

Registered number: 06544825

ARCHBISHOP SENTAMU ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013



ARCHBISHOP SENTAMU ACADEMY
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013

Governors

Bishop R M C Frith, Chairman
R A Lees, Vice Chair¹
P P Ashton, Responsible Officer (resigned 4 December 2012)
G Brook
C Carmichael
A N Chubb, Principal¹
E Davidson
J C Downing¹
S Fergusson (resigned 21 December 2012)
A Milner
M Ruff¹

¹ members of the Finance and Personnel Committee

Company registered number

06544825

Principal and registered office

York Diocesan House Board Of Education
Diocesan House
Clifton Moor
York
North Yorkshire
YO30 4WJ

Company secretary

M Watson

Senior management team

A Chubb, Principal
C Mulqueen, Senior Vice Principal
A Bennett, Vice Principal
A Mulqueen, Vice Principal
A Clark, Assistant Vice Principal
P Croft, Assistant Vice Principal
L Hill, Assistant Vice Principal
S Holland, Assistant Vice Principal
S Kelly, Finance Director (until 31 October 2012)
K Matchett, Finance Director (from 1 November 2012)

Independent auditors

Clive Owen & Co LLP
Chartered Accountants & Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013

Advisers (continued)

Bankers

Yorkshire Bank
1 Earls Court
Henry Boot Way
Priory Park East
Hull
HU4 7DY

Solicitors

Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle
NE1 3DX

ARCHBISHOP SENTAMU ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Archbishop Sentamu Academy (the academy) for the year ended 31 August 2013. The Governors confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The charitable company is known as Archbishop Sentamu Academy.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Method of recruitment and appointment or election of Governors

The management of the academy is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed. The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Principal or any post held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new Governors depends on their existing experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new Governors are given a tour of the academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

During the year the organisational structure consisted of two levels: the Governors 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 Senior Leadership Team are the Principal, Senior Vice Principal, two Vice Principals, four Assistant Vice Principals and the Finance Director. These managers control the academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team 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 Governor. Some spending control is devolved to Subject Team Leaders, with limits above which a Senior Leadership Team member must countersign.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Organisation structure (continued)

The Governors 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

Connected organisations, including related party relationships

The academy has begun working alongside its feeder Primary schools using the framework of a collaborative trust. The aim is to harmonise educational standards, reduce the disruption some learners encounter through the transition process and to work together to procure goods and services most effectively

Buffalo, a company in which R A Lees' son in law is a shareholder, has provided fundraising services during the year. The value was £3,820

Right Reverend R M C Frith is a director of The York Diocesan Board of Finance Limited. The academy paid £27,000 (2012 £24,000) during the year to them for RE Teaching and Chaplaincy

A N Chubb is a director and member of The Modern Baccalaureate Foundation Ltd, a company limited by guarantee. Transactions in the year totalled £2,425

Risk management

The Governors have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Governors 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 visits) and in relation to the control of finance. 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 Governance Statement

Governors' indemnities

The academy has purchased insurance to protect Governors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 13

Principal activities

The principal activity is providing a world-class education to the 11-19 year old students at Archbishop Sentamu Academy. Further details are provided under 'Objectives and Activities'

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is the operation of Archbishop Sentamu Academy, to provide education for students of all abilities between the ages of 11 and 19, with emphasis on Health Sciences and Business Enterprise

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State. This 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, outdoor education, vocational subjects and their practical applications

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Objectives, strategies and activities

The main objectives of the academy during the year ended 31 August 2013 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, commerce and the local CCG, and
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness

The academy's main objectives are encompassed in its mission statement which is "Life in all its fullness" To this end the objectives and the strategies used to achieve them include

- tuition and learning opportunities for all students to attain appropriate academic qualifications,
- training opportunities for all staff,
- the placing of students with industrial and commercial partners,
- a programme of sporting and after school leisure activities for all students,
- a system of other clubs to allow students to explore the academy's specialisms in a practical and project-oriented way This includes the opportunity for students to run their own business, and
- a careers advisory service to help students obtain employment or move on to higher education

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 11 and 19

Public benefit

The charity's aims and achievements are set out within this report The activities set out in this report have been undertaken to further the charity's charitable purposes for the public benefit The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the trustees have paid due regard to this guidance in deciding what activities the charity should undertake

ACHIEVEMENTS AND PERFORMANCE

Review of activities

The academy is now in its sixth year of operation, and remains significantly oversubscribed in several year groups It has continued its expansion of the 6th form, and now offers a wide range of A-Level and Btec national courses

In April 2011, the academy was judged to be "Good, with Outstanding Features" by OfSTED in our full section 5 inspection, and in May, we were judged to be Outstanding in our section 48 SIAS inspection Staff and students alike were justifiably proud of these achievements

"In the 2013 series of exams, 64% of students achieved 5 or more A* to C grades including English and Maths, with 100% gaining 5 or more C grades or equivalent This represents the fifth consecutive year of continuous improvement, and achievement of which we are very proud"

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

FINANCIAL REVIEW

Financial and risk management objectives and policies

The academy is subject to a number of risks and uncertainties in common with other academies. The academy has in place procedures to identify and mitigate financial risks. These are discussed further in the Risk Management section of this report, and in the Governance Statement.

Principal risks and uncertainties

The principal risks and uncertainties are centred around changes in the level of funding from the DfE/EFA. In addition the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

Reserves policy

The Governors 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 Governors have determined that the appropriate level of free reserves should be equivalent to 6% to 9% of 'total incoming resources less restricted fixed asset income', and ideally 7.5% of this income (equivalent to 4 weeks' expenditure, approximately £840,000). 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) are in surplus by £117,000 (see note 19).

Principal funding

Most of the academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year ended 31 August 2013 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 DfE/EFA. 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 2013, total expenditure of £10,938,000 exceeded recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of income over expenditure for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £144,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy's objectives.

At 31 August 2013 the net book value of fixed assets was £32,544,000 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard No. 17 'Retirement Benefits' (FRS 17) have been applied in full, resulting in a surplus of £65,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2013 of £33,163,000 comprising £32,783,000 of restricted funds, £117,000 of unrestricted funds and £263,000 of endowment funds.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Investments policy

The academy invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

PLANS FOR THE FUTURE

Future developments

The academy has been successful in a bid to open a new smaller academy for learners at risk through the Free Schools programme. The Aspire Academy will be built approximately half a mile from the main site and is expected to open in September 2014.

The school will work on a commissioning basis with the local authority procuring the majority of the places. The academy will provide an educational setting for some of the city's learners who are most at risk of permanent exclusion through GCSEs and vocational learning, with the aim to reintegrate the learner back to their original place of education when it is appropriate.

The academy has also secured a large sum of money from the NHS to purchase a residential centre. The academy is currently working with a fundraiser to secure further funding and hope to have the residential by the end of the next Academic year.

Disclosure of information to auditors

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the Board of Governors on 4 December 2013 and signed on its behalf by



Bishop R M Frith
Chair of Governors

ARCHBISHOP SENTAMU ACADEMY
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GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The Board of Governors has formally met 7 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Bishop R M C Frith, Chairman	7	7
R A Lees, Vice Chair	7	7
P P Ashton, Responsible Officer	2	3
G Brook	7	7
C Carmichael	5	7
A N Chubb, Principal	7	7
E Davidson	4	7
J C Downing	7	7
S Fergusson	3	3
A Milner	7	7
M Ruff	5	7

The Finance and Personnel Committee is a sub-committee of the main Board of Governors. Its purpose is to review all policies and practices relating to these two areas. Kevin Matchett, Finance Director, who is a qualified accountant, is part of the committee.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
R A Lees	5	5
A Chubb, Principal	5	5
J Downing	5	5
M Ruff	4	5

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GOVERNANCE STATEMENT (continued)

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 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 Archbishop Sentamu Academy for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The Risk and Control Framework

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 Board of Governors,
- regular reviews by the Finance and Personnel 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 plan of works was for three Responsible Officer (RO) visits to occur during 2012/13. Due to the resignation of P P Ashton, who was the RO, in December 2012 these visits ceased. As a result no internal checks were carried out during the last two academy terms. The Governors have, since the beginning of the new financial year, put in place new procedures, but recognise for a period the financial checks were not carried out as they should have been.

The Board of Governors has considered the need for a specific internal audit function and a committee has been formed. Its first meeting was October 2013 when it decided to appoint the Local Authority as internal auditor.

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GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

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

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

Approved by order of the members of the Board of Governors on 4 December 2013 and signed on their behalf,
by



Bishop R M Frith
Chair of Governors



A N Chubb
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Archbishop Sentamu Academy I have considered my responsibility to notify the academy Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012)

I confirm that I and the academy Board of Governors are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012)

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date

A handwritten signature in black ink, appearing to read 'A N Chubb', written in a cursive style.

A N Chubb
Accounting Officer

Date 4 December 2013

ARCHBISHOP SENTAMU ACADEMY
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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who act as governors of Archbishop Sentamu Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to

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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the charitable company 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 DfE/EFA have been applied for the purposes intended.

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

Approved by order of the members of the Board of Governors on 4 December 2013 and signed on its behalf by



Bishop R M Frith
Chair of Governors

ARCHBISHOP SENTAMU ACADEMY
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCHBISHOP SENTAMU ACADEMY

We have audited the financial statements of Archbishop Sentamu Academy for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the academy'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 academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Governors and auditors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCHBISHOP SENTAMU ACADEMY

Matters on which we are required to report by exception

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

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



Christopher Beaumont BA(Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

Clive Owen & Co LLP

Chartered Accountants & Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT
4 December 2013

ARCHBISHOP SENTAMU ACADEMY
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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ARCHBISHOP
SENTAMU ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Archbishop Sentamu Academy during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Archbishop Sentamu Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Archbishop Sentamu Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Archbishop Sentamu Academy and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Archbishop Sentamu Academy's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of Archbishop Sentamu Academy's funding agreement with the Secretary of State for Education dated 23 May 2008, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

The work undertaken to draw to our conclusion includes


- Review of governing body and committee minutes,
- Review of termly Responsible Officer reports,
- Completion of self assessment questionnaire by Accounting Officer,
- Discussions with the Accounting Officer and finance team,
- Obtained formal letter of representation detailing the responsibilities of Governors,
- Review of payroll, purchases and expenses claims on a sample basis,
- Confirmation that the lines of delegation and limits set have been adhered to,
- Evaluation of internal control procedures and reporting lines,
- Review of credit card transactions,
- Review of register of interests and consideration of related party transactions,
- Review of borrowing agreements,
- Review of land and building transactions, and
- Review of potential and actual bad debts

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ARCHBISHOP
SENTAMU ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

A handwritten signature in black ink, appearing to read 'Chris Owen & Co LLP'.

Christopher Beaumont BA(Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

Clive Owen & Co LLP

Chartered Accountants & Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

4 December 2013

ARCHBISHOP SENTAMU ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2013**

	Note	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Endowment funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
INCOMING RESOURCES							
Incoming resources from generated funds							
Voluntary income	3	-	-	-	-	-	34,311
Activities for generating funds	4	602	-	-	-	602	548
Investment income	5	7	15	-	-	22	16
Incoming resources from charitable activities	6	-	9,326	22	-	9,348	8,139
TOTAL INCOMING RESOURCES		609	9,341	22	-	9,972	43,014
RESOURCES EXPENDED							
Charitable activities	8	640	9,132	1,132	-	10,904	9,979
Governance costs	7	-	34	-	-	34	11
TOTAL RESOURCES EXPENDED	9	640	9,166	1,132	-	10,938	9,990
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		(31)	175	(1,110)	-	(966)	33,024
Transfers between Funds	19	-	(69)	69	-	-	-
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS		(31)	106	(1,041)	-	(966)	33,024
Actuarial gains and losses on defined benefit pension schemes		-	122	-	-	122	103
NET MOVEMENT IN FUNDS FOR THE YEAR		(31)	228	(1,041)	-	(844)	33,127
Total funds at 1 September 2012		148	6	33,590	263	34,007	880
TOTAL FUNDS AT 31 AUGUST 2013		117	234	32,549	263	33,163	34,007

All activities relate to continuing operations

The notes on pages 20 to 40 form part of these financial statements

ARCHBISHOP SENTAMU ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER. 06544825

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£000	2013 £000	2012 £000
FIXED ASSETS				
Tangible assets	14		32,544	33,590
CURRENT ASSETS				
Stocks	16	34		39
Debtors	17	538		604
Cash at bank and in hand		1,026		749
		<u>1,598</u>		<u>1,392</u>
CREDITORS , amounts falling due within one year	18	(1,044)		(981)
NET CURRENT ASSETS			554	411
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>33,098</u>	<u>34,001</u>
Defined benefit pension scheme asset	24		65	6
NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u>33,163</u>	<u>34,007</u>
FUNDS OF THE ACADEMY				
Endowment funds	19		263	263
Restricted funds				
Restricted funds	19	169	-	-
Restricted fixed asset funds	19	32,549		33,590
Restricted funds excluding pension asset		<u>32,718</u>		<u>33,590</u>
Pension reserve		65		6
Total restricted funds			32,783	33,596
Unrestricted funds	19		117	148
TOTAL FUNDS			<u>33,163</u>	<u>34,007</u>

The financial statements were approved by the Governors, and authorised for issue, on 4 December 2013 and are signed on their behalf, by



Bishop R M Frith
Chair of Governors

The notes on pages 20 to 40 form part of these financial statements

ARCHBISHOP SENTAMU ACADEMY
(A Company Limited by Guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

	Note	2013 £000	2012 £000
Net cash flow from operating activities	21	331	(16)
Returns on investments and servicing of finance	22	7	8
Capital expenditure and financial investment	22	(61)	(24)
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>277</u>	<u>(32)</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013**

	2013 £000	2012 £000
Increase/(Decrease) in cash in the year	<u>277</u>	<u>(32)</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>277</u>	<u>(32)</u>
Net funds at 1 September 2012	749	781
NET FUNDS AT 31 AUGUST 2013	<u>1,026</u>	<u>749</u>

The notes on pages 20 to 40 form part of these financial statements

**ARCHBISHOP SENTAMU ACADEMY
(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

ARCHBISHOP SENTAMU ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.3 INCOMING RESOURCES

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

1.4 RESOURCES EXPENDED

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

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

ARCHBISHOP SENTAMU ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% on cost
Leasehold property	-	over the residual period of lease
Motor vehicles	-	25% on cost
Fixtures and fittings	-	20% on cost
Computer equipment	-	33.33% on cost

1.7 INVESTMENTS

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 TAXATION

The academy 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 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.

ARCHBISHOP SENTAMU ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

1.10 PENSIONS

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2013.

3. VOLUNTARY INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Endowment funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Legacy - buildings	-	-	-	-	34,311

ARCHBISHOP SENTAMU ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Endowment funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Sundry income	252	-	-	252	405
Lettings	27	-	-	27	11
Uniform	17	-	-	17	30
School trips	115	-	-	115	42
Catering	65	-	-	65	60
Aspire	126	-	-	126	-
	<u>602</u>	<u>-</u>	<u>-</u>	<u>602</u>	<u>548</u>

5. INVESTMENT INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Endowment funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Bank interest	7	-	-	7	8
Net finance income on pension scheme	-	15	-	15	8
	<u>7</u>	<u>15</u>	<u>-</u>	<u>22</u>	<u>16</u>

ARCHBISHOP SENTAMU ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

6 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Endowment funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
DfE/EFA grants					
Devolved Formula Capital	-	22	-	22	20
General Annual Grant (GAG)	-	8,674	-	8,674	7,396
Start Up Grant A	-	16	-	16	156
Standards Fund	-	-	-	-	9
Pupil Premium	-	568	-	568	334
16-19 Bursary	-	13	-	13	10
Other DfE/EFA Grants	-	47	-	47	24
PE Teacher Grant	-	8	-	8	8
	-	9,348	-	9,348	7,957
Other Government grants					
SEN	-	-	-	-	99
GTP Funding	-	-	-	-	82
Other Government Grants	-	-	-	-	1
	-	-	-	-	182
	-	9,348	-	9,348	8,139

7. GOVERNANCE COSTS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Endowment funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Governance Auditors' remuneration	-	10	-	10	9
Governance Auditors' non audit costs	-	1	-	1	2
Legal and professional	-	23	-	23	-
	-	34	-	34	11

ARCHBISHOP SENTAMU ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Endowment funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
DIRECT COSTS					
Wages and salaries	344	4,403	-	4,747	4,424
National insurance	27	325	-	352	331
Pension cost	-	627	-	627	498
Educational supplies	18	509	-	527	520
Examination fees	-	300	-	300	244
Staff development	-	96	-	96	66
Educational consultancy	-	38	-	38	22
Other direct costs	115	81	-	196	103
	<u>504</u>	<u>6,379</u>	<u>-</u>	<u>6,883</u>	<u>6,208</u>
SUPPORT COSTS					
Wages and salaries	19	793	-	812	785
National insurance	-	40	-	40	44
Pension cost	-	64	-	64	66
Depreciation	-	1,132	-	1,132	1,199
Technology costs	26	235	-	261	169
Travel and subsistence	-	17	-	17	16
Recruitment and support	-	18	-	18	13
Maintenance of premises and equipment	-	555	-	555	367
Cleaning	-	21	-	21	18
Rates	9	68	-	77	65
Energy	-	170	-	170	234
Insurance	-	80	-	80	80
Security	-	71	-	71	114
Catering	65	129	-	194	219
Occupancy costs	-	92	-	92	70
Bank interest and charges	-	1	-	1	2
Other support costs	17	399	-	416	310
	<u>136</u>	<u>3,885</u>	<u>-</u>	<u>4,021</u>	<u>3,771</u>
	<u>640</u>	<u>10,264</u>	<u>-</u>	<u>10,904</u>	<u>9,979</u>

ARCHBISHOP SENTAMU ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

9 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000	Total 2012 £000
Direct costs	5,726	-	1,157	6,883	6,208
Support costs	916	1,132	1,973	4,021	3,771
CHARITABLE ACTIVITIES	6,642	1,132	3,130	10,904	9,979
GOVERNANCE	-	-	34	34	11
	6,642	1,132	3,164	10,938	9,990

10 NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	2013 £000	2012 £000
Depreciation of tangible fixed assets - owned by the charity	1,132	1,199
Auditors' remuneration	10	9
Auditors' remuneration - non-audit	1	2

ARCHBISHOP SENTAMU ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

11 STAFF COSTS

Staff costs were as follows

	2013 £000	2012 £000
Wages and salaries	5,438	5,209
Social security costs	392	375
Other pension costs (Note 24)	691	564
	<u>6,521</u>	<u>6,148</u>
Supply teacher costs	92	-
Compensation payments	29	-
	<u>6,642</u>	<u>6,148</u>

Included within Other pension costs above is £78,000 in respect of movements in the LGPS asset

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

	2013 No	2012 No
Teachers	84	84
Administration and support	109	106
Management	9	8
	<u>202</u>	<u>198</u>

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

	2013 No	2012 No
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	0	1
In the band £120,001 - £130,000	0	1
In the band £130,001 - £140,000	1	0
	<u>3</u>	<u>3</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £46,000 (2012 £36,000)

ARCHBISHOP SENTAMU ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

12 GOVERNORS' REMUNERATION AND EXPENSES

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	2013 £000	2012 £000
A N Chubb, Principal	130-135	125-130
E Davidson	25-30	25-30

During the year, no Governors received any benefits in kind (2012 - £NIL)

During the year, no Governors received any reimbursement of expenses (2012 - £NIL)

Other related party transactions involving the governors are set out in note 27

13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

ARCHBISHOP SENTAMU ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

14. TANGIBLE FIXED ASSETS

	Freehold property £000	Leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
COST						
At 1 September 2012	222	32,905	70	680	1,285	35,162
Additions	-	-	-	78	9	87
Disposals	-	(15)	-	-	(2)	(17)
At 31 August 2013	222	32,890	70	758	1,292	35,232
DEPRECIATION						
At 1 September 2012	9	673	48	154	688	1,572
Charge for the year	4	658	14	139	317	1,132
On disposals	-	(15)	-	-	(1)	(16)
At 31 August 2013	13	1,316	62	293	1,004	2,688
NET BOOK VALUE						
At 31 August 2013	209	31,574	8	465	288	32,544
At 31 August 2012	213	32,232	22	526	597	33,590

The leasehold property has been included as an asset although the lease has not formally been transferred to Archbishop Sentamu Academy due to outstanding snaggings. The academy has occupied the building since 1 September 2011 and the substance is that ownership transferred at this date when the benefits, risks and rewards transferred to the academy.

ARCHBISHOP SENTAMU ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

15 FIXED ASSET INVESTMENTS

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company

Name	Holding
Archie Student Activities Limited	100%
The aggregate of the share capital and reserves as at 31 August 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows	

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Archie Student Activities Limited	20	(4)

16 STOCKS

	2013 £000	2012 £000
Finished goods and goods for resale	34	39

17 DEBTORS

	2013 £000	2012 £000
Trade debtors	6	57
Amounts owed by group undertakings	9	13
VAT recoverable	106	41
Other debtors	15	-
Prepayments and accrued income	402	493
	538	604

**18. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £000	2012 £000
Trade creditors	424	376
Other taxation and social security	121	113
Other creditors	84	60
Accruals and deferred income	415	432
	1,044	981

ARCHBISHOP SENTAMU ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

18. CREDITORS
AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	£000
DEFERRED INCOME	
Deferred income at 1 September 2012	106
Resources deferred during the year	196
Amounts released from previous years	(105)
	<u>197</u>
Deferred income at 31 August 2013	<u>197</u>

The deferred income at the year end represents grants received for periods beyond the year end or specific grants with no expenditure incurred by the year end

19. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
UNRESTRICTED FUNDS						
Unrestricted general funds	148	609	(640)	-	-	117
	<u>148</u>	<u>609</u>	<u>(640)</u>	<u>-</u>	<u>-</u>	<u>117</u>
ENDOWMENT FUNDS						
Endowment Fund	263	-	-	-	-	263
	<u>263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	8,674	(8,436)	(69)	-	169
Pupil Premium	-	568	(568)	-	-	-
Start Up Grant A	-	16	(16)	-	-	-
Other DfE/EFA grants	-	68	(68)	-	-	-
Pension reserve	6	15	(78)	-	122	65
	<u>6</u>	<u>9,341</u>	<u>(9,166)</u>	<u>(69)</u>	<u>122</u>	<u>234</u>

ARCHBISHOP SENTAMU ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

19. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Legacy assets	33,258	-	(1,050)	-	-	32,208
Capital expenditure from GAG	214	-	(63)	69	-	220
DfE/EFA Capital grants	118	22	(19)	-	-	121
	<u>33,590</u>	<u>22</u>	<u>(1,132)</u>	<u>69</u>	<u>-</u>	<u>32,549</u>
Total restricted funds	<u>33,596</u>	<u>9,363</u>	<u>(10,298)</u>	<u>-</u>	<u>122</u>	<u>32,783</u>
Total of funds	<u>34,007</u>	<u>9,972</u>	<u>(10,938)</u>	<u>-</u>	<u>122</u>	<u>33,163</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the academy including salaries and related costs, overheads, repairs and maintenance and insurance. The Academy is allowed to carry forward a cumulative total at the 31 August 2013 of up to £1,031,000 being equal to 12% of the current year's 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. The carry forward balance available for future use is £169,000.

Pupil Premium is additional funding to be spent as the school see fit to support deprived students.

The Start Up Grant covers the initial three years of the academy's implementation for expenditure on acquiring basic stock of teaching and learning materials, transitional costs and recruitment and induction costs.

Other DfE/EFA grants include 16-19 Bursary, Catch Up Grant, and a PE Teachers Grant.

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 24.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful life of the associated assets.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Endowment funds 2013 £000	Total funds 2013 £000	Total funds 2012 £000
Tangible fixed assets	-	-	32,544	-	32,544	33,590
Current assets	117	1,213	5	263	1,598	1,392
Creditors due within one year	-	(1,044)	-	-	(1,044)	(981)
Provisions for liabilities and charges	-	65	-	-	65	6
	<u>117</u>	<u>234</u>	<u>32,549</u>	<u>263</u>	<u>33,163</u>	<u>34,007</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £000	2012 £000
Net incoming resources before revaluations	(966)	33,024
Returns on investments and servicing of finance	(7)	(8)
Donation of assets	-	(34,310)
Depreciation of tangible fixed assets	1,132	1,199
Capital grants from DfE	(25)	(21)
Decrease in stocks	5	17
Decrease/(increase) in debtors	66	(214)
Increase in creditors	63	278
FRS 17 adjustments	63	19
NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS	<u>331</u>	<u>(16)</u>

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £000	2012 £000
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	<u>7</u>	<u>8</u>

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22 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2013 £000	2012 £000
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(87)	(45)
Sale of tangible fixed assets	1	-
Capital grants from DfE	25	21
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(61)</u>	<u>(24)</u>

23 ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £000	Cash flow £000	Other non-cash changes £000	31 August 2013 £000
Cash at bank and in hand	749	277	-	1,026
NET FUNDS	<u>749</u>	<u>277</u>	<u>-</u>	<u>1,026</u>

24 PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by East Riding Pension Fund Both are defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too 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 total contribution made for the year ended 31 August 2013 was £680,000, of which employer's contributions totalled £428,000 and employees' contributions totalled £252,000

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24. PENSION COMMITMENTS (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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, 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

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was 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 review, 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 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions 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 that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5% - 25.3%, which translated into an employee contribution rate banded between 6.4% - 11.2% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

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24 PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40 80 100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying 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 above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £260,000, of which employer's contributions totalled £185,000 and employees' contributions totalled £75,000. The agreed contribution rates for future years are 14.7% for employers and 5.5 - 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The amounts recognised in the Balance Sheet are as follows:

	2013 £000	2012 £000
Present value of funded obligations	(2,298)	(1,822)
Fair value of scheme assets	2,363	1,828
	<hr/>	<hr/>
Net asset	65	6
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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24 PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities are as follows

	2013 £000	2012 £000
Interest on obligation	(81)	(90)
Expected return on scheme assets	96	98
Current service cost	(263)	(206)
Total	(248)	(198)
 Actual return on scheme assets	 282	 129

Movements in the present value of the defined benefit obligation were as follows

	2013 £000	2012 £000
Opening defined benefit obligation	1,822	1,530
Interest cost	81	90
Contributions by scheme participants	75	74
Actuarial Losses/(gains)	64	(73)
Benefits paid	(7)	(5)
Current service cost	263	206
Closing defined benefit obligation	2,298	1,822

Movements in the fair value of the academy's share of scheme assets

	2013 £000	2012 £000
Opening fair value of scheme assets	1,828	1,452
Expected return on assets	96	98
Actuarial gains and (losses)	186	30
Contributions by employer	185	179
Contributions by employees	75	74
Benefits paid	(7)	(5)
Total	2,363	1,828

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £318,000 (2012 - £196,000)

The academy expects to contribute £185,000 to its Defined Benefit Pension Scheme in 2014

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

	2013	2012
Equities	77 00 %	73 00 %
Bonds	10 00 %	12 00 %
Property	6 00 %	8 00 %
Cash	7 00 %	7 00 %

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**NOTES TO THE FINANCIAL STATEMENTS
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24 PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages)

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.10 %
Expected return on scheme assets at 31 August	6.00 %	4.90 %
Rate of increase in salaries	5.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %

The current mortality assumptions include sufficient allowance for future improvements in mortality rates
The assumed life expectations on retirement age 65 are

	2013	2012
Retiring today		
Males	22.9	22.9
Females	25.7	25.7
Retiring in 20 years		
Males	24.9	24.9
Females	27.7	27.7

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2013 £000	2012 £000	2011 £000	2010 £000	2009 £000
Defined benefit obligation	(2,298)	(1,822)	(1,530)	(1,494)	(1,164)
Scheme assets	2,363	1,828	1,453	974	682
Surplus/(deficit)	65	6	(77)	(520)	(482)
Experience adjustments on scheme liabilities	(64)	73	249	150	142
Experience adjustments on scheme assets	186	30	194	(28)	86

25 OPERATING LEASE COMMITMENTS

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2013 £000	2012 £000	2013 £000	2012 £000
EXPIRY DATE.				
Between 2 and 5 years	-	-	49	51

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NOTES TO THE FINANCIAL STATEMENTS
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26 RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Buffalo, a company in which R A Lees' son in law is a shareholder has provided fundraising services during the year. The value was £3,820.

Right Reverend R M C Frith is a director of The York Diocesan Board of Finance Limited to which the Academy paid £27,000 (2012 £24,000) in respect of RE teaching and chaplaincy.

A N Chubb is a director and member of The Modern Baccalaureate Foundation Ltd, a company limited by guarantee. Transactions in the year totalled £2,425.