It is planned for the Post 16 centre to replace all school-based Post 16 provision in Tamworth by September 2012 As well as its core business each Academy serves its wider community and works to develop its links with local primary and secondary schools Whereas the Academies are both part of the national network of Academies, they are operated as independent institutions within the Trust's Federation of Academies

Governance

In the year ending 31 August 2011, the Trustees were the Directors of the charitable company (hereafter referred to as Trust) for the purpose of the Companies Act 2006 (as well as other Directors elected to the Board) and Trustees for the purposes of the charity legislation The Trustees and Directors who were in office at the date of the annual report are shown on page 1

During the year the Trust's Board of Directors met formally 4 times The Local Governing Board of Governors for the Academy in Derby held 4 formal meetings In addition to these both the Local Education and the Finance and General Purposes sub committees held 4 meetings each On an individual basis, a number of the Trustees attended the Academies

The Design User Group (DUG) comprising of the Landau Forte Charitable Trust (LFCT) Board Directors, representatives from Staffordshire CC, and Partnership for Schools, continued to oversee the construction of the buildings for the LFA Amington and LFA Tamworth Sixth Form receiving monthly reports from EC Harris LLP, Technical Advisers and Wilmott Dixon, the Building Contractor From 1 September 2010, the DUG reported to the Local Board of Governors for the Tamworth Academy and to the Board of Directors of the Trust

In the second half of the reporting year the Board of Directors along with the Department for Education (DfE), and Staffordshire Local Authority (LA), established a Project Steering Group (PSG) chaired by Margaret Bell to oversee the development of Landau Forte Academy (LFA) QEMS The group met on a monthly basis up to and including August 2011 and then handed responsibility to the Local Board of Governors

The induction provided for new Trustees, Directors and Local Governors depends on their existing experience, but may include meetings with the Chairman, Chief Executive, Academy Principals other Trustees, Directors or Governors and a tour of the Academies to meet staff and students

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2011

Statement of Directors' responsibilities for the financial statements

The Directors are responsible for preparing the report and the financial statements in accordance with the Annual Accounts requirements issued by the Young People's Learning Agency (YPLA), applicable law, and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and group and of its incoming resources and application of resources, including income and expenditure, of the parent charitable company and group for that year. In preparing these financial statements, the directors are required to

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

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

The Directors are responsible for ensuring that in its conduct and operation the Trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the YPLA/DFE have been applied for the purposes intended

Management

The Board of Directors are responsible for setting general policy with specific powers in accordance with the Scheme of Government delegated to the Chief Executive, Executive Director of Finance and Administration, Local Boards of Governors and the Academy Principals. The Board of Directors meets 4 times per year and receives reports from the Chief Executive and Executive Director of Finance and Administration. Each local board is responsible for adopting an annual development plan and annual budget, the latter also being agreed with the Board of Directors. The Local Boards of Governors monitor the performance of their respective Academy by the use of monthly financial information along with termly reports from the Principal and Executive and Director of Finance and Administration for each of the 4 full Board of Governors Meetings and the 4 meetings for each of the Financial and General Purposes and Education Committees. This information is used to inform decision making about the future direction of the organisation and capital expenditure

The Charitable Trust Executive consists of the Chief Executive and the Executive Director of Finance and Administration. Each Academy also has a Principal or Principal Designate who, together with the Trust Executive team, are responsible for the overall executive leadership and management of the Trust's Academies and the implementation of policy as laid down by the Board of Directors. Each Academy has an internal Executive team and a broader Senior Leadership Team which are responsible for all operational matters relating to curriculum, teaching, learning, student attainment, achievement, broader development and welfare

Subsidiary Trading Companies

The Trust owns 100% of the issued share capital of LF Enterprises Limited, a company incorporated in England. The Trust also owns 100% of the issued share capital of Landau Forte Enterprises Tamworth Limited, a company incorporated in England. All profits from these subsidiaries are transferred by gift aid to the Trust. Further details of the profit for the year and the assets and liabilities of each subsidiary are given in note 14 of the financial statements

Risk Management

The Directors confirm that the major risks to which the Trust and its Academies are exposed have been reviewed and systems have been established to mitigate those risks. Where significant financial risk still remains they have ensured that they have in place adequate insurance cover. The Trust has ensured that the Academies have effective systems of internal financial controls as detailed below

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2011

Going Concern

After making appropriate enquiries the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis when preparing the financial statements.

Objectives and Activities

The vision for the Trust is to significantly contribute to the systemic improvement of education in England through the Academies (and Schools) programme by further raising the performance, hopes, aspirations and ambition of students, their families and local communities, generating self belief, self esteem and self confidence through practical steps

- 1 Focusing upon high quality teaching and learning, improving standards of attainment and achievement, high quality student care and support and to transform the education of the young people served by each Academy
- 2 Providing outstanding opportunities for young people to develop healthy and active lifestyles, enjoy their learning and achievement, act and behave safely and become well prepared for adult life in a rapidly changing society
- 3 Actively promote high standards, self and mutual respect, good conduct and behaviour
- 4 Develop educational organisations which whilst contributing to community regeneration are places where students, staff and local community are proud to belong, a place they feel a part of and can make extended use of
- 5 Creating a culture which celebrates success within and beyond the Academies, for example in securing greater numbers of students progressing to higher education or employment with training
- 6 Implement leadership and accountability practices that demand and produce successful outcomes, which are effective and provide value for money
- 7 The ambition to establish each Academy as an *outstanding* school (Ofsted Grade 1) within 3 years of opening

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2011

Mission Statement

'In partnership with parents/carers and the wider community including business and industry, each Academy will provide a high quality education motivating and enabling its students to learn, to achieve and to develop the skills, capability and confidence to succeed in all aspects of their lives'.

In fulfilling its mission through these Academies, the students would become

- 1 Well-qualified and well educated,
- 2 Capable, adaptable and confident,
- 3 Independent and autonomous learners,
- 4 Self reliant but importantly able to work productively and positively with others,
- 5 Marketable and employable and/or have the capacity, confidence and entrepreneurial spirit to become self employed,
- 6 Responsible and respected citizens

Ethos & Culture of the Trust's Academies

- 1 Student learning, attainment, achievement and well being are at the centre of strategic thinking, planning and actions
- 2 A 'can do' attitude is actively promoted and prevalent throughout the Academies
- 3 There is a culture of success where achievement is rewarded and celebrated
- 4 Underpinned by high aspirations and ambition for both students and staff there is an expectation for everyone to be determined and have a desire and commitment to continuously improve
- 5 The independent status of the Academies is fully embraced to encourage self confidence, a pro-active approach and taking responsibility for one's own actions whilst enabling rapid and appropriate response to changing circumstances
- 6 The Trust promotes a systematic, corporate, approach to key aspects of its work to secure consistency, high quality, the sharing of expertise, and efficiency e.g. planning of teaching and learning, personal tutorial support for students, development planning, financial planning, procurement and controls, management of Information and Communication Technology (ICT), human resource management
- 7 There is both replication and co-construction of educational approaches and systems between the Academies to secure the distinctive ethos and culture which characterises a Landau Forte Academy education and to ensure a fertile environment for future development and growth of the Academies

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2011

Strategic activities and achievements:

Strategic activities and achievements of the Trust during the year included

- (i) The effective and efficient operation of the Academy in Derby successfully maintaining high levels of student attainment and achievement and progression rates to higher education and employment. This is exemplified through examination results and progression routes, notably

At KS4 97% of students gained 5 or more A* - C grades with 63% of students achieving 5 or more A* - C grades including English and Mathematics. At age 16, 57% of students remained in Post 16 education at the College with all students obtaining places for learning including further education college, apprenticeships or employment with training with the exception of one student who is unavailable for personal reasons.

At Post 16, the A level and equivalent pass rate was 99.5% (100% in 25 out of 27 subject areas) with 76% of grades being A* - C. 69.5% of students progressed into higher education with 67% of those going on to study Mathematics, Science, Technology or Business related degrees successfully reflecting the College specialism. 6.9% of students directly entered employment with 1.5% of students taking a gap year. One student's intentions remain unknown.

- (ii) The successful opening of the new Academy in Tamworth on 1 September 2010. In its first year of operation KS4 examination results exceeded the predecessor school at GCSE where 48% (previous year 31%) of students achieved 5 or more A* - C grades including English and Mathematics and 87% of students gained 5 or more A* - C grades. At age 16, 98.9% have progressed to Landau Forte Academy Tamworth Sixth Form, apprenticeships or employment with training with the exception of 1.1% of students who are still to be placed.
- (iii) In a small cohort of Year 13 students at Post 16, the A level and equivalent pass rate was 99% (100% in 14 out of 15 subject areas) with 71% of grades being A* - C.
- (iv) The two new buildings for the Academies in Tamworth were completed ahead of schedule and within budget with the Trust taking possession on 22 August 2011. Both new buildings opened to students on Monday 5 September 2011. The Trust is appreciative of the work and the team effort of all involved including the contractor Wilmott Dixon who was responsible for the design and building programme, Staffordshire County Council as its strategic partner, Research Machines, our ICT partner and the professional advisers EC Harris (Technical) and Geldards (Legal). The Trust is grateful to the DfE through Partnership for Schools for the capital funding enabling this major investment in the community of Tamworth.
- (v) The Trust has continued to generate income through LF Enterprises Limited, its trading arm which is then covenanted back to the Trust for future investment in its activities and also generated income through its new subsidiary Landau Forte Enterprises Tamworth Limited.

Plans for Future Periods

The Trust's strategic activities for the year 2011/12 are

- (i) Maintain the drive for continuous improvement and higher standards of education in the open Academies in Derby and Tamworth through a focus on the quality of learning and teaching leading to higher levels of student attainment and achievement.
- (ii) Continue to explore the development of the site for the Academy in Derby.
- (iii) Plan and implement the Trust's capital investment programme.

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2011

- (iv) Seek to secure capital funding for the remodelling of LFA QEMS
- (v) Ensure all open Academies operate within agreed budgets
- (vi) Investigate Academy expansion into the Primary sector
- (vii) Investigate the possibility of an additional secondary level Academy
- (viii) In the light of increasing financial constraints plan judiciously and carefully with the Academies for the year 2012/13 onwards to secure the most effective use of resources so that educational quality and standards continue to improve whilst retaining a strong financial position

The Trustees confirm that they have given due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities

Equal Opportunities

The Directors recognise that equal opportunities should be an integral part of good practice within the work place. The Trust aims to establish equal opportunity in all areas of its activities including creating working and learning environments in which the contribution and needs of all people are fully valued

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are designed to ensure wheelchair access to all the main areas of the Academies. Both new buildings under construction are fully compliant with the Disability and Discrimination Act. The Trust's policy is to support, recruit and retain students and staff with disabilities. The Trust and its Academies do this by reviewing and adapting when necessary the physical environment, by providing adequate support, resources and appropriate training and career development

Financial Review

Financial Report for the Year

Most of the Trust's annual income is obtained from the YPLA in the form of recurrent grants, the use of which is restricted for particular purposes. The grants received during the year ended 31 August 2011 and its associated expenditure are shown as restricted general funds in the Statement of Financial Activities. The Trust also receives grants for fixed assets from the YPLA. In accordance with the Charities statement of recommended practice (SORP 2005 revised 2008) such grants are shown in the Statement of Financial Activities as restricted income in a restricted capital fund. The restricted fixed asset fund balance is reduced by annual amortisation charges over the expected useful life of the assets concerned

In 2011, the Directors have been advised by the actuaries of both the Local Government Pension Schemes that the liability to fund of the non-academic employee's pensions is £735,000. This is the current shortfall in payments required to fund these final salary pension schemes. The Trust is required to fund these pensions as part of each Academy's funding agreement

Investment Policy

The Directors seek to invest surplus funds in a manner to obtain the best possible return and these are invested with reputable and ethical investors

LANDAU FORTE CHARITABLE TRUST

DIRECTORS' REPORT

Year ended 31 August 2011

Reserves Policy

The policy of the Directors is to transfer recognised surpluses to reserves for investment in tangible fixed assets in all ways possible to assist our tutorial staff to achieve increasing academic standards. The Trust has a number of designated and restricted funds, details of which can be found in notes 19-22 of the financial statements. The Trust has accumulated restricted capital cash and has detailed plans to spend these monies on future capital projects in line with its objectives.

Financial Position

The Trust held fund balances at 31 August 2011 of £68,422,000 (2010 £22,294,000), consisting of £52,518,000 of restricted funds and £15,904,000 of unrestricted funds.

Provision of information to auditors

In so far as the directors are aware

- there is no relevant audit information of which the group and parent charitable company's auditor is unaware and,
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Directors and signed on behalf of the Board

28 May 2012



J A COX
Company Secretary

LANDAU FORTE CHARITABLE TRUST

STATEMENT ON INTERNAL CONTROL

Year ended 31 August 2011

Scope of Responsibility

As directors, we acknowledge we have overall responsibility for ensuring that Landau Forte Charitable 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 Directors have delegated the day-to-day responsibility to the Chief Executive, 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 Landau Forte Charitable Trust and the Secretary of State for Education. They are also responsible for reporting to the Directors 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 Landau Forte Charitable 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 Directors have 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 Directors are 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 ended 31 August 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors.

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 Directors,
- regular reviews by the Finance and General Purpose Committees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties, and
- identification and management of risks
- reviews by independent Responsible officer of financial arrangements (which have been carried out in-line with the YPLA requirements)

LANDAU FORTE CHARITABLE TRUST

STATEMENT ON INTERNAL CONTROL

Year ended 31 August 2011

The Directors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the local governors have appointed a governor, as a Responsible Officer (RO) for each Academy. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis the RO reports to the Local Governing Body on the operation of the systems of control and on the discharge of the Local Governing Body's financial responsibilities.

Review of effectiveness

As Accounting officer, the Chief Executive, 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, and
- 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 results of their review of the system of internal control by the Finance and General Purpose Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Directors on 24 May 2012 and signed on their behalf by



S WHITELEY
Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

LANDAU FORTE CHARITABLE TRUST

We have audited the financial statements of Landau Forte Charitable Trust for the year ended 31 August 2011, set out on pages 14 to 43. 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.

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

Respective responsibilities of Directors and auditor

The Directors act as trustees for the charitable activities of Landau Charitable Forte Trust and are also the directors of the Trust for the purposes of company law.

As explained more fully in the Statement of Directors' Responsibilities set out in the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Trust'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 Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group and the parent Trust's affairs as at 31 August 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

LANDAU FORTE CHARITABLE TRUST

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the Annual Accounts Direction 2010/11 issued by the Young People's Learning Agency

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

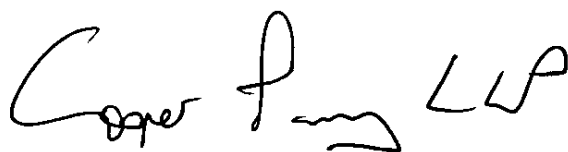
Opinion on other matter prescribed by the Young People's Learning Agency

In our opinion grants made by the Young People's Learning Agency have been applied for the purposes intended

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

- the parent Trust has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the parent Trust's financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Paul Rowley (Senior Statutory Auditor)
for and on behalf of
Cooper Parry LLP

Chartered Accountants
Statutory Auditor
Derby

Date 30 May 2012

LANDAU FORTE CHARITABLE TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

Year ended 31 August 2011

	Notes	Unrestricted funds £'000	Revaluation reserve £'000	Restricted general funds £'000	Restricted capital funds £'000	Total 2011 £'000	Total 2010 £'000
Incoming resources							
Incoming resources from generated funds							
- Exceptional donation in kind	6	-	-	(602)	44,519	43,917	-
- Investment income	4	14	-	-	-	14	54
- Gross income from non - charitable trading	14	162	-	-	-	162	132
- Other incoming resources	5	587	-	380	-	967	419
Incoming resources from charitable activities							
- Funding for the Trust's educational operations	3	-	-	13,154	114	13,268	7,526
Total incoming resources		<u>763</u>	<u>-</u>	<u>12,932</u>	<u>44,633</u>	<u>58,328</u>	<u>8,131</u>
Resources expended							
Cost of generating funds							
- Costs relating to non-charitable trading	14	51	-	-	-	51	36
Cost of charitable activities							
- Group educational operations	8	23	-	13,635	710	14,368	8,035
Governance costs	9	45	-	359	-	404	294
Total resources expended	7	<u>119</u>	<u>-</u>	<u>13,994</u>	<u>710</u>	<u>14,823</u>	<u>8,365</u>
Net incoming/(outgoing) resources before transfers and net income/(expenditure) for the year		<u>644</u>	<u>-</u>	<u>(1,062)</u>	<u>43,923</u>	<u>43,505</u>	<u>(234)</u>
Transfers between funds	19, 20	<u>(229)</u>	<u>-</u>	<u>229</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources before other recognised gains and losses		<u>415</u>	<u>-</u>	<u>(833)</u>	<u>43,923</u>	<u>43,505</u>	<u>(234)</u>
Other recognised gains and losses							
Actuarial gains/(losses) on defined benefit pension schemes	11	-	-	97	-	97	(24)
Unrealised gain on investment		-	6	-	-	6	2
Revaluation of tangible fixed assets		-	2,520	-	-	2,520	-
Net movement in funds		<u>415</u>	<u>2,526</u>	<u>(736)</u>	<u>43,923</u>	<u>46,128</u>	<u>(256)</u>
Fund balances brought forward at 1 September 2010		<u>2,310</u>	<u>10,653</u>	<u>69</u>	<u>9,262</u>	<u>22,294</u>	<u>22,550</u>
Fund balances carried forward at 31 August 2011		<u>2,725</u>	<u>13,179</u>	<u>(667)</u>	<u>53,185</u>	<u>68,422</u>	<u>22,294</u>

The statement of financial activities analyses all the capital and incoming resources and expenditure of the group during the year and reconciles the movements in funds. All income and expenditure relates to continuing activities. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included on the Statement of Financial Activities. The overall financial position at the year end is summarised in the balance sheet on page 17. The statement of financial activities together with the notes on pages 19 to 43, provide full information on the movement in funds of the Trust.

LANDAU FORTE CHARITABLE TRUST

**STATEMENT OF FINANCIAL ACTIVITIES - TRUST
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

Year ended 31 August 2011

	Notes	Unrestricted funds £'000	Revaluation reserve £'000	Restricted general funds £'000	Restricted capital funds £'000	Total 2011 £'000	Total 2010 £'000
Incoming resources							
Incoming resources from generated funds							
- Exceptional donation in kind	6	-	-	(602)	44,519	43,917	-
- Investment income	4	14	-	-	-	14	54
- Other incoming resources	5	692	-	380	-	1,072	514
Incoming resources from charitable activities							
- Funding for the Trust's educational operations	3	-	-	13,154	114	13,268	7,526
Total incoming resources		706	-	12,932	44,633	58,271	8,094
Resources expended							
Cost of charitable activities							
- Educational operations	8	23	-	13,635	710	14,368	8,035
Governance costs	9	39	-	359	-	398	293
Total resources expended	7	62	-	13,994	710	14,766	8,328
Net incoming/(outgoing) resources before transfers and net income/ (expenditure) for the year							
		644	-	(1,062)	43,923	43,505	(234)
Transfers between funds	19,21	(229)	-	229	-	-	-
Net (outgoing)/ incoming resources before other recognised gains and losses							
		415	-	(833)	43,923	43,505	(234)
Other recognised gains and losses							
Actuarial gains/(losses) on defined benefit pension schemes							
	11	-	-	97	-	97	(24)
Unrealised gain on investment		-	6	-	-	6	2
Revaluation of tangible fixed assets		-	2,520	-	-	2,520	-
Net movement in funds		415	2,526	(736)	43,923	46,128	(256)
Fund balances brought forward at 1 September 2010							
		2,310	10,653	69	9,262	22,294	22,550
Fund balances carried forward at 31 August 2011							
		2,725	13,179	(667)	53,185	68,422	22,294

The statement of financial activities analyses all the capital and incoming resources and expenditure of the group during the year and reconciles the movements in funds. All income and expenditure relates to continuing activities. The overall financial position at the year end is summarised in the balance sheet on page 17. The statement of financial activities within the notes on pages 19 to 43, provide full information on the movement on funds of the Trust. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

LANDAU FORTE CHARITABLE TRUST
NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year ended 31 August 2011

	Group		Trust	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Reported surplus/(deficit) on ordinary activities	46,128	(256)	46,128	(256)
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the re-valued amount	238	238	238	238
Historical cost surplus/(deficit) on ordinary activities	46,366	(18)	46,366	(18)

The notes on pages 19 to 43 form part of these financial statements

LANDAU FORTE CHARITABLE TRUST

REGISTERED NUMBER. 02387916

BALANCE SHEET

Year ended 31 August 2011

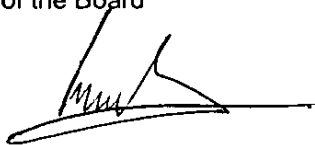
	Notes	Group 2011 £'000	2010 £'000	Trust 2011 £'000	2010 £'000
Fixed assets					
Tangible assets	12	66,329	19,858	66,329	19,858
Investments	13	83	77	83	77
		<u>66,412</u>	<u>19,935</u>	<u>66,412</u>	<u>19,935</u>
Current assets					
Stocks	15	53	21	51	19
Debtors	16	946	335	1,076	417
Investments – short term deposits		1,500	3,050	1,500	3,050
Cash at bank and in hand		2,578	547	2,430	450
		<u>5,077</u>	<u>3,953</u>	<u>5,057</u>	<u>3,936</u>
Creditors amounts falling due within one year	17	(2,304)	(1,428)	(2,284)	(1,411)
Net current assets		<u>2,773</u>	<u>2,525</u>	<u>2,773</u>	<u>2,525</u>
Creditors amounts falling due after one year	18	(28)	(34)	(28)	(34)
Net assets excluding pension scheme liabilities		<u>69,157</u>	<u>22,426</u>	<u>69,157</u>	<u>22,426</u>
Defined benefit pension liability – Derby	11	(221)	(132)	(221)	(132)
Defined benefit pension liability – Tamworth	11	(514)	-	(514)	-
Net assets including defined benefit pension liability		<u>68,422</u>	<u>22,294</u>	<u>68,422</u>	<u>22,294</u>
Funds					
Restricted funds:					
Restricted capital funds	19	53,185	9,262	53,185	9,262
Restricted fund – Williams Bursary	19	68	68	68	68
Restricted general fund	19	-	133	-	133
Pension reserve	19	(735)	(132)	(735)	(132)
Unrestricted funds:					
Designated unrestricted funds	20,21,22	1,450	1,160	1,450	1,160
Unrestricted fund	20,21	1,275	1,150	1,275	1,150
Revaluation reserve	20,21	13,153	10,633	13,153	10,633
Treasury revaluation reserve	20,21	26	20	26	20
		<u>68,422</u>	<u>22,294</u>	<u>68,422</u>	<u>22,294</u>

These financial statements were approved by the Board of Directors on

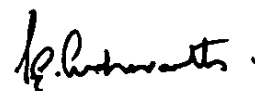
28 May 2012

Signed on behalf of the Board

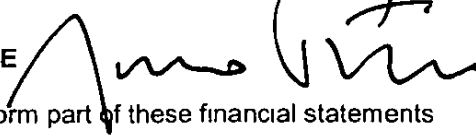
M R LANDAU



P GASHWORTH



THE HON. SIR ROCCO FORTE



The notes on pages 19 to 43 form part of these financial statements

LANDAU FORTE CHARITABLE TRUST

CASH FLOW STATEMENT

Year ended 31 August 2011

	Notes	Group		Trust	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
Net cash inflow from operating activities	23	374	886	323	871
Returns on investments and servicing of finance					
Interest received		14	54	14	54
Interest paid		(5)	(1)	(5)	(1)
Capital expenditure and financial investment					
Purchase of tangible fixed assets	12	(202)	(432)	(202)	(432)
Purchase of fixed asset investments	13	-	(33)	-	(33)
Sale of fixed asset investments	13	-	24	-	24
Net cash inflow before management of liquid resources and financing		181	498	130	483
Management of liquid resources					
Redemption/(investment) in short term deposits		1,550	(950)	1,550	(950)
Financing					
New loan		198	48	198	48
Repayment of loan		(12)	(2)	(12)	(2)
Government capital grants	3	114	149	114	149
Payment of Williams Bursary		-	(4)	-	(4)
Net cash inflow from financing		300	191	300	191
Increase/(decrease) in cash	23	2,031	(261)	1,980	(276)

Reconciliation of net cashflow to movement in funds for the year ended 31 August 2011

		Group		Trust	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
Increase/(decrease) in cash in the year	23	2,031	(261)	1,980	(276)
Cash flow from decrease/(increase) in financing		(186)	(46)	(186)	(46)
Net funds at the start of the year		501	808	404	726
Net funds at the end of the year	23	2,346	501	2,198	404

The notes on pages 19 to 43 form part of these financial statements

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties and investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 the Academies Account Direction issued by the YPLA and applicable accounting standards.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the parent charitable company and its subsidiary undertakings, LF Enterprises Limited and Landau Forte Enterprises Tamworth Limited. The results of the subsidiary are consolidated on a line by line basis.

The charitable company has availed itself of paragraph 4(1) of Schedule 1 of the Large and Medium sized Companies and Groups (Accounts and Directors' Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's and group's activities.

Grants receivable

The General Annual Grant (GAG) and other recurring and non recurring grants received from the YPLA, are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes in advance of entitlement is shown in the relevant funds on the balance sheet. Where entitlement occurs before income is received, the income is accrued.

Fixed asset grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not matched to relevant expenditure during the period is shown in the restricted capital funds in the balance sheet.

Donations

Donations are included in the statement of financial activities where there is certainty of receipt and the amount can be reliably measured.

Sponsorship

The value of sponsorship provided to the Trust is recognised in the statement of financial activities in the period it is receivable when there is certainty of receipt.

Interest receivable

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

Allocation of cost between direct provision of education and other expenditure

In accordance with the Charity SORP, expenditure has been analysed between the costs of generating funds (costs incurred in generating Trading funds), 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. Central staff costs are allocated on the basis of time spent on each activity. Other costs allocated include:

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

1 Accounting policies (continued)

<i>Cost category</i>	<i>Basis of apportionment</i>
Maintenance of premises	Capacity of accommodation utilised
Other occupancy costs	Capacity of accommodation utilised
Depreciation	Capacity of accommodation utilised

Governance costs

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Investments

Fixed asset investments are shown at the market value on the last business day of the year. Any unrealised loss or gain is taken to the treasury revaluation reserve. Current asset investments are stated at the lower of cost and net realisable value.

Shares in subsidiaries held as fixed assets are stated at cost less provision for any impairment.

Tangible fixed assets

Freehold and leasehold buildings are held at valuation. All such assets were given a full valuation in January 2012 on the basis of insurance reinstatement value, by John Clapham, a registered member of the Chartered Insurance Institute for Ecclesiastical Insurance, who is independent of the Trust.

Tangible fixed assets are depreciated over their estimated useful lives at the following rates:

Freehold land	- nil
Freehold buildings	- 2%
Furniture and equipment	- 20%-25% straight line
Computer equipment and software	- 100% in year of acquisition

In the year, the group acquired new buildings for the LFA Tamworth through Partnership for Schools. As the buildings were donated to the Academy by Staffordshire County Council, this is included as exceptional restricted voluntary income (in accordance with the YPLA 2010/11 Academies Accounts Direction the buildings have been recognised at their fair value).

Assets are capitalised in accordance with the guidelines set down by the YPLA. This may result in assets which would otherwise be capitalised being charged to expenditure. The de minimus level used for asset capitalisation was £5,000 during the year.

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 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.

Stock

Unused stationery and catering stores are valued at the lower of cost or net book value.

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

1 Accounting policies (continued)

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.

VAT

During the financial reporting period the VAT status of Academies has been changed by Her Majesty Revenue and Customs (HMRC). The Trust remains unregistered for VAT however is now able to reclaim VAT on purchases for educational purposes. This change took effect from 1 April 2011.

For the period 1 September 2010 to 31 March 2011 the cost of Value Added Tax incurred by the Trust has been included in the statement of financial activities or capitalised as part of the fixed asset additions in the year. For the period 1 April 2011 to 31 August 2011 the cost of Value Added Tax incurred by the Trust has been excluded from the statement of financial activities and has not been capitalised as part of any fixed asset additions. The Trust has received temporary funding from the YPLA in the form of a loan to bridge the time when expenditure is incurred and when the VAT is reclaimed and this has been included in creditors and is repayable in January 2012. The VAT debtor has been classified as other debtors due within one year.

Pensions

The Trust operates a number of pension schemes which are either defined benefit schemes or instead some staff members receive contributions to their own personal pension schemes. More details of the schemes are given in notes 10 and 11.

Defined Benefit Schemes

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 YPLA. As the Trust is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Trust has taken advantage of the exemption in the Retirement Benefits 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 Trust in the year.

Local Government Pension Scheme

Non-teaching members of staff are offered membership of the Local Government Scheme (LGPS). The LGPS is operated at a County Council level and each County Council scheme is a final salary defined benefit pension scheme where the County Council can identify the Trust's share of assets and liabilities. The requirements of FRS 17 have been followed.

In September 2010, when the Trust established LFA Tamworth, it inherited the liability for the defined benefit pension scheme for the staff that had transferred to the new Academy from the predecessor school. This liability has been recognised in full in the statement of financial activities this year and the brought forward balance shown as a debit against the donated fixed assets.

Funds

Restricted capital funds represent funds received towards capital expenditure by way of

- Grants from the Government
- Private donations and sponsorship
- Surpluses on GAG income which have been used for capital purposes
- Donated assets from the Partnership for schools scheme

Any amounts used for capital purposes by the Trust from its unrestricted funds are allocated to an unrestricted capital fund.

The Williams Bursary is a restricted fund and represents a capital sum of £50,000 from which the income generated may only be used to fund bursaries to selected Trust students for use in their further education.

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

2 General Annual Grant (GAG) – Landau Forte College, Derby

	2011 £'000	2010 £'000
A. Results and carry forward for the year		
Carry over from previous year	-	-
GAG allocation for current year	6,651	6,953
Total GAG available to spend	6,651	6,953
GAG revenue expenditure	(6,861)	(7,018)
Funded from prior year surplus	-	3
Funded from other non GAG grants	210	62
GAG carried forward to next year	-	-
Less maximum permitted GAG carried forward at end of current year	(798)	(834)
GAG to surrender to YPLA (12% rule breached if result is positive)	(798) (no breach)	(834) (no breach)
B Use of GAG brought forward from previous year for general purposes		
General expenditure from GAG in current year	6,861	7,018
GAG allocation for current year	(6,651)	(6,953)
GAG allocation for previous year x 2%	-	-
Funded from prior year surplus	-	(3)
Funded from other non YPLA grants	(210)	(62)
GAG brought forward from previous year in excess of 2%, used on general expenditure in current year (2% rule breached if result is positive)	- (no breach)	- (no breach)

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

2 General Annual Grant (GAG) – Landau Forte Academy Tamworth

	2011 £'000	2010 £'000
A Results and carry forward for the year		
Carry over from previous year	-	-
GAG allocation for current year	5,162	-
	<hr/>	<hr/>
Total GAG available to spend	5,162	-
GAG revenue expenditure	(5,414)	-
Funded from other non GAG grants	252	-
	<hr/>	<hr/>
GAG carried forward to next year	-	-
Less maximum permitted GAG carried forward at end of current year	(619)	-
	<hr/>	<hr/>
GAG to surrender to YPLA	(619)	-
(12% rule breached if result is positive)	<hr/>	<hr/>
	(no breach)	(no breach)
B Use of GAG brought forward from previous year for general purposes		
General expenditure from GAG in current year	5,414	-
GAG allocation for current year	(5,162)	-
GAG allocation for previous year x 2%	-	-
Funded from prior year surplus	-	-
Funded from other non YPLA grants	(252)	-
	<hr/>	<hr/>
GAG brought forward from previous year in excess of 2%, used on general expenditure in current year	-	-
(2% rule breached if result is positive)	<hr/>	<hr/>
	(no breach)	(no breach)

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

3 Funding for the Group/Trust's Educational Operations

	Landau Forte Academy Tamworth	Landau Forte Academy Derby	Group and Trust Restricted	
	£'000	£'000	2011 £'000	2010 £'000
YPLA grants				
- General Annual Grant (GAG)	5,162	6,651	11,813	6,611
- Academy Standards Grant	-	215	215	342
- Other	45	10	55	1
Non recurring grants				
- Capital Grants	54	60	114	149
- Academy feasibility grant	-	-	-	56
- Academy lead-in grant	-	21	21	346
- Start up grant A	358	-	358	21
- Start up grant B	680	12	692	-
	<u>6,299</u>	<u>6,969</u>	<u>13,268</u>	<u>7,526</u>

4 Investment income

	Group Unrestricted		Trust Unrestricted	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Bank interest	<u>14</u>	<u>54</u>	<u>14</u>	<u>54</u>

5 Other income and expenditure

	Group		Trust	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Other income				
Local authority grants	343	86	343	86
Other grants	37	-	37	-
Gift aid payment from wholly owned subsidiary	-	-	103	95
School meals income	512	298	512	298
Other	75	35	77	35
	<u>967</u>	<u>419</u>	<u>1,072</u>	<u>514</u>

6 Exceptional item

Exceptional voluntary income relates to the gift by Staffordshire County Council of £44,519,000 (part of the Partnership for Schools scheme) to Landau Forte Charitable Trust, which comprise of tangible assets for Landau Forte Academy Tamworth and Landau Forte Academy Tamworth Sixth Form Centre. These were transferred to Landau Forte Charitable Trust as at 22 August 2011 and have been recognised as leasehold building, fixture and fittings and IT additions at their fair value. There has also been recognition of the support staff final salary pension deficit of £602,000 inherited from Staffordshire County Council, at the transfer fair value as at 1 September 2010 and has been recognised as a cost against the restricted general funds.

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

7 Total resources expended

	Staff costs £'000	Depreciation £'000	Other costs £'000	Total 2011 £'000	Total 2010 £'000
a) Group					
Group's educational operations					
Direct costs of education	8,747	575	1,240	10,562	5,684
Allocated support costs	1,628	156	2,022	3,806	2,343
Governance costs including allocated support costs	193	39	172	404	294
Costs relating to non-charitable trading (see note 14)	-	-	51	51	36
	<u>10,568</u>	<u>770</u>	<u>3,485</u>	<u>14,823</u>	<u>8,357</u>
b) Trust					
Trust's education operations					
Direct costs of education	8,747	575	1,240	10,562	5,684
Allocated support costs	1,628	156	2,022	3,806	2,343
Governance costs including allocated support costs	193	39	166	398	293
	<u>10,568</u>	<u>770</u>	<u>3,428</u>	<u>14,766</u>	<u>8,320</u>

8 Charitable activities – Educational operations

	Group		Trust	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Direct costs of education				
Teaching and educational support staff costs	8,747	4,633	8,747	4,633
Depreciation	575	663	575	663
Books and educational supplies	775	192	775	192
Examination fees	215	129	215	129
Staff development and recruitment	229	61	229	61
External educational advice	1	(2)	1	(2)
Licences and subscriptions	20	8	20	8
	<u>10,562</u>	<u>5,684</u>	<u>10,562</u>	<u>5,684</u>

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

8 Charitable activities – Educational operations (continued)

	Group		Trust	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Allocated support costs				
Support staff costs	1,628	792	1,628	792
Depreciation	156	179	156	179
Property maintenance	251	441	251	441
Cleaning	144	25	144	25
Water	41	19	41	19
Heat and light	231	119	231	119
Rent and rates	45	36	45	36
Insurance	67	42	67	42
Postage and telephones	47	30	47	30
Pupil support	430	167	430	167
IT costs	212	205	212	205
Catering	554	296	554	296
	<u>3,806</u>	<u>2,351</u>	<u>3,806</u>	<u>2,351</u>
Total charitable activities	<u>14,368</u>	<u>8,035</u>	<u>14,368</u>	<u>8,035</u>

9 Governance costs

	Group		Trust	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Support staff costs	193	103	193	103
Legal and professional fees	24	7	24	7
Auditors' fees	20	17	16	16
Other services provided by the auditors	2	1	-	-
Reimbursed travel and expenses	119	57	119	58
Bank interest charges	5	1	5	1
Depreciation	39	44	39	44
Admissions	2	3	2	3
Consultancy	-	61	-	61
	<u>404</u>	<u>294</u>	<u>398</u>	<u>293</u>

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

10 Information regarding Trustees and employees

	Group		Trust	
Employees	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Wages and salaries	8,675	4,583	8,675	4,583
Social security costs	660	354	660	354
Other pension costs	1,176	544	1,176	544
Other staff costs	57	47	57	47
	<u>10,568</u>	<u>5,528</u>	<u>10,568</u>	<u>5,528</u>

The average number of persons employed (full time equivalent)

	Group		Trust	
	2011	2010	2011	2010
Administration	105	52	105	52
Teachers	159	84	159	84
Educational support	36	25	36	25
	<u>300</u>	<u>161</u>	<u>300</u>	<u>161</u>

The number of employees paid over £60,000 during the year (salary plus taxable benefits, but excluding employer's pension contributions) was

£60,001 - £70,000	5	1	5	1
£70,001 - £80,000	2	-	2	-
£80,001 - £90,000	2	2	2	2
£150,001 - £160,000	1	1	1	1
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

For the above employees earning more than £60,000 per annum, retirement benefits payable under the Teachers Pension Scheme amounted to £95,865 (2010 £41,242) and to the Local Government Pension Scheme amounted to £9,625 (2010 £9,624)

Emoluments of Members, Directors and Governors

The Members, Directors and Governors of the Trust did not receive any payment from the Trust other than the reimbursement of travel and other subsistence costs incurred in the course of their duties. Travel and subsistence costs reimbursed in the year to 31 August 2011 amounted to £45,551 (2010 £10,077). The reason for the increase is due to the increase in Governors as there is a Board of Governors for each Academy.

S Whiteley is both the Chief Executive of the Trust and Group and a Director but does not receive any remuneration for his role as a Director.

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

10 Information regarding Trustees and employees (continued)

Trustees and officers insurance

In accordance with normal commercial practice, the Trust has in place insurance against losses arising from the wrongful acts of Trustees or officers of the Trust. The policy provides cover up to £5,000,000 for any one claim.

The Trust also has in place Fidelity Guarantee insurance against losses of monies or other property belonging to the Trust as a consequence of dishonest or fraudulent acts, errors or omissions by Trustees or employees. Cover is provided up to £5,000,000 for any one claim.

Teachers' Pension Scheme – Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007, automatic for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Account

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

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

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

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

10 Information regarding Trustees and employees (continued)

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years), a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

A copy of the GA's 2004 valuation report can be found on the TeacherNet website at www.teachernet.gov.uk/pensions

Contributions

Under FRS 17 'Retirement Benefits', the scheme is a multi-employer scheme and as the Trust cannot identify its share of the underlying (notional) assets and liabilities it has taken advantage of the FRS17 exemption. Contributions are treated as a defined contribution and charged to the statement of financial activities as they fall due.

The pension costs charge in the accounts represents the contribution payable by the Trust to the TPS (and to the personal pension plans of certain staff not belonging to the above scheme), and amounted to £844,350 (2010 £448,062). At 31 August 2011, contributions amounting to £ nil (2010 £54,295) were payable to pension schemes and are included in creditors. Contributions amounting to £99,662 (2010 £nil) were overpaid to pension schemes and are included in debtors.

11 Local Government Pension Scheme

The Trust is one of several bodies included within the Local Government Pension Scheme (LGPS) which is operated at a County Council Level. As the Trust has Academies in both Staffordshire and in Derbyshire, it has employees with pensions in schemes run by each County Council.

The Trust has entered into agreements to contribute to the final salary pensions of a number of their support staff based in the Tamworth and Derby Academies. These schemes are administered by Staffordshire County Council and Derbyshire County Council respectively. The assets of the scheme are held separately from those of the Trust in an independently administered fund. Contributions to the scheme are defined by a qualified actuary on the basis of financial valuations using the projected unit method. The valuations were carried out on 31 August 2011.

The last full actuarial valuation was undertaken on 31 March 2007 and updated to the balance sheet date by a qualified independent actuary. The last full valuation showed the market value of the scheme's assets totalled £2,088 million. The main assumptions used by the actuary were:

Landau Forte College Derby

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2011	2010
Discount rate	5.3%	5.5%
Rate of CPI inflation	2.7%	2.8%
Future salary increases	4.5%	4.8%
Future pension increases	2.7%	2.8%
Expected rate of return on assets	5.9%	6.4%

The return on the Fund in market value terms for the period to 31 August 2011 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary.

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

11 Local Government Pension Scheme (continued)

The amounts recognised in the balance sheet are as follows

	2011 £'000	2010 £'000
Present value of funded obligations	875	575
Fair value of scheme assets	(654)	(443)
Net pension liability	221	132

The amounts charged to the statement of financial activities

	2011 £'000	2010 £'000
Current service cost	167	125
Past service cost	-	(37)
Expected return on assets	(32)	(20)
Interest on pension scheme liabilities	37	28
Total	172	96

The amounts charged to the statement of financial activities are included within other pension costs (note 10)

The major categories of scheme assets as a percentage of total scheme assets are as follows

	Long term expected rate of return	2011 Percentage invested	Value at 31/08/11 £'000
Equities	7.0%	68.2%	446
Gilts/bonds	8.5%	18.5%	121
Property	6.0%	5.2%	34
Cash	0.5%	8.1%	53
		100.0%	654

Analysis of reserves

	2011 £'000	2010 £'000
Total reserves excluding pension liabilities for both schemes	69,157	22,426
Pension reserve for the Derby Academy	(221)	(132)
Pension reserve for the Tamworth Academy	(514)	-
Total reserves	68,422	22,294

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

11 Local Government Pension Scheme (continued)

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

	2011 £'000	2010 £'000
Opening defined benefit obligation	575	349
Current service cost	167	125
Past service cost	-	(37)
Member contributions	58	50
Interest on scheme liabilities	37	28
(Transfers out)/Benefits paid	(14)	4
Actuarial losses	52	56
	<u>875</u>	<u>575</u>
Closing defined benefit obligation		

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

	2011 £'000	2010 £'000
Opening fair value of scheme assets	443	249
Expected return on scheme assets	32	20
Employer contributions	99	88
Member contributions	58	50
(Transfers out)/Benefits paid	(14)	4
Actuarial gains	36	32
	<u>654</u>	<u>443</u>
Closing defined benefit assets		

The cumulative amount of actuarial loss recognised in the statement of total recognised gains and losses was £41,000 (2010 £25,000 loss)

The trust expects to contribute £97,000 to its defined benefit pension scheme in 2012

Amounts for the current and previous period are as follows

Defined benefit pension scheme

	2011 £'000	2010 £'000	2009 £'000
Defined benefit obligation	(875)	(575)	(349)
Fair value of scheme assets	654	443	249
Deficit	<u>(221)</u>	<u>(132)</u>	<u>(100)</u>
Experience adjustments on scheme liabilities	(74)	-	-
Experience adjustments on scheme assets	36	32	37

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

11 Local Government Pension Scheme (continued)

Landau Forte Academy Tamworth

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2011	2010
Discount rate	5.4%	-
Rate of CPI inflation	2.6%	-
Future salary increases	4.9%	-
Future pension increases	2.6%	-
Expected rate of return on assets	6.2%	-

The return on the Fund in market value terms for the period to 31 August 2011 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary

The amounts recognised in the balance sheet are as follows

	2011 £'000	2010 £'000
Present value of funded obligations	937	-
Fair value of scheme assets	(423)	-
Net pension liability	514	-

The amounts charged to the statement of financial activities

	2011 £'000	2010 £'000
Current service cost	134	-
Expected return on assets	(19)	-
Interest on pension scheme liabilities	45	-
Total	160	-

The amounts charged to the statement of financial activities are included within other pension costs (note 10)

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2011	Value at 31/08/11 £'000
	Long term expected rate of return	Percentage invested
Equities	6.8%	73.0%
Gilts/bonds	4.6%	15.0%
Property	4.8%	8.0%
Cash	3.9%	4.0%
	100.0%	423

Analysis of reserves:

	2011 £'000	2010 £'000
Total reserves excluding pension liabilities	69,157	-
Pension reserve for the Derby Academy	(221)	-
Pension reserve for the Tamworth Academy	(514)	-
Total reserves	68,422	-

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

11 Local Government Pension Scheme (continued)

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

	2011 £'000	2010 £'000
Opening defined benefit obligation	-	-
Amount transferred	827	-
Current service cost	134	-
Member contributions	45	-
Interest on scheme liabilities	45	-
Actuarial gains	(114)	-
	<hr/>	<hr/>
Closing defined benefit obligation	937	-
	<hr/>	<hr/>

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

	2011 £'000	2010 £'000
Opening fair value of scheme assets	-	-
Amount transferred	225	-
Expected return on scheme assets	19	-
Employer contributions	135	-
Member contributions	45	-
Actuarial losses	(1)	-
	<hr/>	<hr/>
Closing defined benefit assets	423	-
	<hr/>	<hr/>

The cumulative amount of actuarial gains recognised in the statement of total recognised gains and losses was £113,000 (2010 £Nil)

The trust expects to contribute £173,000 to its defined benefit pension scheme in 2012

Amounts for the current and previous period are as follows

Defined benefit pension scheme

	2011 £'000	2010 £'000
Defined benefit obligation	(937)	-
Fair value of scheme assets	423	-
	<hr/>	<hr/>
Deficit	(514)	-
	<hr/>	<hr/>
Experience adjustments on scheme liabilities	-	-
Experience adjustments on scheme assets	(1)	-

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

12 Tangible assets

	Freehold land £'000	Leasehold buildings £'000	Freehold buildings £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
Group						
Cost or valuation						
At 1 September 2010	1,165	-	19,909	2,167	1,534	24,775
Additions	-	39,100	-	2,954	2,667	44,721
Disposals	-	-	-	(15)	(107)	(122)
Revaluation	-	-	591	-	-	591
At 31 August 2011	1,165	39,100	20,500	5,106	4,094	69,965
Accumulated depreciation						
At 1 September 2010	-	-	1,531	1,852	1,534	4,917
Charge for the year	-	-	398	236	136	770
Disposals	-	-	-	(15)	(107)	(122)
Revaluation	-	-	(1,929)	-	-	(1,929)
At 31 August 2011	-	-	-	2,073	1,563	3,636
Net book value						
At 31 August 2011	1,165	39,100	20,500	3,033	2,531	66,329
At 31 August 2010	1,165	-	18,378	315	-	19,858

In August 2011, the Group was gifted leasehold buildings, fixtures and fittings and computer equipment and software of £44,519,000 (being the market value at the date of the gift) through the Partnership for schools scheme. The group has a long term (125 years) lease of land at the Amington and QEMS site from Staffordshire County Council for an annual peppercorn rent.

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

	Freehold land £'000	Leasehold buildings £'000	Freehold buildings £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
Direct charitable purposes.						
Educational provision	874	29,325	15,375	2,274	1,899	49,747
Support services	233	7,820	4,100	607	506	13,266
Other purposes:						
Governance	58	1,955	1,025	152	126	3,316
	1,165	39,100	20,500	3,033	2,531	66,329

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

12 Tangible assets (continued)

Source of funding for assets acquired (cumulative)

Group	Assets donated under the Partnership for schools scheme £'000	DFE/ YPLA capital grants £'000	Other DFE/ YPLA grants £'000	Other government grants £'000	Private sector sponsorship £'000	GAG capital grant £'000	Un restricted capital £'000	Total £'000
At 31 August 2011	44,519	11,864	339	12	2,334	1,029	910	61,007
Surplus on revaluation								8,958
Total cost at 31 August 2011								69,965

Freehold and leasehold buildings are held at valuation. All such assets were given a full valuation in January 2012 on the basis of insurance reinstatement value, by John Clapham a registered member of the Chartered Insurance Institute for Ecclesiastical Insurance, who are independent of the Trust.

The net book value of freehold buildings determined according to the historical cost convention is £48,858,000 (2010 £9,758,000).

Trust	Freehold land £'000	Leasehold buildings £'000	Freehold buildings £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000
Cost or valuation						
At 1 September 2010	1,165	-	19,909	2,152	1,534	24,760
Additions	-	39,100	-	2,954	2,667	44,721
Disposals	-	-	-	-	(107)	(107)
Revaluation	-	-	591	-	-	591
At 31 August 2011	1,165	39,100	20,500	5,106	4,094	69,965
Accumulated depreciation						
At 1 September 2010	-	-	1,531	1,837	1,534	4,902
Charge for the year	-	-	398	236	136	770
Disposals	-	-	-	-	(107)	(107)
Revaluation	-	-	(1,929)	-	-	(1,929)
At 31 August 2011	-	-	-	2,073	1,563	3,636
Net book value						
At 31 August 2011	1,165	39,100	20,500	3,033	2,531	66,329
At 31 August 2010	1,165	-	18,378	315	-	19,858

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

12 Tangible assets (continued)

In August 2011, the Trust was gifted leasehold buildings, fixtures and fittings and computer equipment and software of £44,519,000 through the Partnership for schools and scheme. The Trust had a long term (125 years) lease of land on the Amington and QEMS site from Staffordshire County Council for an annual peppercorn rent. The above net book value at 31 August 2011 represents fixed assets used for

		Freehold land £'000	Leasehold buildings £'000	Freehold buildings £'000	Furniture and equipment £'000	Computer equipment and software £'000	Total £'000	
Direct charitable purposes								
Educational provision		874	29,325	15,375	2,274	1,899	49,747	
Support services		233	7,820	4,100	607	506	13,266	
Other purposes:								
Governance		58	1,955	1,025	152	126	3,316	
		<u>1,165</u>	<u>39,100</u>	<u>20,500</u>	<u>3,033</u>	<u>2,531</u>	<u>66,329</u>	
Assets donated under the Partnership for schools scheme								
Trust	Assets donated under the Partnership for schools scheme £'000	DFE/ YPLA capital grants £'000	Other DFE/YP LA grants £'000	Other government grants £'000	Private sector sponsorship £'000	GAG capital grant £'000	Un restricted capital £'000	Total £'000
At 31 August 2011	44,519	11,864	339	12	2,334	1,029	910	61,007
	<u>44,519</u>	<u>11,864</u>	<u>339</u>	<u>12</u>	<u>2,334</u>	<u>1,029</u>	<u>910</u>	<u>61,007</u>
Surplus on revaluation								<u>8,958</u>
Total cost at 31 August 2011								69,965

Freehold and leasehold buildings are held at valuation. All such assets were given a full valuation in January 2012 on the basis of insurance reinstatement value, by John Clapham a registered member of the Chartered Insurance Institute for Ecclesiastical Insurance, who are independent of the Trust.

The net book value of freehold buildings determined according to the historical cost convention is £48,858,000 (2010 £9,758,000).

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

13 Investments held as fixed assets

	UK listed Investments £'000
Valuation	
Valuation at 1 September 2010	77
Additions in the year	-
Revaluation at year end	6
Disposals	-
Valuation at 31 August 2011	<u>83</u>
The historical cost of investments held at 31 August 2011 was £57,000 (2010 £57,000)	
All investments are held within unrestricted funds and are summarised below	

	2011 £'000	2010 £'000
Government securities		
Treasury strip £29,774 redeemable 2018	43	39
Treasury strip £33,259 redeemable 2020	40	38
	<u>83</u>	<u>77</u>

	Shares in group undertakings £	Impairment £	Net Investment £
At 31 August 2010 and 2011	4	4	-
	<u>4</u>	<u>4</u>	<u>-</u>

The shares in group undertakings represent 100% of the equity share capital of

	Nature of activity	Aggregate amount of capital and reserves at 31 August 2011 £	Profit for the year £
L F Enterprises Limited (registered in England and Wales)	Involve community of Derby in the use of facilities at Landau Forte Academy Derby	-	-
Landau Forte Enterprises Tamworth Limited (registered in England and Wales)	Involve community of Tamworth in the use of facilities at Landau Forte Academy Tamworth	-	-
		<u>-</u>	<u>-</u>

Landau Forte Enterprises Tamworth was incorporated on 9 December 2010 and 100% of the share capital was acquired for consideration of £2 (the nominal value of the shares)

LANDAU FORTE CHARITABLE TRUST

NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

14 Result of trading subsidiaries	2011	2010
LF Enterprises Limited	£'000	£'000
Turnover	111	132
Cost of sales	(29)	(34)
	<hr/>	<hr/>
Gross profit	82	98
Administrative expenses (including gift aid of £71,000 (2010 £95,000) to the Trust)	(82)	(98)
	<hr/>	<hr/>
Operating result	-	-
Taxation	-	-
	<hr/>	<hr/>
Profit on ordinary activities after tax	-	-
	<hr/>	<hr/>
Assets	108	108
Liabilities	(108)	(108)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

The costs relating to the non-charitable trading in the consolidated SOFA includes both the cost of sales and administrative expenses excluding the gift aid payment.

Landau Forte Enterprises Tamworth Limited	2011	2010
	£'000	£'000
Turnover	51	-
Cost of sales	(17)	-
	<hr/>	<hr/>
Gross profit	34	-
Administrative expenses (including gift aid of £32,000 (2010 nil) to the Trust)	(34)	-
	<hr/>	<hr/>
Operating result	-	-
Taxation	-	-
	<hr/>	<hr/>
Profit on ordinary activities after tax	-	-
	<hr/>	<hr/>
Assets	2	-
Liabilities	(2)	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

The costs relating to the non-charitable trading in the consolidated SOFA includes both the cost of sales and administrative expenses excluding the gift aid payment

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

15 Stocks

	Group		Trust	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Restaurant	14	7	14	7
Stationery	15	8	15	8
Goods for resale	24	6	22	4
	<u>53</u>	<u>21</u>	<u>51</u>	<u>19</u>

16 Debtors

	Group		Trust	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Trade debtors	15	9	-	-
Amounts due from subsidiary companies	-	-	145	91
Other debtors	426	172	426	172
Prepayments and accrued income	505	154	505	154
	<u>946</u>	<u>335</u>	<u>1,076</u>	<u>417</u>

All debtors are due within one year

17 Creditors: Amounts falling due within one year

	Group		Trust	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Loans	204	12	204	12
Trade creditors	602	115	600	111
Taxation and social security	150	222	150	222
Accruals and other creditors	1,348	1,079	1,330	1,066
	<u>2,304</u>	<u>1,428</u>	<u>2,284</u>	<u>1,411</u>

The loans are unsecured Carbon Trust interest free loans which are repayable in instalments and will end in March 2014 and a VAT transition loan from YPLA, repayable March 2012

18 Creditors: Amounts falling due after one year

	Group		Trust	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Loans	28	34	28	34

The loans are unsecured Carbon Trust interest free loans which are repayable in instalments and will end in March 2014

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

19 Restricted funds: Group and Trust

	Balance at 31 August 2010 £'000	Incoming Resources £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2011 £'000
Restricted fixed assets funds					
Government capital grants	8,199	114	(653)	-	7,660
Private sector capital sponsorship	1,063		(57)	-	1,006
Donated assets through Partnership for Schools scheme (LFA Tamworth)	-	44,519	-	-	44,519
	<u>9,262</u>	<u>44,633</u>	<u>(710)</u>	<u>-</u>	<u>53,185</u>
Restricted general funds					
Williams Bursary	68	-	-	-	68
Restricted general	133	13,534	(13,896)	229	-
Pension reserve	(132)	(602)	(98)	97	(735)
	<u>9,331</u>	<u>57,565</u>	<u>(14,704)</u>	<u>326</u>	<u>52,518</u>

Restricted funds represent funds received towards the general running of the Trust, capital expenditure and student bursaries. These funds are defined in the accounting policies in note 1.

The transfers column represents the movement for both the Tamworth and Derby Academy schemes current year actuarial gains of £97,000 and the amount transferred from un-restricted reserves below.

20 Unrestricted funds. Group

	Balance at 31 August 2010 £'000	Incoming Resources £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2011 £'000
Major property repair fund	700	-	-	175	875
Endowment fund	460	-	-	115	575
Unrestricted fund	1,150	763	(119)	(519)	1,275
Premises revaluation reserve	10,633	-	-	2,520	13,153
Treasury revaluation reserve	20	-	-	6	26
	<u>12,963</u>	<u>763</u>	<u>(119)</u>	<u>2,297</u>	<u>15,904</u>

The other movements column represents the transfer of unrestricted funds to the following: £175,000 to the major property repair fund and £115,000 to the endowment fund (both designated funds see note 22) and the transfer to restricted reserves (see note 19). The gain on revaluation of Landau Forte College Derby buildings and the gain on the investments in the year are also included in other movements.

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

21 Unrestricted funds: Trust

	Balance at 31 August 2010 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2011 £'000
Major property repair fund	700	-	-	175	875
Endowment fund	460	-	-	115	575
Unrestricted fund	1,150	706	(62)	(519)	1,275
Premises revaluation reserve	10,633	-	-	2,520	13,153
Treasury revaluation reserve	20	-	-	6	26
	<u>12,963</u>	<u>706</u>	<u>(62)</u>	<u>2,297</u>	<u>15,904</u>

The transfers column represents the transfer of unrestricted funds to the following £175,000 to the major property repair fund and £115,000 to the endowment fund (both designated funds see note 22) and the transfer to restricted reserves (see note 19) The gain on revaluation of Landau Forte College Derby buildings and the gain on the investments in the year are also included in other movements

22 Designated unrestricted funds

Unrestricted reserves have been allocated to an Endowment Fund to provide for future major capital and specific educational projects for the furtherance of the charitable aims of the Trust The Directors have recognised that the nature of annual income grant funding does not allow for the accumulation of funds for major capital projects It is hoped that the establishment of an endowment fund will enable the Trust to undertake specific capital projects

As part of their on-going requirement to mitigate risk, the Directors have made prudent provision for anticipated specific major property repair expenditure likely to occur within the forthcoming 10 years by allocating reserves to a major property repair fund

	Group and Trust 2011 £'000	2010 £'000
Major property repair fund	875	700
Endowment fund	575	460
	<u>1,450</u>	<u>1,160</u>

LANDAU FORTE CHARITABLE TRUST
NOTES RELATING TO FINANCIAL STATEMENTS

Year ended 31 August 2011

23 Notes to cash flow statement

	Group		Trust	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
a) Reconciliation of operating surplus to net cash inflow from operating activities				
Net incoming/(outgoing) resources for the year	43,505	(234)	43,505	(234)
Bank interest payable	5	1	5	1
Bank interest receivable	(14)	(54)	(14)	(54)
Capital grants	(114)	(149)	(114)	(149)
Depreciation of tangible fixed assets	770	886	770	886
Donated assets	(43,917)	-	(43,917)	-
Gain on disposal of investment	-	(3)	-	(3)
Increase in stock	(32)	(3)	(32)	(2)
Increase in debtors	(611)	(226)	(659)	(245)
Increase in creditors	684	660	681	663
Provision for pension service and interest cost in year	332	96	332	96
Cash contributions to defined benefit pension scheme	(234)	(88)	(234)	(88)
Net cash inflow from operating activities	374	886	323	871

b) Reconciliation of net cash flows to movement in net funds

	Group		Trust	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Net funds at 1 September 2010	501	808	404	726
Increase in cash in the year	2,031	(261)	1,980	(276)
Movement in net debt	(186)	(46)	(186)	(46)
Net funds at 31 August 2011	2,346	501	2,198	404

Group	At start of year	Cashflows	Non cash changes	At end of year
	£	£		£
Cash at bank and in hand	547	2,031	-	2,578
	547	2,031	-	2,578
Debt due within one year	(12)	(177)	(15)	(204)
Debt due after one year	(34)	(9)	15	(28)
Net funds	501	1,845	-	2,346

Company	At start of year	Cashflows	Non cash changes	At end of year
	£	£		£
Cash at bank and in hand	450	1,980	-	2,430
	450	1,980	-	2,430
Debt due within one year	(12)	(177)	(15)	(204)
Debt due after one year	(34)	(9)	15	(28)
	404	1,794	-	2,198

The non-cash changes relate to change in the debt due

LANDAU FORTE CHARITABLE TRUST
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Year ended 31 August 2011

24 Contingent liabilities

In accordance with the Trust funding agreement, and during the agreement's lifetime, if any asset is sold or disposed of by other means, for which a capital grant was originally received, the Trust shall if it does not re-invest the proceeds, repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State and the First and Second Sponsors, sums determined by reference to

- The value at that time of the Trust's site and premises and other assets held for the purposes of the Trust, and
- The extent to which expenditure incurred in providing these assets was met by payments by the Secretary of State and the First and Second Sponsors, under the Funding Agreement

No liability exists at the year end

25 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted capital funds £'000	Total £'000
Fixed assets	13,865	-	52,547	66,412
Net current assets	2,067	68	638	2,773
Long term liabilities	(28)	(735)	-	(763)
	<u>15,904</u>	<u>(667)</u>	<u>53,185</u>	<u>68,422</u>

26 Related party transactions

Disclosure of related party transactions within the group is not required under FRS 8 Related Party Transactions as consolidated accounts for the group are publicly available

27 Post balance sheet event

In September 2011, Landau Forte Academy Tamworth Sixth form centre opened and Landau Forte Academy Tamworth QEMS also opened in the predecessor school buildings on 1 September 2011 and opened to students on 5 September 2011

28 Ultimate controlling party

The Trust is controlled by the members. The Directors are of the opinion that there is no ultimate controlling party