

Register

**THE THOMAS DEACON ACADEMY**


**(A Company Limited by Guarantee and Having Charitable Status)**

**Report and Financial Statements**

**For the Year Ended**

**31 AUGUST 2009**

SAT TUESDAY



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COMPANIES HOUSE

**Company Limited by Guarantee**  
**Registration Number:**  
**05090788 (England and Wales)**

**Charity Registration Number: 1105630**

# THE THOMAS DEACON ACADEMY

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## THE THOMAS DEACON ACADEMY

### Reference And Administrative Details Of The Academy, Its Directors And Advisors

#### Directors (Trustees)

\* members of the Resources & Facilities committee

Dr Richard Barnes (Chairman)

Mr A Arnott\* (Responsible Officer)

Mr R G Elsdon\*

Mr W A Osborn (Retired 14 February 2009)

Mr M Delap (Co-opted)

Mr N A Saltmarsh\* (Deacons School Trust)

Mr J A Peach

Mr J C Woolhouse\* (Appointed 14 February 2009) (Deacons School Trust)

Mrs N Anderson (Parent)

Mr N Williams (Parent)

#### Secretary

Mrs J M Nichols

#### Senior managers

. Principal

. Director of Education

. Director of Innovation

. Director of Human Resources

. Director of Business Resource

Dr A C McMurdo

Mr B Featherstone

Mr S Warburton (resigned 31 August 2009)

Mrs S Simmons

Mr D J F Brooks (appointed 5 January 2009)

#### Registered Office

Queen's Gardens

Peterborough

Cambs. PE1 2UW

01733 426060

#### Company Registration Number

05090788 (England and Wales)

#### Charity Registration Number

1105630

#### Auditors

Peters, Elworthy & Moore

Salisbury House

Station Road

Cambridge CB1 2LA

#### Bankers

Lloyds TSB

Long Causeway

Peterborough

HSBC Bank PLC

19 St George Street

Hanover Square

London W15 1FN

#### Solicitors

Mills & Reeve

Francis House

112 Hills Road

Cambridge CB2 1PH

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE DIRECTORS 31 August 2009**

The Directors present their report together with the financial statements of the charitable company for the year ended 31 August 2009. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies on pages 17 to 19 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 1985, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

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

#### **Constitution**

The Academy is a company limited by guarantee with no share capital (registration no. 05090788) and a registered charity (registration no. 1105630). The charitable company's memorandum and articles of association are the primary governing documents of the Academy. Members of the charitable company are nominated by either the Secretary of State for Education and Skills or by Perkins Engines Company Ltd, or the Deacon's School Trust, the main sponsors of the Academy. The articles of association require the members of the charitable company to appoint at least four Directors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

#### **Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

#### **Directors**

The Directors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

Directors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. At each Annual General Meeting of the charitable company one third of the Directors retire by rotation. The Directors to retire are those who have been longest in office since their last election or appointment.

The Directors who were in office at 31 August 2009 and served throughout the year, except where shown are listed on page 1.

During the year under review the Directors held 6 meetings. In addition, there were two half day sessions, facilitated by the CEO and a colleague from Caterpillar Industrial Power Systems, covering sponsor vision. The training and induction provided for a new Director took place in the context of his previous experience and his role on various committees. Induction training was provided on charity, educational legal and financial matters.

#### **Responsibilities of the Directors**

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 at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year. In preparing financial statements giving a true and fair view, the Directors are required to:

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE DIRECTORS 31 August 2009**

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

##### **Responsibilities of the Directors (continued)**

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

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

The Directors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

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

##### **Organisational Structure**

During the year a unified management structure was introduced to help improve the way the Academy is run. The structure now consists of three levels: the Directors, The Directorate and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Directors are the Principal and those other directors shown on page 1. These managers control the Academy at an executive level implementing the policies laid down by the Directors and reporting back to them. As a group the Directorate are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Leadership Team always contain a Director. Some spending control is devolved to members of the Senior Leadership Team, with limits above which a member of the Directorate must countersign.

The Senior Leadership Team includes the Directorate, the six College leaders, the two Curriculum Area Managers and the heads of Specialism, Community and I-Connect. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE DIRECTORS 31 August 2009**

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

##### **Subsidiary company**

The Academy owns 100% of the issued ordinary shares of TDA Developments Ltd a company incorporated in England (registration no. 06435213). In the year to 31 August 2009 the subsidiary achieved a profit of £11,071, all of which was gifted under covenant to the Academy. Further details regarding the subsidiary company are given in note 13 to the financial statements.

##### **Connected organisations**

Perkins Engines Company Ltd, and the Deacon's School Trust are sponsors to The Thomas Deacon Academy and since the Academy's founding have donated £2 million to assist the Academy in achieving its objectives.

##### **Risk management**

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

##### **Statement on the system of internal finance control**

As Directors, we acknowledge we have overall responsibility for ensuring that The Thomas Deacon Academy has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

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

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance and General Purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE DIRECTORS 31 August 2009**

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

##### **Statement on the system of internal finance control (continued)**

In addition, the Directors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have:

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

The Directors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Directors have appointed Mr A Arnott, a Director, as Responsible Officer (RO). 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 governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities based on reports from the external auditors.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

#### **OBJECTIVES AND ACTIVITIES**

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

The principal object and activity of the charitable company is the operation of The Thomas Deacon Academy to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on science and maths.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and technology and their practical applications.

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE DIRECTORS 31 August 2009**

#### **OBJECTIVES AND ACTIVITIES (continued)**

The main objectives of the Academy during the year ended 31 August 2009 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

#### **Strategies and activities**

The Academy's main strategy is encompassed in its mission statement which is 'To build a learning community which has access to the best possible teaching facilities and staff. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- staff & student placements with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- a system of after school clubs to allow students to explore science and engineering in a practical and project oriented way;
- a careers advisory service to help students obtain employment or move on to higher education.

#### **Equal opportunities policy**

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

#### **Disabled persons**

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

## **ACHIEVEMENTS AND PERFORMANCE**

The Academy is now in its third year of operation and continues to set strategic goals related to achievement, progress, engagement, destinations and its provision. These goals are monitored closely by the governing body. Just over 900 Y6 students applied for the 330 places in Y7. All the children sat the fair banding test in line with the funding agreement. Total main school students in the year ended 31<sup>st</sup> August 2009 numbered 1772 and the Academy had full complements in all year groups.



## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE DIRECTORS 31 August 2009**

#### **OBJECTIVES AND ACTIVITIES (continued)**

The Academy has obtained agreement from the Department for Children Schools and Families(DCFS) to admit 275 students into Y12 from September 2009 which will generate a 6<sup>th</sup> form of approximately 525. In August 2009 the 6<sup>th</sup> form held 349 students.

Examination results for 2009 were very pleasing and showed improvement over 2008. At A level there was a 98% pass rate which was higher than the national average. At GCSE 85% of students achieved 5 or more passes [A\*-C] and 37% achieved 5 or more passes [A\*-C] including English and mathematics.

To ensure that standards are continually raised the Academy: operates a programme of observation of lessons; is visited by inspectors; undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value. The Academy also participates in national programmes looking at added value through the key stages and has a comprehensive performance management process

#### **Financial report for the year**

Most of the Academy's income is obtained from the DCSF in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DCSF during the year ended 31 August 2009 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DCSF and its sponsors, Perkins Engines Company Ltd, and The Deacon's School Trust. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2009, total expenditure of £13,599,000 was not fully covered by recurrent grant funding from the DCSF together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £203,000 of which £121,000 was directly attributable to FRS 17 adjustments

At 31 August 2009 the net book value of fixed assets was £47,879,000 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has obtained a full actuarial valuation of the pension liability under FRS17 in respect of its administrative staff pension scheme. This has had led to the realisation of a deficit at 31 August 2008 of £1,062,000. This liability was not dealt with in the 2007/08 accounts and has therefore led to a prior year adjustment of this amount. During the year the Academy incurred a further deficit of its pension liability under FRS17 of £834,000 resulting in an overall deficit of £1,896,000.

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE DIRECTORS 31 August 2009**

#### **FINANCIAL REVIEW (continued)**

##### **Reserves policy and financial position**

###### ***Reserves policy***

The Directors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to 2 weeks expenditure, approximately £518,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is a deficit of £568,000 which is less than is needed. The Academy intends to continue building up free reserves to the level needed.

###### ***Financial position***

The Academy held fund balances at 31 August 2009 of £45,505,000 comprising £47,558,000 of restricted funds a deficit of £157,000 of unrestricted general funds and a pension reserve deficit of £1,896,000.

The Academy has completed year one of a three year recovery plan agreed with DCSF that will lead to the deficit in reserves being addressed and moving to a surplus reserve by the period ending 31 August 2011.

##### **PLANS FOR FUTURE PERIODS**

Thomas Deacon Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher education once they leave.

The Academy aims to provide the opportunity for enhanced maths and science education for all its students and the wider community. It also deems its work in pursuit of community cohesion to be a core part of its activity. To achieve this it is drawing up a community development plan, based on an identification and analysis of need.

**THE THOMAS DEACON ACADEMY**

**AUDITORS**

The auditors, Peters, Elworthy & Moore are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The report of the Directors was approved by the Directors on 24 November 2009 and signed on their behalf by:



**Mr A. Arnott**  
**(Chair Resources & Facilities Committee)**  
**Dated**



**Dr A C McMurdo**  
**(Principal)**  
**Dated**

16.12.09

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE THOMAS DEACON ACADEMY 31 August 2009**

We have audited the financial statements of The Thomas Deacon Academy for the period ended 31 August 2009, which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, and the related notes. These financial statements have been prepared under accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Governors and auditors**

The Governors' (who act as trustees for the charitable activities of The Thomas Deacon Academy and are also the directors of the company for the purposes of company law) responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Governors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you in our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Governors' Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company and the group have not kept adequate accounting records, if the charitable company and group's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Governors' remuneration specified by law are not made.

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

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE THOMAS DEACON ACADEMY 31 August 2009**

#### **Basis of audit opinion**

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

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

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company and the group affairs as at 31 August 2009 and of its 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;
- the financial statements have been prepared in accordance with the Companies Act 2006;
- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families in respect of the relevant financial year;
- proper accounting records have been kept by the charitable company and the group throughout the financial year;
- grants made by the Department for Children, Schools and Families have been applied for the purposes intended; and
- the information given in the Governors' Report is consistent with the financial statements.

**R.D.C. Guthrie**  
**(Senior Statutory Auditor)**  
**For and on behalf of**  
**Peters Elworthy & Moore**  
**Chartered Accountants and Statutory Auditor**  
**Salisbury House**  
**Station Road**  
**Cambridge**  
**CB1 2LA**

**Date: 16 December 2009**

# THE THOMAS DEACON ACADEMY

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2009

	Note	General Funds £,000	Restricted General Funds £,000	Other Restrict Funds £,000	Pension Funds £,000	Restrict. Fixed Asset Funds £,000	Total 2009 £,000	Total 2008 £,000
<b>Incoming resources</b>								
<i>Incoming resources from generated funds:</i>								
· Voluntary income	2	-	-	-	-	-	-	-
· Activities for generating funds	3	834	-	-	-	-	834	737
Investment Income	4	5	-	-	-	-	5	44
<i>Incoming resources from charitable activities:</i>								
· Funding for the Academy's educational operations	5	-	12,557	-	-	51	12,608	16,771
<b>Total incoming resources</b>		<u>839</u>	<u>12,557</u>	<u>-</u>	<u>-</u>	<u>51</u>	<u>13,447</u>	<u>17,552</u>
<b>Resources expended</b>								
<i>Cost of generating funds:</i>								
· Costs of generating voluntary income		813	-	-	-	-	813	1,173
· Investment management costs		-	-	-	57	-	57	-
<i>Charitable activities:</i>								
· Academy's educational operations	7	-	12,614	-	64	2,684	15,362	15,595
<i>Governance costs</i>	8	-	51	-	-	-	51	62
<b>Total resources expended</b>	6	<u>813</u>	<u>12,665</u>	<u>-</u>	<u>121</u>	<u>2,684</u>	<u>16,283</u>	<u>16,830</u>
<b>Net incoming (outgoing) resources before transfers</b>		26	(108)	-	-	(2,633)	(2,836)	722
Gross transfers between funds	17	-	-	-	-	-	-	-
<b>Net incoming (outgoing) resources before other recognised gains and losses</b>		26	(108)	-	(121)	(2,633)	(2,836)	722
<b>Other recognised gains and losses</b>		-	-	-	-	-	-	-
Actuarial (losses) gains on defined benefit pension schemes	22	-	-	-	(713)	-	(713)	-
<b>Net movement in funds</b>		<u>26</u>	<u>(108)</u>	<u>-</u>	<u>(834)</u>	<u>(2,633)</u>	<u>(3,549)</u>	<u>722</u>
Total funds brought forward at 1 September 2008		(183)	(303)	90	-	50,512	50,116	49,394
Prior year adjustment	22	-	-	-	(1,062)	-	(1,062)	-
<b>Funds carried forward at 31 August 2009</b>		<u>(157)</u>	<u>(411)</u>	<u>90</u>	<u>(1,896)</u>	<u>47,879</u>	<u>45,505</u>	<u>50,116</u>

The above results are derived from continuing operations of the group

**THE THOMAS DEACON ACADEMY**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 August 2009

	Note	2009 £000s	2008 £000s
<b>Income</b>			
General Annual Grant (GAG)	1	10,908	10,565
DCSF capital grants	5	51	3,342
Other DCSF grants	5	90	1,541
Other Government grants	5	1,559	1,323
Private sponsorship and donations	2	-	-
Interest and receivable		5	44
Other income	3	834	737
<b>Total income</b>		<b>13,447</b>	<b>17,552</b>
<b>Expenditure</b>	6		
General Annual Grant (GAG) related expenditure		11,106	11,909
Other DCSF grant expenditure		-	-
Other grant expenditure		1,559	1,273
Depreciation	12	2,684	2,175
Other expenditure		813	1,473
Other pension costs		121	-
<b>Total expenditure</b>		<b>16,283</b>	<b>16,830</b>
<b>Excess of income over expenditure</b>		<b>(2,836)</b>	<b>722</b>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 31 August 2009

		2009 £000s	2008 £000s
Excess of income over expenditure		(2,836)	722
Actuarial (losses) gains on defined benefit pension schemes	22	(713)	-
		-	-
<b>Total recognised gains and losses for the year</b>		<b>(3,549)</b>	<b>722</b>
<b>Net movement to (from) funds</b>			
Restricted funds		(2,741)	954
Unrestricted fund		(808)	(232)
		<b>(3,549)</b>	<b>722</b>

The income and expenditure account and statement of total recognised gains and losses are derived from the statement of financial activities on page 12 which, together with the notes to the financial statements on pages 20 to 36 provides full information on the movements during the year on all the funds of the Academy.

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

**THE THOMAS DEACON ACADEMY**

**BALANCE SHEET at 31 August 2009**  
(registered company number 05090788)

	Note	Group 2009 £,000	Charity 2009 £000s	Group 2008 £,000	Charity 2008 £000s
<b>Fixed assets</b>					
Tangible assets	12	47,879	47,879	50,513	50,513
Investments	13	-	1	-	1
		<u>47,879</u>	<u>47,880</u>	<u>50,513</u>	<u>50,514</u>
<b>Current assets</b>					
Stock	14	71	71	131	131
Debtors	15	69	49	1,081	1,074
Cash at bank and in hand		356	355	252	209
		<u>496</u>	<u>475</u>	<u>1,464</u>	<u>1,414</u>
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	16	(974)	(954)	(1,861)	1,812)
<b>Net current liabilities</b>		<u>(478)</u>	<u>(479)</u>	<u>(397)</u>	<u>(398)</u>
<b>Total assets less current liabilities</b>		<u>47,401</u>	<u>47,401</u>	<u>50,116</u>	<u>50,116</u>
<b>Net assets excluding pension liability</b>					
Pension scheme liability	22	(1,896)	(1,896)	-	-
<b>Net assets including pension liability</b>		<u>45,505</u>	<u>45,505</u>	<u>50,116</u>	<u>50,116</u>
<b>Funds</b>					
<b>Restricted funds</b>					
. Restricted fixed asset fund	17	47,879	47,879	50,512	50,512
. Restricted general fund	17	(411)	(411)	(303)	(303)
. Other restricted fund	17	90	90	90	90
		<u>47,558</u>	<u>47,558</u>	<u>50,299</u>	<u>50,299</u>
<b>Unrestricted funds</b>					
. General fund		(157)	(157)	(183)	(183)
. Pension reserve	22	(1896)	(1,896)	-	-
<b>Total unrestricted funds</b>		<u>(2,053)</u>	<u>(2,053)</u>	<u>(183)</u>	<u>(183)</u>
		<u>45,505</u>	<u>45,505</u>	<u>50,116</u>	<u>50,116</u>

The financial statements were approved by the Directors on 15 December 2009 and signed on their behalf by:



Allan Arnott  
Chairman

16/12/09



Alan McMurdo  
Principal

16-12-09



**THE THOMAS DEACON ACADEMY**

**CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 August 2009**

	<b>2009 £000s</b>	<b>2008 £000s</b>
<b>Operating activities</b>		
<b>RECEIPTS</b>		
Recurrent grants received from the DCSF		
General Annual Grant (GAG)	<b>11,308</b>	10,565
Other receipts from the DCSF	<b>90</b>	1,541
Other receipts from Government	<b>1,559</b>	1,323
Other receipts	<b>834</b>	737
	<b>13,791</b>	14,166
<b>PAYMENTS</b>		
Staff costs	<b>9,885</b>	9,315
Other cash payments	<b>3,886</b>	4,577
	<b>13,771</b>	13,892
<b>Net cash inflow from operating activities</b>	<b>20</b>	274
<b>Returns on investments and servicing of finance</b>		
Interest received	<b>5</b>	44
<b>Capital (expenditure)/income</b>		
Capital grants from DCSF	<b>917</b>	1,627
Purchase of tangible fixed assets	<b>(838)</b>	(3,855)
	<b>79</b>	(2,228)
<b>Management of liquid resources and financing</b>		
<b>Increase/(decrease) in cash</b>	<b>104</b>	(1,910)
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase/(decrease) in cash	<b>104</b>	(1,910)
Change in net funds	<b>104</b>	(1,910)
Net funds at 1 September 2008	<b>252</b>	2,162
Net funds at 31 August 2009	<b>356</b>	252

Note 1

**THE THOMAS DEACON ACADEMY**

**CASH FLOW STATEMENT**  
for the year ended 31 August 2009

**NOTE TO THE CASHFLOW STATEMENT**

**1 Analysis of changes in net funds**

	At 1 September 2008 £'000s	Cash flows £'000s	At 31 August 2009 £'000s
Cash in hand and at bank	<u>252</u>	<u>104</u>	<u>356</u>

## **THE THOMAS DEACON ACADEMY**

### **PRINCIPAL ACCOUNTING POLICIES 31 August 2009**

#### **Format of financial statements**

The standard format for the financial statements as required by the Companies Act 2006 schedule 4 part I has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP 2005') and reflects the activities of the Academy.

The group financial statements include the results of the company, TDA Developments Ltd and the School Funds. TDA Developments Ltd is a wholly owned subsidiary under the control of the directors. In accordance with section 408 of the Companies Act 2006 and paragraph 397 of the SORP, no income and expenditure account is presented for the company itself.

#### **Basis of accounting**

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards and the Charities SORP 2008.

#### **Incoming resources**

##### ***Grants receivable***

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

##### ***Sponsorship income***

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable.

##### ***Donations***

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

##### ***Interest receivable***

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

#### **Resources expended**

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

##### ***Allocation of costs***

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy'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 and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

##### ***Governance costs***

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

## **THE THOMAS DEACON ACADEMY**

### **PRINCIPAL ACCOUNTING POLICIES 31 August 2009**

#### **Fund accounting**

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Directors.

Restricted funds comprise grants from the DCSF and other donors which are to be used for specific purposes as explained in note 17.

#### **Tangible fixed assets**

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). 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.

Assets costing less than £500 are written off in the year of acquisition. All other assets are capitalised.

#### **Depreciation**

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

Long leasehold property	2% - 3.33%
Furnishings and Fittings	5%
Furniture and equipment	10
Computer equipment and software	20%

#### **Investments**

The Academy's share holding in the wholly owned subsidiary, TDA Developments Limited, is included in the balance sheet at the cost of the share capital owned.

#### **Stock**

Unused stock is stated at the lower of cost or net realisable value.

## **THE THOMAS DEACON ACADEMY**

### **PRINCIPAL ACCOUNTING POLICIES 31 August 2009**

#### **Leased assets**

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

#### **Taxation**

The Academy is a registered charity and as such is exempt from income tax and corporation tax under the provisions of the Income and Corporation Taxes Act 1988. The cost of irrecoverable VAT incurred by the Academy has been included in the statement of financial activities.

#### **Pensions**

Academy staff are members of one of two pension schemes, both of which are defined benefit schemes. More details of the schemes are given in note 22

#### ***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 Department for Education and Skills. As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Academy in the year.

##### ***Local Government Pension Scheme***

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

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

**THE THOMAS DEACON ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS 31 August 2009**

	2009 £000s	2008 £000s
<b>1 GENERAL ANNUAL GRANT (GAG)</b>		
<b>a. Results and Carry Forward for the Year</b>		
GAG brought forward from previous year	(303)	-
GAG allocation for current year	10,908	13,429
<b>Total GAG available to spend</b>	<b>10,605</b>	<b>13,429</b>
Recurrent expenditure from GAG	10,934	13,732
Fixed assets purchased from GAG	-	-
<b>GAG carried forward to next year</b>	<b>(329)</b>	<b>(303)</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	1,309	1,611
<b>GAG to surrender to DCSF</b>	<b>(329)</b>	<b>(303)</b>
(12% rule breached if result is positive)	(no breach)	(no breach)
<b>b. Use of GAG Brought Forward from Previous Year for Recurrent Purposes</b>		
(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
Recurrent expenditure from GAG in current year	10,934	13,732
GAG allocation for current year	(10,605)	(13,429)
GAG allocation for previous year x 2%	(268)	-
<b>GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year</b>	<b>61</b>	<b>(303)</b>
(2% rule breached if result is positive)	(no breach)	(no breach)
<b>2 VOLUNTARY INCOME</b>	<b>2009 £000s</b>	<b>2008 £000s</b>
	-	-
	-	-
<b>3 ACTIVITIES FOR GENERATING FUNDS</b>	<b>2009 £000s</b>	<b>2008 £000s</b>
Sales from Academy Shop	75	174
School Trips	194	184
Catering	183	232
Subsidiary Trading	114	75
Other	268	72
	<b>834</b>	<b>737</b>
<b>4 INVESTMENT INCOME</b>	<b>2009 £000s</b>	<b>2008 £000s</b>
Bank Interest	5	44
	<b>5</b>	<b>44</b>

**THE THOMAS DEACON ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2009**

**5 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	<b>2009 £000s</b>	<b>2008 £000s</b>
DCSF grants		
. General Annual Grant (GAG) (note 1)	<b>10,908</b>	10,565
. Other	<b>90</b>	-
. Start up grant	-	1,541
. Capital grants	<b>51</b>	3,342
	<b>11,049</b>	<b>15,448</b>
Other Government grants		
. Standards Funds LA	<b>914</b>	1,141
. Other	<b>645</b>	182
	<b>1,559</b>	<b>1,323</b>
	<b>12,608</b>	<b>16,771</b>

**6 RESOURCES EXPENDED**

	<b>Staff Costs £000s</b>	<b>Deprec- iation £000s</b>	<b>Other costs £000s</b>	<b>Total 2009 £000s</b>	<b>Total 2008 £000s</b>
Costs of generating funds	-	-	870	<b>870</b>	1,173
Academy's educational operations					
. Direct costs	8,405	2,684	946	<b>12,035</b>	12,560
. Allocated support costs	1,480	-	1,783	<b>3,263</b>	3035
. Additional Pension costs	64	-	-	<b>64</b>	-
	<b>9,949</b>	<b>2,684</b>	<b>2,729</b>	<b>15,362</b>	<b>15,595</b>
Governance costs including allocated support costs	-	-	51	<b>51</b>	62
	<b>9,885</b>	<b>2,684</b>	<b>3,473</b>	<b>16,283</b>	<b>16,830</b>

The method used for the apportionment of support costs is disclosed in the accounting policies on page 17.

THE THOMAS DEACON ACADEMY

NOTES TO THE FINANCIAL STATEMENTS 31 August 2009

7 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	2009 £000s	2008 £000s
<b><i>DIRECT COSTS</i></b>		
Teaching and educational support staff costs	8,405	8,379
Depreciation	2,684	2,175
Books, apparatus and stationery	144	468
Examination fees	217	233
Staff development	57	27
Educational consultancy	499	376
Other direct costs	29	902
	<u>12,035</u>	<u>12,560</u>
<b><i>ALLOCATED SUPPORT COSTS</i></b>		
Support staff costs	1,480	937
Maintenance of premises and equipment	930	519
Cleaning	1	283
Rent and rates	58	49
Heat and light	238	373
Insurance	62	75
Security	17	117
Transport	54	82
Catering	15	4
Technology costs	139	280
Additional Pension costs	64	-
Other support costs	269	316
	<u>3,327</u>	<u>3,035</u>
	<u>15,362</u>	<u>15,595</u>

8 GOVERNANCE COSTS

	2009 £000s	2008 £000s
Support costs	-	24
Legal and professional fees	23	6
Audit fees	28	32
Directors' reimbursed expenses	-	-
	<u>51</u>	<u>62</u>



# THE THOMAS DEACON ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS 31 August 2009

### 9 STAFF COSTS

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2009 expressed as full time equivalents was as follows:

	2009 No.	2008 No.
<b>Charitable Activities</b>		
Teachers	157	153
Administration and support	110	112
Management	5	4
	<u>272</u>	<u>269</u>
<b>Governance activities</b>	-	-
	<u>272</u>	<u>269</u>
Staff costs comprise:	2009 £000s	2008 £000s
Wages and salaries	8,206	7,733
Social security costs	611	590
Other pension costs	1,068	993
	<u>9,885</u>	<u>9,316</u>

Eight employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2009. The total emoluments of these employees were in the following ranges:

	2009 No.	2008 No.
£60,001 - £70,000	5	2
£70,001 - £80,000	2	2
£100,001 - £110,000	<u>1</u>	<u>1</u>

The employees earning more than £60,000 per annum participated in either the Teachers' Pension Scheme or Local Government Pension Scheme. During the year ended 31 August 2009, pension contributions for these staff amounted to £81,111

### 10 DIRECTORS' REMUNERATION AND EXPENSES

The Directors of the Academy did not receive any payment from the Academy other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

During the year ended 31 August 2009, travel and subsistence expenses totalling £237 (2008 - Nil) were reimbursed to 2 Directors (2008 - 0).

# THE THOMAS DEACON ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS 31 August 2009

### 11 DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 aggregate during the period of insurance and the cost for the year ended 31 August 2009 was £3,600 (2008 - £3,600).

### 12 TANGIBLE FIXED ASSETS Group & Academy

	Long Leasehold Land and Buildings £,000	Furnishings & Fittings £,000	Furniture & Equipment £,000	Computer Equipment £,000	Total £,000
<b>Cost</b>					
At 1 September 2008	33,895	14,081	4,565	146	52,687
Additions	(43)	46	20	28	51
Transfers	-	-	(2,600)	2600	-
Disposals	-	-	-	-	-
At 31 August 2009	33,852	14,127	1,985	2,774	52,738
<b>Depreciation</b>					
At 1 September 2008	965	704	457	49	2,175
Charged in year	965	706	458	555	2,684
Transfers	-	-	(260)	260	-
Disposals	-	-	-	-	-
At 31 August 2009	1,930	1,410	655	864	4,859
<b>Net book values</b>					
At 31 August 2009	31,922	12,717	1,330	1,910	47,879
At 31 August 2008	32,930	13,377	4,108	97	50,512

All funds are used for direct charitable purposes and the provision of education.

**THE THOMAS DEACON ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2009**

**12 TANGIBLE FIXED ASSETS (CONTINUED)**

**Source of funding for assets acquired (cumulative to date)**

	<b>2009 £'000s</b>
DCFS capital grants	50,721
Other DCFSS grants	
Other government grants	
Private sector capital sponsorship	2,017
Capital funds advanced by DCFS in lieu of sponsorship	
General purpose fund (grant income)	
Other funds (non grant income)	
<b>Cost of fixed assets at 31 August 2009</b>	<b>52,738</b>
Less: Accumulated depreciation	4,859
<b>Net book value of fixed assets at 31 August 2009</b>	<b>47,879</b>

**13 INVESTMENTS**

	<b>2009 £</b>	<b>2008 £</b>
Investment in wholly owned subsidiary company at cost	1,000	1,000

The Academy owns 100% of the issued ordinary shares of TDA Developments Limited, a company incorporated in England (registration number 06435213). The principal business activity of TDA Developments Limited is the rental of facilities and provision of IT services.

# THE THOMAS DEACON ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS 31 August 2009

### 13 INVESTMENTS (CONTINUED)

A summary of the results for the year ended 31 August 2009 and the balance sheet position at 31 August 2009 is shown below:

	2009 £	2008 £
<b>Profit and loss account</b>		
Turnover	125,729	74,928
Expenditure	114,658	(63,502)
Interest receivable		
Profit on ordinary activities before Gift Aid payment	11,071	11,426
Gift Aid payment to the Academy	(11,071)	(11,426)
Profit on ordinary activities after Gift Aid payment	-	-
Retained profits brought forward at 1 September 2008	-	--
Retained profits carried forward at 31 August 2009	-	-
<b>Balance sheet</b>		
Current assets	32,779	14,484
Current liabilities	(31,779)	(13,484)
	1,000	1,000
Called up share capital	-	-
Profit and loss account	1,000	1,000
Shareholder's funds	1,000	1,000

The audit report for TDA Developments Limited for the year ended 31 August 2009 was unqualified.

### 14 STOCK

	Group 2009 £,000	Charity 2009 £,000	Group 2008 £,000	Charity 2008 £,000
Stationery	65	65	121	121
Uniforms	6	6	10	10
	71	71	131	131

### 15 DEBTORS

	Group 2009 £,000	Charity 2009 £,000	Group 2008 £,000	Charity 2008 £,000
Trade debtors	54	23	141	133
Prepayments	15	15	67	57
Sundry debtors	-	-	873	873
Amount due from subsidiary undertaking	-	11		11
	69	49	1,081	1,074

THE THOMAS DEACON ACADEMY

NOTES TO THE FINANCIAL STATEMENTS 31 August 2009

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2009 £,000	Charity 2009 £,000	Group 2008 £,000	Charity 2008 £,000
Trade creditors	18	-	464	464
Taxation and social security	196	196	201	201
Sundry creditors	75	74	31	-
Deferred Income	144	144	161	146
GAG Advance	400	400	-	-
Accruals	141	140	1,004	1,001
	<u>974</u>	<u>954</u>	<u>1,861</u>	<u>1,812</u>

17 RESTRICTED FUNDS

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2008 £000s	Incoming resources £000s	Resources Expended £000s	Gains, losses and transfers £000s	Balance at 31 August 2009 £000s
<b>Restricted funds</b>					
General Annual Grant (GAG)	(303)	12,557	(12,665)	-	(411)
Other restricted fund	90	-	-	-	90
	<u>(213)</u>	<u>12,557</u>	<u>(12,665)</u>	<u>-</u>	<u>(321)</u>
<b>Restricted fixed asset funds</b>	50,512	51	(2,684)		47,879
	<u>50,299</u>	<u>12,608</u>	<u>(15,349)</u>		<u>47,558</u>

Notes

- (i) General Annual Grant must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.
- (ii) Restricted fixed asset were funded by government grants or sponsors.
- (iii) Other restricted fund is the residual private sponsorship, together with accumulated interest, and will be used to fund future projects at the direction of the sponsors.

**THE THOMAS DEACON ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2009**

**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2009 are represented by:

	Unrestricted Funds £000s	Restricted general funds £000s	Restricted fixed asset funds Public £000s	Private £000s	Total £000s
Tangible fixed assets	-	-	47,879	-	<b>47,879</b>
Net current assets/ (liabilities)	(157)	(411)	-	90	<b>(478)</b>
Pension scheme liability	(1,896)	-	-	-	<b>(1,896)</b>
	<u>(2,053)</u>	<u>(411)</u>	<u>47,879</u>	<u>90</u>	<u><b>45,505</b></u>

**19 CAPITAL COMMITMENTS**

	2009 £000s	2008 £000s
Contracted for, but not provided in the financial statements	<b>48</b>	-
Authorised by Directors, but not yet contracted	<u><b>60</b></u>	<u>-</u>

The above capital commitments will be met from DCSF capital grants to be received in future years.

**20 LEASE COMMITMENTS**

***Operating leases***

At 31 August 2009 the Academy had annual commitments under non-cancellable operating leases as follows:

	2009 £000s	2008 £000s
Operating leases which expire:		
Within one year	<u><b>30</b></u>	<u><b>30</b></u>

## **THE THOMAS DEACON ACADEMY**

### **NOTES TO THE FINANCIAL STATEMENTS 31 August 2009**

#### **21 CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to :

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy: and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

#### **22 PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Cambridge County Council.

The total pension cost to the Academy during the year ended 31 August 2009 was £1,068,000 (2008 - £993,000) of which £814,000 (2008 - £790,000) relates to the TPS and £254,000 (2008 - £ 203,000) relates to LGPS.

##### **Teachers Pension Scheme (TPS)**

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS scheme is classed as a multi-employer pension schemes. The Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out below the latest information available for the scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, final salary 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 education authorities and also to teachers in many independent and voluntary-aided schools and establishments of further and higher education. Teachers are able to opt out of the TPS.

## THE THOMAS DEACON ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS 31 August 2009

#### 22 PENSION COMMITMENTS (CONTINUED)

##### Teachers Pension Scheme (TPS) (continued)

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.

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.

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 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. 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%. The 2006 interim actuarial review, published in June 2007, did not recommend any changes to the SCR and concluded, as at 31 March 2006, and using the above assumptions, that the schemes total liabilities amounted to £176,600 millions

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.



# THE THOMAS DEACON ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS 31 August 2009

### 22 PENSION COMMITMENTS (CONTINUED)

#### Local Government Pension Scheme

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The total contribution made for the year ended 31 August 2009 was £355,000 of which employer's contributions totalled £254,000 and employees' contributions totalled £101,000. The agreed contribution rates for the year ended 31 August 2009 were 15.3% rising to 16.4% on 1 April 2009 for employers and between 5.5% and 7.2% for employees.

The following information is based upon a full actuarial valuation of the fund at 31 March 2004, updated to 31 August 2009 by a qualified independent actuary.

#### Assumptions

The major assumptions used by the actuary were:

	At 31 August 2009 % per annum	At 31 August 2008 % per annum
Inflation/Pension Increase Rate	3.4%	4.0%
Salary Increase Rate	4.9%	5.5%
Expected return on assets	6.5%	6.9%
Discount rate	5.4%	6.4%

The mortality assumptions used were as follows:

	At 31 August 2009 Years	At 31 August 2008 Years
Longevity at age 65 for current pensioners		
Men	19.6	N/A
Women	22.5	N/A
Longevity at age 65 for future pensioners		
Men	20.7	N/A
Women	23.6	N/A

**THE THOMAS DEACON ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2009**

**22 PENSION COMMITMENTS (CONTINUED)**

**Local Government Pension Scheme**

**The Assets of the scheme and weighted average expected rate of return were:**

	Long-term rate of return expected at 31 Aug 2009	Value at 31 August 2009	Long-term rate of return expected at 31 Aug 2008	Value at 31 August 2008
	%	£'000	%	£'000
Equities	7.2%	1,916	7.5%	1,655
Bonds	4.7%	426	5.5%	336
Property	5.2%	186	5.5%	264
Cash	4.3%	133	4.6%	144
<b>Total fair value of assets</b>		<b>2,661</b>		<b>2,399</b>
<b>Present value of scheme liabilities</b>				
-Funded		(4,557)		(3,461)
<b>(Deficit) in scheme</b>		<b>(1,896)</b>		<b>(1,062)</b>

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

The expected long term return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions

The actual return on the scheme assets in the year was a deficit of £442,000 (2008: a deficit of £8,000)

**Total expenditure recognised in the statement of Financial Activities**

	2009 £000s	2008 £000s
Current Service Cost	303	278
Interest Cost	235	179
Expected return on scheme assets	(178)	(169)
Effect of curtailment/settlement	15	-
<b>Total expenditure recognised in SOFA</b>	<b>375</b>	<b>288</b>

**THE THOMAS DEACON ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2009**

**22 PENSION COMMITMENTS (CONTINUED)**

**Local Government Pension Scheme**

**Net (loss)/gain recognised in Statement of Total Recognised Gains & Losses**

	<b>2009</b>	<b>2008</b>
	<b>£000s</b>	<b>£000s</b>
Actuarial gains/losses on pension scheme assets	(271)	(288)
Actuarial gains/losses on pension scheme liabilities	(442)	(8)
	<u>(713)</u>	<u>(296)</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses is a loss of £713,000.

**Contributions**

The total contributions made by the employer in the year have been £254,000. The level of contribution will be reviewed as a result of the triennial valuation of the scheme as at 2010.

The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 August 2010 is £285,000.

**Movement in surplus/ (deficit) during the year**

	<b>2009</b>	<b>2008</b>
	<b>£000s</b>	<b>£000s</b>
Surplus/(deficit) at 1 September	(1,062)	(701)
Movement in year		
Past service cost		
- Employer service cost (net of employee contributions)	(303)	(278)
- Employer contributions	254	223
Impact on settlement and curtailment	(15)	-
- Past Service Cost	-	-
- Net interest / return of assets	(57)	(10)
- Actuarial gain or loss	(713)	(296)
<b>(Deficit)/Surplus at 31 August</b>	<b><u>(1,896)</u></b>	<b><u>(1062)</u></b>

THE THOMAS DEACON ACADEMY

NOTES TO THE FINANCIAL STATEMENTS 31 August 2009

22 PENSION COMMITMENTS (CONTINUED)

Local Government Pension Scheme

*Reconciliation of opening and closing balances of the present value of the Academy's share of scheme liabilities*

	2009 £000s	2008 £000s
Scheme liabilities at 1 September	3,461	2,903
Current service cost	303	278
Interest cost	235	179
Contributions by scheme participants	101	93
Actuarial losses (gains)	442	8
Curtailments	15	-
<b>Scheme liabilities at 31 August</b>	<b>4,557</b>	<b>3,461</b>

*Reconciliation of opening and closing balances of the fair value of the Academy's share of the scheme assets*

	2009 £000s	2008 £000s
Fair value of scheme assets at 1 September	2,399	2,202
Expected return on scheme assets	178	169
Actuarial gains (losses)	(271)	(288)
Contributions by employer	254	223
Contributions by scheme participants	101	93
<b>Fair value of scheme assets at 31 August</b>	<b>2,661</b>	<b>2,399</b>

THE THOMAS DEACON ACADEMY

NOTES TO THE FINANCIAL STATEMENTS 31 August 2009

22 PENSION COMMITMENTS (CONTINUED)

Local Government Pension Scheme

*Amounts for the current and previous four periods*

	31 August 2009 £'000s	31 August 2008 £'000s	31 August 2007 £'000s	31 August 2006 £'000s	31 August 2005 £'000s
Fair value of assets	2,661	2,399	N/A	N/A	N/A
Present value of scheme liabilities	(4,557)	(3,461)	N/A	N/A	N/A
Deficit in scheme	(1,896)	(1,062)	N/A	N/A	N/A
			N/A	N/A	N/A
Experience adjustment on scheme assets	(271)	(288)	N/A	N/A	N/A
Percentage of scheme assets	10.2%	12.0%	N/A	N/A	N/A
			N/A	N/A	N/A
Experience adjustment on scheme liabilities	-	-	N/A	N/A	N/A
Percentage of scheme liabilities	-	-			

**Prior year adjustment in respect of the Local Government Pension Scheme**

As a result of the adoption of FRS 17 as at 31 August 2009 a prior year adjustment arises in respect of the introduction of the scheme liability as at 31 August 2008 in the sum of £1,062k.

## **THE THOMAS DEACON ACADEMY**

### **NOTES TO THE FINANCIAL STATEMENTS 31 August 2009**

#### **23 MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

#### **24 Related Parties**

Mr M Delap, a director of the company, is a member of Gardiner Theobald LLP. During the year the total fees payable to Gardiner Theobald LLP for professional services amounted to £37,947.

**THE THOMAS DEACON ACADEMY**

**DETAILED INCOME AND EXPENDITURE ACCOUNT Year ended 31 August 2009**

This page does not form part of the statutory financial statements

Line No	INCOME	2009 £,000	2008 £,000
32	GENERAL ANNUAL GRANT	10,908	10,565
33	DCFS CAPITAL GRANTS	51	3,342
34	OTHER DCSF GRANTS		
	Start up capital	-	1,541
	Other	90	
		<u>11,049</u>	<u>15,448</u>
35	OTHER GOVERNMENT GRANTS		
	Standards Funds LA	914	1,141
	Other Grants	645	132
		<u>1,559</u>	<u>1,273</u>
37	OTHER INCOME		
	Hire of facilities	0	66
	Gift Aid payment from subsidiary	11	11
	Interest receivable	5	44
	Uniforms and other sales	75	174
	Catering	183	232
	School trips	193	184
	Sundry income	258	120
		<u>725</u>	<u>831</u>
38	TOTAL INCOME	<u>13,333</u>	<u>17,552</u>

# THE THOMAS DEACON ACADEMY

## DETAILED INCOME AND EXPENDITURE ACCOUNT Year ended 31 August 2009

This page does not form part of the statutory financial statements

Line No	EXPENDITURE	2009 £,000	2008 £,000
	<b>GENERAL ANNUAL GRANT EXPENDITURE</b>		
	<b>Staff costs</b>		
39	Teaching	7,106	7,039
40	Educational support	1,299	1,340
41	Other staff		
	. IT technical staff	213	82
	. Premises	50	-
	. Admin & clerical	1,144	788
	. Catering staff	-	-
	. Midday supervision	54	45
	. Other	19	22
42	<b>Total GAG staff costs</b>	<b>9,885</b>	<b>9,316</b>
43	<b>Maintenance of premises</b>		
	Building maintenance	914	507
	Grounds maintenance	16	12
		<b>930</b>	<b>519</b>
44	<b>Other occupancy costs</b>		
	Cleaning	1	283
	Water	18	17
	Fuel	238	373
	Rates	58	49
	Rent	-	-
	Insurance	62	75
	Security	17	117
	Other	43	248
		<b>437</b>	<b>1,162</b>
45	<b>Educational supplies and services</b>		
	Books	23	150
	Educational equipment	121	318
	Stationery and materials	16	266
	Transport	54	82
	Examination fees	217	233
	Fees for external services	499	376
	Other	-	9
		<b>930</b>	<b>1,434</b>
46	<b>Other supplies and services</b>		
	Catering	519	762
	Legal and professional fees	23	6
	Auditors' remuneration	28	32
	Bank interest and charges	-	-
	General Administration costs	80	194
	Other	237	297
		<b>887</b>	<b>1,291</b>
	<b>Balance carried forward to next page</b>	<b>13,069</b>	<b>13,722</b>



**THE THOMAS DEACON ACADEMY**

**DETAILED INCOME AND EXPENDITURE ACCOUNT Year ended 31 August 2008**

This page does not form part of the statutory financial statements

Line No	EXPENDITURE	2009 £,000	2008 £,000
	<b>GENERAL ANNUAL GRANT EXPENDITURE (CONTINUED)</b>		
	Balance brought forward	<u>13,069</u>	<u>13,722</u>
47	Furniture and Equipment Repairs and maintenance	<u>-</u>	<u>152</u>
48	Technology costs (not capitalised)		
	Hardware	29	85
	Software	55	152
	Consumables	55	43
		<u>139</u>	<u>280</u>
49	Staff development	57	27
50	Other GAG expenditure	<u>99</u>	<u>475</u>
51	TOTAL GAG EXPENDITURE	<u>13,364</u>	<u>14,656</u>
52	OTHER DCSF GRANT RELATED EXPENDITURE Educational supplies	<u>-</u>	<u>-</u>
53	OTHER GOVERNMENT GRANT RELATED EXPENDITURE		
	Staff costs	-	-
	Educational supplies	-	-
		<u>-</u>	<u>-</u>
54	OTHER EXPENDITURE		
	Staff costs	-	-
	Other occupancy costs	-	-
		<u>-</u>	<u>-</u>
55	DEPRECIATION	<u>2,684</u>	<u>2,175</u>
56	TOTAL EXPENDITURE	<u>16,048</u>	<u>16,831</u>