



REGISTERED NUMBER 06545396

Registrar's  
Copy

**Sirius Academy**  
(A Company Limited by Guarantee)

**Annual Report and  
Financial Statements**

**31 August 2013**

WEDNESDAY



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15/01/2014  
COMPANIES HOUSE

**Smailes Goldie**

Chartered Accountants

 **UK200Group**  
independent quality assured professionals

**Sirius Academy (Registered Number: 06545396)**  
(A Company Limited by Guarantee)

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# Sirius Academy

(A Company Limited by Guarantee)

## Reference and Administrative Details

		Appointed/ Resigned
<b>Directors (Trustees):</b>	L Probert <sup>(i)</sup> <sup>(ii)</sup> Chairman	01 03 2013
	G Warke <sup>(i)</sup> <sup>(ii)</sup> Vice Chairman	01 03 2013
	Dr C Taylor <sup>(i)</sup> <sup>(ii)</sup> Accounting Officer	
	S Allen <sup>(ii)</sup>	
	Cllr A Bell <sup>(i)</sup>	
	S Clarkson <sup>(i)</sup>	
	G Towse <sup>(ii)</sup>	01 03 2013
	R Peyton <sup>(i)</sup> (resigned 13 09 2013)	01 03 2013
	N Porteus <sup>(i)</sup> <sup>(ii)</sup> (resigned)	01 03 2013
	A Henderson <sup>(i)</sup> <sup>(ii)</sup> (resigned)	01 03 2013
	Dr E McMahon (resigned)	17 02 2013
	M Maltby <sup>(i)</sup> (resigned)	18 03 2013

<sup>(i)</sup> member of the Finance, Resources and General Purposes committee

<sup>(ii)</sup> member of the Quality, Standards and Student Support committee

**Company Secretary.** T Priestley

<b>Senior Leadership Team:</b>	Dr C Taylor	Principal (Accounting Officer)
	K Sinclair	Vice Principal
	J Sherwood	Vice Principal
	M McKeown	Vice Principal
	T Priestley	Director of Finance and Business

**Registered Office:** 296 Anlaby Park Road South  
Hull  
HU4 7JB

**Company Registration Number:** 06545396 (England and Wales)

**Independent Auditors:** Smales Goldie  
Regent's Court  
Princess Street  
Hull  
HU2 8BA

<b>Bankers:</b>	The Co-operative Bank	HSBC Bank plc
	Pennine House	Merit House
	Leeds	Priory Park West
	LS1 5RN	Hessle
		HU13 9PB

**Solicitors:** Dickinson Dees  
St Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
NE1 3DX

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Directors' Report**

31 August 2013

The directors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2013

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

#### **Constitution**

The Academy is a company limited by guarantee and is registered as an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The directors act as the trustees for the charitable activities of Sirius Academy and are also the directors of the charitable company for the purposes of company law. Directors hold office for a term of 4 years. At the end of their term, directors are eligible for reappointment to serve a further term. Details of the directors who served throughout 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 £1, for the debts and liabilities contracted before they ceased to be a member. The current number of members is three.

#### **Principal Activities**

The Academy's objective as detailed in the Memorandum of Association is to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to Science, Sport and Leisure.

#### **Method of recruitment and appointment or election of directors**

Those entitled to make appointments to the Academy's board of directors include the main sponsor of the Academy, Hull College, the Kingston upon Hull Local Authority and the Secretary of State for Education. In addition the board of directors includes one parent director, appointed from and by parents of registered students of the Academy.

Where a vacancy for a parent director is required to be filled by election, the board of directors shall take such steps as are reasonably practical to ensure that every person who is known to them to be a parent of a registered student of the Academy is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

#### **Policies and procedures adopted for the induction and training of directors**

After appointment, directors receive induction training and are supplied with all necessary documents that they need to fulfil their role as directors. All new directors will be given a tour of the Academy and the chance to meet with staff and students. All directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors. As there are normally only two or three new directors a year, induction tends to be done informally and is tailored specifically to the individual.

#### **Organisational structure**

The organisational structure consists of the Academy Board (the directors), the Senior Leadership Team and the Management Team. The aims of the organisational structure are to declare responsibility and encourage involvement in decision making at all levels.

The Academy Board is responsible for the overall strategic direction of the Academy and for those statutory duties that cannot be delegated to sub-committees.

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.

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Directors' Report**

31 August 2013

### **Organisational structure (continued)**

The Senior Leadership Team consists of the Principal, 3 Vice Principals, a Director of Finance & Business and 5 Assistant Vice Principals who are responsible for the leadership and management of the Academy. These managers control the Academy at an executive level, implementing the policies laid down by the directors and reporting back to them. They are also responsible for the day to day operation of the charitable company. As a group, the Senior Leadership Team is 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.

### **Risk management**

The directors have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy, and its finances. They have introduced systems, operational procedures and internal financial controls 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 controls and this is explained in more detail in the following statement.

### **Connected organisations (including related party relationships)**

Hull College is the sponsor to the Academy.

### **Auditor**

Insofar as the directors are aware:

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

The auditors, Smailes Goldie, are willing to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

The principal object and activity of the charitable company is the operation of the Sirius Academy to provide an education for students of a wide range of abilities between the ages of 11 and 19, specialising in sport and environmental science.

The main objectives of the Academy during the year ended 31 August 2013 are summarised below:

- To ensure that every child enjoys a high quality education to enable them to achieve or exceed their personal potential
- To provide an outstanding standard of educational to all students at the Academy
- To refine organisation structures, protocols and practices to reflect the changing needs of the students and to meet with Government targets
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Directors' Report**

31 August 2013

### **Objectives, strategies and activities**

The Academy's mission is to support every individual to achieve or exceed their personal potential within a supportive, learning community which seeks to challenge students in their thinking and understanding. Staff provide the stimulus to promote creativity, inspire excellence and encourage innovation. Sirius strives to support individual success irrespective of the needs, ability or ambition of the student to enable all children to become well informed, responsible citizens who are prepared for the changing needs of the workplace of the future. To this end, the activities provided seek

- To provide engaging and stimulating lessons and learning opportunities for all students to attain nationally recognised, academic qualifications
- To offer continual professional development and training to all staff
- To provide an exciting enrichment programme with a focus on the specialisms of sport and environmental science to encourage engagement, participation and independent learning
- To ensure all students benefit from independent advice, support and guidance from an advisory service to help them obtain employment or move on to higher or further education

### **Public benefit**

The directors have reviewed the current activities of the charitable company and confirm that they are in line with its objectives. All the activities of the organisation carried out during 2012-2013 are in pursuance of the Academy's objectives and are considered to be for the public benefit. All services provided are free to all beneficiaries irrespective of capacity, ethnicity, faith, religious conviction or social economic environment. The directors also confirm that the organisation's aims and objectives fall within the descriptions of purposes in the Charities Act 2006 and are recognised as charitable and are carried out for the public benefit.

### **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**

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 overall quality of education provided in the Academy is outstanding, having improved since the last inspection. This reflects the impact of high quality leadership and their successful efforts in building a high quality teaching team. Teaching has improved quickly since the last inspection and is now outstanding overall. A few variations in the amount of outstanding teaching remain between subjects however these are being rapidly addressed. Teaching, together with a rich and relevant curriculum, contributes to increasingly outstanding learning and achievement, significant growth in students' knowledge, and excellent attitudes to learning.

Students, and particular groups of students, have excellent educational experiences at the Academy and these ensure that they are very well equipped for the next stage of their education, training or employment. The Academy successfully offers a very wide range of experiences designed to capture the interest of pupils and to extend their desire to learn.

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Directors' Report**

*31 August 2013*

Expectations are high. The ambition that every student achieves to their potential is consistently reflected in the expectations of staff and the highest aspirations for students including disabled students and those with special educational needs.

The behaviour of the students is outstanding. The very large majority of students behave well all of the time and the small minority of students with inherent behaviour difficulties modify and improve their behaviour over time. The Academy's thoughtful and wide-ranging promotion of students' spiritual, moral, social and cultural development and their physical wellbeing enables them to thrive in a supportive, highly cohesive learning community.

The standards of attainment of almost all groups of students are at least in line with national averages with many pupils attaining above this. In 2013, 65% of students attained five GCSE A\*-C, including English and mathematics (100% with five GCSE A\*-C excluding English and mathematics). This is an improvement on 2012. Projections for 2014 are for further increases. The best 8 capped indicator has significantly improved over the past four years and is now well above the national average.

The learning of groups of pupils, particularly those who are disabled, those who have special educational needs, those for whom the pupil premium provides support, and the most able is consistently good or better, reflecting increased and appropriate levels of challenge in lessons as well as strategies to improve the relevance of the curriculum. The performance gap for those supported through pupil premium has been significantly reduced over the past three years and is likely to be completely closed by 2014. The Academy was a regional winner of the Pupil Premium Award 2013.

In almost all areas of the curriculum, the subject knowledge and expertise of teachers is consistently strong, ensuring that students are engaged in learning and, across the Academy, generate high levels of commitment to their studies. In almost all lessons, students are highly motivated and fully engaged in activities, with a number of students continuing to pursue their studies in their own time out of particular interest in the topic.

Surveys and discussions with groups of parents, staff and students show that they are very positive about both behaviour and safety (well above 95%). Discussions with students, Academy council, wider student voice groups, all show that students are keenly aware how good attitudes and behaviour contribute to Academy life, adult life and work. The school's strategies for engaging parents have improved in response to the last inspection and are now highly successful in the main. Attendance at consultation evenings, for example, has improved from less than a quarter three years ago to two-thirds currently. Almost all parents/carers now encourage their children to participate fully in the life and work of the Academy. Outreach support for hard-to-reach families, including school nurse, home-school liaison officer, education welfare, transition arrangements, work with disaffected students at risk of exclusion, as well as wrap-around care arrangements, are increasingly successful in improving attendance and learning and in raising achievement.

The Academy's arrangements for safeguarding students meet statutory requirements. The single central record is well-maintained and up-to-date.

The Academy has gained national accreditations for Inclusion Mark, the development of the specialisms of Sport and Environmental Science and Investors in People – Gold Award.

### **Going concern**

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy under its current and agreed funding arrangement 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 Statement of Accounting Policies.

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Directors' Report**

31 August 2013

### **Key financial performance indicators**

The Academy has a basket of financial indicators to keep focused on the financial health of the Academy. These include

- Not to breach any of the GAG (General Annual Grant) rules detailed within our funding agreement relating to surpluses and deficits
- To submit all EFA returns within set deadlines
- To present draft Financial Statements and Annual Report to the Audit Committee in November each year
- To set a balanced budget well in advance of the financial year and present monitoring reports to the Board each term
- To supply budget holders with financial monitoring information on a monthly basis
- To monitor the efficient use of cash flow and maximise income on guaranteed investments

## **FINANCIAL REVIEW**

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

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE along with other restricted grants from other sources and their associated expenses are shown as restricted funds in the statement of financial activities.

The Academy generated unrestricted income during the year of £156,000 (2012 £118,000). This was mainly generated from catering re-charges, facilities management re-charges to a co-located school and hire of the Academy's facilities. The costs of activities for generating funds were £92,000 (2012 £108,000).

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charity Commission '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 is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2013, total restricted revenue expenditure of £9,124,000 (2012 £8,084,000) was more than covered by recurrent grant funding from the DfE, together with other grants. The restricted net incoming resources before transfers for the year (excluding restricted fixed asset funds) were £567,000 (2012 £229,000).

At 31 August 2013 the net book value of fixed assets was £60,000 (2012 £56,000) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

### **Principal risks and uncertainties**

The directors have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy, and its finances.

The Local Government Pension deficit within restricted funds is £404,000, as the total market value of assets does not cover the present value of liabilities. This does not mean that the liability for this amount will be called in.



# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Directors' Report**

31 August 2013

### **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 educational obligations that the Academy has on a day-to-day basis are funded from its restricted reserves that were provided for this purpose. The directors need to ensure that the Academy has sufficient working capital to cover delays between receipt of grants and spending, and to be able to deal with unexpected emergencies that may arise such as urgent maintenance. The Academy's current level of general reserves is £1,745,000 (2012 £1,185,000). Taking into account the nature of the Academy's income streams, the directors are of the view that reserves at this level are sufficient to cover its working capital needs.

### **Investment policy**

The directors have agreed to invest in short term guaranteed investments and deposit funds in 95 day access accounts to maximise the academy's return without compromising cash flow.

## **PLANS FOR FUTURE YEARS**

The Academy has a strategic three year plan which outlines developments for the future. In summary the plan focuses on the following key areas:

- To raise standards of attainment in line with the national benchmark of the percentage of students who achieve 5 or more A\*-C grades including English and Mathematics
- To recruit students to the Academy through the specialisms of sport and environmental science to ensure that the capacity and facilities of the new build are maximised
- To further develop the post 16 offer to provide a broad range of courses for 200 learners
- To build stronger links with parents and carers to enable greater parental engagement to support all students and their engagement in learning opportunities
- To strengthen community partnerships to ensure that the new facilities generate a realistic income stream to reinvest in student focused activities
- To explore the benefits of working with other schools within a Multi Academy Trust and becoming a Teaching School

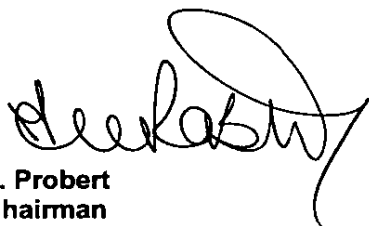
## **AUDITORS**

Insofar as the directors are aware:

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

The auditors, Smales Goldie, are willing to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

Approved by order of the members of the board of directors on 16 December 2013 and signed on its behalf by



**L. Probert**  
Chairman



**G. Warke**  
Vice Chairman

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Governance Statement

31 August 2013

### SCOPE OF RESPONSIBILITY

As directors, we acknowledge we have overall responsibility for ensuring that Sirius 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 directors 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 Sirius Academy and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

### GOVERNANCE

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

Directors	Meetings attended	Out of a possible
Lee Probert	3	3
Gary Warke	4	5
Cathy Taylor	5	5
Stephen Allen	5	5
Neil Porteus	3	3
Alex Henderson	3	3
Elaine McMahon	0	2
Abigail Bell	2	5
Sarah Clarkson	0	5
Michelle Maltby	0	3
Graham Towse	1	2
Robert Peyton	0	2

The Finance and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to be responsible for developing and managing resources efficiently. The scope of this group would include, staff recruitment, performance management, budget projection and finance controls, ICT infrastructure, the Full Service Extended Schools Agenda. This committee will look closely at the resourcing all new proposals including the new Academy building and ensure that the needs of the learners at met and 'best value education' is achieved. The safety, health and well-being of students will be the focus of this committee.

The committee exists to assist the decision making of the board of directors, by enabling detailed consideration to be given to the best means of fulfilling the board of directors responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. The committee will make appropriate comments and recommendations on such matters to the board of directors on a regular basis. Major issues will be referred to the full board.

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Governance Statement**

31 August 2013

During the year 2013 two directors joined the committee, Lee Probert & Robert Peyton

Attendance at meetings in the year was as follows

<b>Directors</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Lee Probert	1	1
Robert Peyton	1	1
Neil Porteus	2	2
Alex Henderson	2	2
Cathy Taylor	3	3
Abigail Bell	1	3
Sarah Clarkson	2	3
Michelle Maltby	0	2
Gary Warke	1	3

The Audit Committee is also a sub-committee of the Board, and operates with the same directors as the Finance and General Purpose Committee. The objective of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with particular reference to strategic financial reporting, internal control, risk management and external audit. The audit committee held two meetings in the year ending 31 August 2013, agenda items included reviewing the risk register, analysis of audit fees, updating the financial regulations manual and commissioning the responsible officer.

### **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 Sirius Academy for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

### **CAPACITY TO HANDLE RISK**

The board of directors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to investigate those risks. The board of directors 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 ended 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the directors.

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Governance Statement**

31 August 2013

### **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,
- regular reviews by the Finance Resources 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 directors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. The directors have commissioned the role of Responsible Officer (RO) from a Finance Director from an Academy in York. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the RO provides a report to the board on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

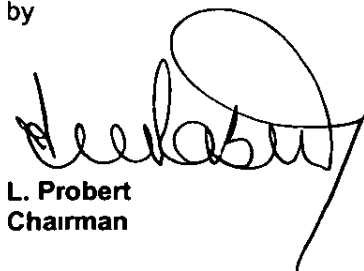
### **REVIEW OF EFFECTIVENESS**

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

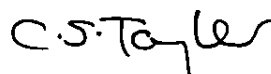
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance of the self-assessment process,
- the work of the directors within the Academy who have responsibility for the development and maintenance of the internal control framework

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 General Purposes Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of directors on 16 December 2013 and signed on its behalf by



**L. Probert**  
Chairman



**Dr. C. Taylor**  
Accounting Officer

## **Sirius Academy (Registered Number: 06545396)**

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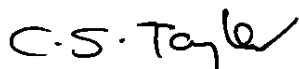
### **Statement on Regularity, Propriety and Compliance**

*31 August 2013*

As Accounting Officer of Sirius Academy I have considered my responsibility to notify the Academy board of directors 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.

I confirm that I and the Academy board of directors are able to identify any material irregular or improper use of funds by the Academy trust, or material non-compliance with the terms and conditions of funding under the Academy trust's funding agreement and the Academies Financial Handbook.

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



**Dr. C. Taylor**  
**Accounting Officer**  
16 December 2013

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Statement of Directors' Responsibilities**

31 August 2013

### **Responsibilities of the directors**

The directors, who act as trustees for the charitable activities of Sirius Academy and are also the directors of the charitable company for the purposes of company law, are responsible for preparing the directors' report and the financial statements in accordance with Annual Accounts Requirements 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 directors to prepare financial statements for each financial year. Under company law the directors 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 year. In preparing the financial statements the directors are required to

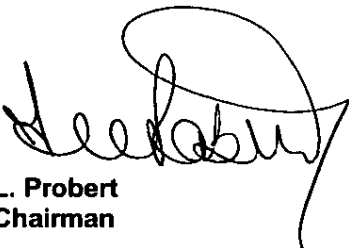
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures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

The directors 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

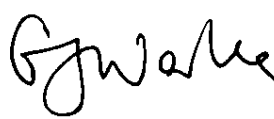
The directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and good financial management. They are also responsible for ensuring grants received from the EFADfE have been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

The directors are responsible for the maintenance and integrity of 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 directors on 16 December 2013 and signed on its behalf by



**L. Probert**  
Chairman



**G Warke**  
Vice Chairman

# **Sirius Academy**

(A Company Limited by Guarantee)

## **Independent Auditors' Report to the Members of Sirius Academy**

We have audited the financial statements of Sirius 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 Annual Accounts Direction 2013 issued by the Education Funding Agency.

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

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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 Annual Accounts Direction 2013 issued by the Education Funding Agency.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

# **Sirius Academy**

(A Company Limited by Guarantee)

## **Independent Auditors' Report to the Members of Sirius Academy (continued)**

### **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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



### **Peter Duffield LLB FCA (Senior Statutory Auditor)**

for and on behalf of Smales Goldie

Chartered Accountants

Statutory Auditor

Regent's Court

Princess Street

Hull

HU2 8BA

16 December 2013



# **Sirius Academy**

(A Company Limited by Guarantee)

## **Independent Reporting Accountants' Assurance Report on Regularity to Sirius Academy and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 20 November 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 Sirius Academy during the period 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 Sirius Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sirius 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 Sirius Academy and the EFA, for our work, for this report, or for the conclusion we have formed

### **Respective responsibilities of Sirius Academy's Accounting Officer and the reporting accountants**

The Accounting Officer is responsible, under the requirements of Sirius Academy's funding agreement with a former Secretary of State for Education dated 9 June 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 period 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

- Ensuring value for money is sought for all goods/services procured by the Academy, including those procured from related parties of the Academy
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE
- Ensuring that expenditure incurred through the Academy bank account and credit card is appropriate for the purposes of the Academy and that there has been no personal expenditure from the Academy's funds
- Ensuring pension contributions are paid to the respective schemes in a timely manner
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis

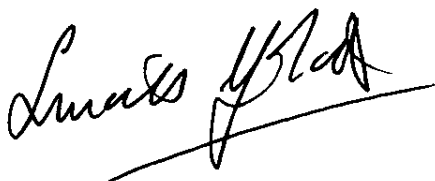
## **Sirius Academy**

(A Company Limited by Guarantee)

### **Independent Reporting Accountants' Assurance Report on Regularity to Sirius 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 period 1 September 2012 to 31 August 2013 has 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 'Smailes Goldie', with a long horizontal line extending from the end of the signature.

**Smailes Goldie**  
Chartered Accountants  
Regent's Court  
Princess Street  
Hull  
HU2 8BA  
16 December 2013

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

for the year ended 31 August 2013

	Note	Unrestricted funds £'000	Restricted general funds £'000	Restricted other funds £'000	Restricted fixed asset funds £'000	Total 2013 £'000	Total 2012 £'000
<b>Incoming resources</b>							
<i>Incoming resources from generated funds</i>							
Voluntary income	3	-	-	-	34	34	21
Activities for generating funds	4	115	-	-	-	115	108
Investment income	5	41	-	-	-	41	10
<i>Incoming resources from charitable activities</i>							
Funding for the Academy's educational operations	6	-	9,691	-	-	9,691	8,313
<b>Total incoming resources</b>		<b>156</b>	<b>9,691</b>	<b>-</b>	<b>34</b>	<b>9,881</b>	<b>8,452</b>
<b>Resources expended</b>							
<i>Cost of generating funds</i>							
Costs of generating voluntary income		92	-	-	-	92	108
Fundraising trading		-	-	-	-	-	-
<i>Charitable activities</i>							
Academy's educational operations	8	-	9,099	-	18	9,117	8,111
Governance costs	9	-	25	-	-	25	12
<b>Total resources expended</b>	<b>7</b>	<b>92</b>	<b>9,124</b>	<b>-</b>	<b>18</b>	<b>9,234</b>	<b>8,231</b>
<b>Net income for the year before transfers</b>		<b>64</b>	<b>567</b>	<b>-</b>	<b>16</b>	<b>647</b>	<b>221</b>
<b>Gross transfers between funds</b>		<b>-</b>	<b>(22)</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>-</b>
<b>Net income for the year</b>		<b>64</b>	<b>545</b>	<b>-</b>	<b>38</b>	<b>647</b>	<b>221</b>
<b>Other recognised gains and losses</b>							
Actuarial (losses)/gains on defined benefit pension schemes	17, 27	-	101	-	-	101	(205)
		<b>64</b>	<b>646</b>	<b>-</b>	<b>38</b>	<b>748</b>	<b>16</b>
<b>Net movement in funds</b>							
<b>Reconciliation of funds</b>							
Total funds brought forward at 1 September 2012	17	57	695	-	81	833	817
<b>Total funds carried forward at 31 August 2013</b>		<b>121</b>	<b>1,341</b>	<b>-</b>	<b>119</b>	<b>1,581</b>	<b>833</b>

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

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

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Balance Sheet

31 August 2013

	Note	2013 £'000	2012 £'000
<b>Fixed assets</b>			
Tangible assets	13	60	56
<b>Current assets</b>			
Debtors	15	338	282
Cash at bank and in hand		2,310	1,510
		<b>2,648</b>	<b>1,792</b>
<b>Current liabilities</b>			
Creditors Amounts falling due within one year	16	723	525
<b>Net current assets</b>		<b>1,925</b>	<b>1,267</b>
<b>Total assets less current liabilities (excluding pension liability)</b>		<b>1,985</b>	<b>1,323</b>
<b>Pension scheme liability</b>	27	<b>404</b>	<b>490</b>
<b>Net assets including pension liability</b>		<b>1,581</b>	<b>833</b>
<b>Funds of the Academy</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund	17	119	81
Restricted general fund	17	1,745	1,185
Restricted pension fund	17	(404)	(490)
<b>Total restricted funds</b>	17	<b>1,460</b>	<b>776</b>
<b>Unrestricted funds</b>			
Unrestricted general fund	17	121	57
<b>Total funds</b>		<b>1,581</b>	<b>833</b>

The financial statements on pages 17 to 39 were approved by the directors, and authorised for issue, on 16 December 2013 and are signed on their behalf by

  
L. Probert  
Chairman

  
G. Warke  
Vice Chairman

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Cash Flow Statement**

*for the year ended 31 August 2013*

	<b>Note</b>	<b>2013 £'000</b>	<b>2012 £'000</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>21</b>	<b>747</b>	<b>(132)</b>
Returns on investments and servicing of finance	22	41	10
Capital expenditure	23	12	(47)
<b>Increase/(Decrease) in cash in the year</b>	<b>24</b>	<b>800</b>	<b>(169)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2012		1,510	1,679
<b>Net funds at 31 August 2013</b>		<b>2,310</b>	<b>1,510</b>

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Notes to the Financial Statements**

*for the year ended 31 August 2013*

### **1. Statement of Accounting Policies**

#### **Basis of preparation**

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

#### **Going concern**

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

#### **Incoming Resources**

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

- **Grants receivable**

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.

- **Interest receivable**

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

- **Other income**

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

#### **Resources Expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs relating to that activity. 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.

- **Cost of generating funds**

These costs are incurred in attracting other income.

- **Charitable activities**

These are costs incurred on the Academy's educational activities.

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 1. Statement of Accounting Policies (continued)

- **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

All resources expended are inclusive of irrecoverable VAT

#### **Fund accounting**

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the directors

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, the Department for Education and others 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 Education Funding Agency and the Department for Education

#### **Tangible fixed assets**

Assets costing less than £3,000 are written off in the year of acquisition. All other assets 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 carried forward in the balance sheet. The depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

Motor vehicles	14%
Computer equipment and software	33%
Fixtures and fittings	33%

A full year's depreciation is charged in the year of addition and no depreciation is charged in the year of disposal

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

#### **Leased assets**

Rentals applicable to operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

# **Sirius Academy (Registered Number: 06545396)**

(A Company Limited by Guarantee)

## **Notes to the Financial Statements**

*for the year ended 31 August 2013*

### **1. Statement of Accounting Policies (continued)**

#### **Taxation**

The Academy is an exempt charity and meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy has been approved by HM Revenue & Customs as being 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.

#### **Pensions benefits**

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 27, 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 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 until 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.



# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State for Education the Academy trust 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 premises.

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

3	Voluntary Income	Unrestricted Funds £'000	Restricted Funds £'000	2013 Total £'000	2012 Total £'000
	Capital Grants	-	34	34	21

### 4. Activities for Generating Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
Hire of facilities	26	-	26	8
Catering income	32	-	32	61
Other income	57	-	57	39
	115	-	115	108

### 5. Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
Short term deposits	41	-	41	10

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 6. Funding for the Academy's educational operations

	Unrestricted Funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	8,617	8,617	7,221
Start Up Grant	-	65	65	244
Other DfE/EFA grants	-	598	598	268
	-	9,280	9,280	7,733
<b>Other Government grants</b>				
School Standards Funds	-	255	255	336
Special educational projects	-	156	156	244
	-	411	411	580
	-	9,691	9,691	8,313

### 7. Resources expended

	Staff costs £'000	Non-Pay Expenditure Premises £'000	Other costs £'000	Total 2013 £'000	Total 2012 £'000
Costs of generating voluntary Income	-	-	92	92	108
Academy's educational operations					
Direct costs	5,948	18	1,233	7,199	6,516
Allocated support costs	894	530	494	1,918	1,595
	6,842	548	1,727	9,117	8,111
Governance costs	-	-	25	25	12
	6,842	548	1,844	9,234	8,231

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

	2013 £'000	2012 £'000
Operating leases	38	47
Fees payable to auditor		
- audit	7	7
- other services	2	-
- other services prior year	4	-

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2013

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

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
<b>Direct costs</b>				
Teaching and educational support				
staff costs	-	5,948	5,948	5,317
Depreciation	-	18	18	39
Educational supplies	-	289	289	424
Examination fees	-	278	278	258
Staff development	-	52	52	28
Educational consultancy	-	58	58	55
Other direct costs	-	556	556	395
	-	7,199	7,199	6,516
<b>Allocated support costs</b>				
Support staff costs	-	894	894	773
Recruitment and support	-	22	22	31
Maintenance of premises and equipment	-	90	90	171
Cleaning	-	9	9	9
Rent and rates	-	28	28	19
Insurance	-	77	77	67
Security and transport	-	13	13	6
Catering	-	65	65	28
Other support costs	-	720	720	491
	-	1,918	1,918	1,595
	-	9,117	9,117	8,111

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2013

9	Governance costs	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
	Legal and professional fees	-	18	18	5
	Audit fees	-	7	7	7
		-	25	25	12

### 10. Staff costs

Staff costs during the period were.

	Total 2013 £'000	Total 2012 £'000
Wages and salaries	5,280	4,740
Social security costs	406	360
Other pension costs	732	612
	6,418	5,712

The average numbers of persons (including the senior management team) employed by the Academy during the year expressed as full time equivalents were as follows

Charitable activities	2013 No.	2012 No
Teachers	102	86
Administration and support	80	77
	182	163

The numbers of employees whose emoluments fell within the following bands were

	2013 No.	2012 No
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

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 £49,165 (2012 £44,804)

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 11. Related Party Transactions - Directors' remuneration and expenses

With the exception of the Principal, the directors do not receive any payment from the Academy other than the reimbursement of expenses incurred in the course of their duties. The value of the directors' remuneration was as follows:

C Taylor (Principal) £125,000 - £130,000 (2012 £115,000 – £120,000)

During the year ended 31 August 2013, travel and subsistence expenses totalling £52 (2012 £171) were reimbursed to one director (2012 one director).

Other related party transactions involving the directors are set out in note 28.

### 12. 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £2,526 (2012 £2,002).

The cost of this insurance is included in the total insurance costs.

### 13. Tangible fixed assets

	<b>Furniture And Equipment £'000</b>	<b>Computer Equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 September 2012	29	66	54	149
Additions	12	-	10	22
Disposals	-	-	-	-
At 31 August 2013	<u>41</u>	<u>66</u>	<u>64</u>	<u>171</u>
<b>Depreciation</b>				
At 1 September 2012	19	66	8	93
Charged in year	9	-	9	18
Disposals	-	-	-	-
At 31 August 2013	<u>28</u>	<u>66</u>	<u>17</u>	<u>111</u>
<b>Net book values</b>				
At 31 August 2013	<u>13</u>	<u>-</u>	<u>47</u>	<u>60</u>
At 31 August 2012	<u>10</u>	<u>-</u>	<u>46</u>	<u>56</u>

All fixed assets are used in the provision of education.

### 14. Stock

Stock valuation has been considered by the Academy. However, this value was negligible at 31 August 2013 and 31 August 2012.

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2013

15. Debtors	2013 £'000	2012 £'000
Trade debtors	86	124
Prepayments	56	35
Sundry debtors	196	123
	<u>338</u>	<u>282</u>

16. Creditors amounts falling due within one year	2013 £'000	2012 £'000
Trade creditors	246	110
Taxation and social security	130	129
Other creditors	1	1
Accruals and deferred income	346	285
	<u>723</u>	<u>525</u>

Deferred income	2013 £'000
Deferred income at 1 September 2012	67
Resources deferred in the year	36
Amounts released from previous years	(67)
	<u>36</u>
Deferred income at 31 August 2013	<u>36</u>

Deferred income relates to monies for the 2013-2014 academic year  
relate to

	£'000
Bikeability grant 2013/14	14
MTL Funding	17
School trips	5
	<u>36</u>

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 17 Funds

	Balance at 1 September 2012 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2013 £'000
<b>Restricted general fund</b>					
General Annual Grant (GAG)	760	8,617	(8,321)	(22)	1,034
Start Up Grant	61	65	-	-	126
Other DfE/EFA grants	134	598	(548)	-	184
LEA and other grants	23	255	(84)	-	194
Other restricted	207	156	(156)	-	207
Pension reserve	(490)	-	(15)	101	(404)
	<u>695</u>	<u>9,691</u>	<u>(9,124)</u>	<u>79</u>	<u>1,341</u>
<b>Restricted fixed asset fund</b>					
DfE/EFA capital grants	25	34	(18)	-	41
Sponsorship fixed assets fund	-	-	-	-	-
Capital expenditure from GAG	56	-	-	22	78
	<u>81</u>	<u>34</u>	<u>(18)</u>	<u>22</u>	<u>119</u>
<b>Total restricted funds</b>	<u>776</u>	<u>9,725</u>	<u>(9,142)</u>	<u>101</u>	<u>1,460</u>
<b>Unrestricted funds</b>					
Unrestricted fund	57	156	(92)	-	121
<b>Total unrestricted funds</b>	<u>57</u>	<u>156</u>	<u>(92)</u>	<u>-</u>	<u>121</u>
<b>Total funds</b>	<u>833</u>	<u>9,881</u>	<u>(9,234)</u>	<u>101</u>	<u>1,581</u>

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*for the year ended 31 August 2013*

### **17. Funds (continued)**

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

#### **DfE/EFA GAG Funding**

DfE/EFA General Annual Grant (GAG) includes funding allocated per pupil through the school budget share and post 16 funding. It also includes the Local Authority Central Spend Equivalent Grant (LACSEG) and funding for insurance and rates.

The General Annual Grant (GAG) must be used to meet 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.

Under the funding agreement with the Secretary of State for Education, the Academy trust is 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.

#### **Start Up Grant**

The Start Up Grant is given in the first six years of the operation of the Academy, on a reducing basis over that period. It is provided to cover the anticipated shortfall in income over operating costs whilst the number of pupils attending the school is below the maximum.

#### **Other DfE/EFA Grants**

The other DfE/EFA grants must be used for the specific purpose for which they are given. These grants are given to fulfil the charitable objects of the Academy.

#### **LEA and Other Restricted Funds**

These funds comprise grants receivable from sources other than central government, to be expended for specific purposes within the charitable objects of the Academy.

#### **Restricted Fixed Asset Fund**

The Restricted Fixed Asset Fund represents fixed assets funded by DfE/EFA capital grants, which are held for a specific purpose within the charitable objects of the Academy.



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## **Notes to the Financial Statements**

*for the year ended 31 August 2013*

### **25. Contingent liabilities**

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

Upon termination of the funding agreement, whether as a result of the Secretary of State for Education or the Academy serving notice, the Academy shall repay to the Secretary of State for Education 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 from the Secretary of State for Education under the funding agreement

### **26 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 £1 for debts and liabilities contracted before he/she ceased to be a member At 31 August 2013 and 31 August 2012, the number of members was three

### **27 Pensions and similar obligations**

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 East Riding of Yorkshire Council 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 was 31 March 2004 and of the LGPS 31 August 2010

Contributions amounting to £nil (2012 £nil) were payable to the schemes at 31 August and are included within creditors

#### **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

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## Notes to the Financial Statements

for the year ended 31 August 2013

### 21. Reconciliation net income to net cash inflow from operating activities

	2013 £'000	2012 £'000
Net income	647	221
Depreciation (note 13)	18	39
Capital grants from DfE and other capital income	(34)	(21)
Interest receivable (note 5)	(41)	(10)
FRS 17 pension costs less contributions payable (note 27)	8	(31)
FRS 17 pension finance income (note 27)	7	6
(Increase) in debtors	(56)	(81)
Increase/(decrease) in creditors	198	(255)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>747</b>	<b>(132)</b>

### 22. Returns on investments and servicing of finance

	2013 £'000	2012 £'000
Interest received	41	10
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>41</b>	<b>10</b>

### 23. Capital expenditure and financial investment

	2013 £'000	2012 £'000
Purchase of tangible fixed assets	(22)	(68)
Capital grants from DfE/EFA	34	21
<b>Net cash (outflow)/inflow from capital expenditure and financial investment</b>	<b>12</b>	<b>(47)</b>

### 24. Analysis of changes in net funds

	At 1 September 2012 £'000	Cash Flows £'000	At 31 August 2013 £'000
Cash in hand and at bank	1,510	800	2,310

# **Sirius Academy (Registered Number: 06545396)**

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## **Notes to the Financial Statements**

*for the year ended 31 August 2013*

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# **Sirius Academy (Registered Number: 06545396)**

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## **Notes to the Financial Statements**

*for the year ended 31 August 2013*

### **27. Pensions and similar obligations (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%, which translated into an employee contribution rate of 6.4% 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.

#### **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.

# Sirius Academy (Registered Number: 06545396)

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## Notes to the Financial Statements

for the year ended 31 August 2013

### 27. Pensions and similar obligations (continued)

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57<sup>\*</sup>, 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 the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £288,000 (2012 £275,000) of which employer's contributions totalled £222,000 (2012 £212,000) and employees' contributions totalled £66,000 (2012 £63,000). The agreed contribution rates to 31 March 2014 are 20.7% for employers and employee contribution rates will range between 5.5% and 7.2%.

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.

#### Principal actuarial assumptions

	2013 %	2012 %
Rate of increase in salaries	5.1	4.5
Rate of increase for pensions in payment/inflation	2.8	2.2
Discount rate for scheme liabilities	4.6	4.1
Expected return on assets	6.0	4.9

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## Notes to the Financial Statements

for the year ended 31 August 2013

### 27. Pensions and similar obligations (continued)

#### Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

Change in assumptions of year ended 31 August 2013	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12	294
1 year increase in member life expectancy	3	73
0.5% increase in the Salary Increase Rate	5	131
0.5% increase in the Pension Increase Rate	6	155

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

	2013	2012
<i>Current pensioners</i>		
Males	22.9	22.9
Females	25.7	25.7
<i>Future pensioners</i>		
Males	24.9	24.9
Females	27.7	27.7

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £'000	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £'000
Equities	6.7	1,557	5.5	1,105
Bonds	3.8	202	3.4	182
Property	4.7	121	3.7	121
Cash	3.6	142	2.8	106
<b>Total market value of assets</b>		<b>2,022</b>		<b>1,514</b>
Present value of scheme liabilities				
- Funded		(2,426)		(2,004)
<b>Deficit in the scheme</b>		<b>(404)</b>		<b>(490)</b>

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period i.e. as at 31 August 2012 (for the year to 31 August 2013). The actual return on the scheme assets was £238,000 (2012 £105,000).

# Sirius Academy (Registered Number: 06545396)

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## Notes to the Financial Statements

for the year ended 31 August 2013

### 27. Pensions and similar obligations (continued)

#### Amounts recognised in the statement of financial activities

	2013 £'000	2012 £'000
Current service cost (net of employee contributions)	230	181
Past service gains	-	-
	<hr/>	<hr/>
Total operating credit	230	181
	<hr/>	<hr/>
<b>Analysis of pension finance costs</b>		
Expected return on pension scheme assets	81	79
Interest on pension liabilities	(88)	(85)
	<hr/>	<hr/>
Pension finance costs	(7)	(6)
	<hr/>	<hr/>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a gain of £104,000 (2012 £3,000 gain)

#### Movements in the present value of defined benefit obligations were as follows:

	2013 £'000	2012 £'000
<b>At 1 September</b>	<b>2,004</b>	<b>1,466</b>
Current service cost	230	181
Interest cost	88	85
Employee contributions	66	63
Actuarial loss/(gain)	56	230
Benefits paid	(18)	(21)
Past service gains	-	-
	<hr/>	<hr/>
<b>At 31 August</b>	<b>2,426</b>	<b>2,004</b>
	<hr/>	<hr/>

# Sirius Academy (Registered Number: 06545396)

(A Company Limited by Guarantee)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 27. Pensions and similar obligations (continued)

#### Movements in the fair value of Academy's share of scheme assets

	2013 £'000	2012 £'000
<b>At 1 September</b>	<b>1,514</b>	<b>1,156</b>
Expected return on assets	81	79
Actuarial gain/(loss)	157	25
Employer contributions	222	212
Employee contributions	66	63
Benefits paid	(18)	(21)
<b>At 31 August</b>	<b>2,022</b>	<b>1,514</b>

The estimated value of employer contributions for the year ended 31 August 2013 is £228,000

The charitable company was incorporated in 2008, and the history of experience adjustments is as follows

	2013 £'000	2012 £'000	2011 £'000	2010 £'000
<b>Present value of defined benefit obligations</b>	<b>(2,426)</b>	<b>(2,004)</b>	<b>(1,466)</b>	<b>(1,767)</b>
<b>Fair value of share of scheme assets</b>	<b>2,022</b>	<b>1,514</b>	<b>1,156</b>	<b>1,063</b>
<b>Deficit in the scheme</b>	<b>(404)</b>	<b>(490)</b>	<b>(310)</b>	<b>(704)</b>
<b>Experience adjustments on share of scheme assets:</b>				
Amount (£'000)	157	25	(240)	31
<b>Experience adjustments on scheme liabilities</b>				
Amount (£'000)	-	(3)	481	-



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## **Notes to the Financial Statements**

*for the year ended 31 August 2013*

### **28. Related party transactions**

Owing to the nature of the Academy's operations and the composition of the board of directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The Academy's sponsor, Hull College, has provided Further Education to pupils of the Academy at a cost of £30,720 for the year ended 31 August 2013 (2012 £111,206). There was £4,083 outstanding at 31 August 2013 (2012 £nil).

Until his resignation the former Chair of the Board of Directors of Sirius Academy was also the Finance Director and Company Secretary of Running Deep Limited, the company which operates The Deep visitor attraction in Hull. During the year, Sirius Academy purchased services from The Deep in the sum of £203 (2012 £188). There were no amounts outstanding at 31 August 2013 and 31 August 2012.

A shared post of Director of Rugby was created between the Sirius Academy and Hull FC Rugby Club commencing November 2010, an arrangement which is expected to run for three years. During the period of these accounts, Sirius Academy's contribution towards Hull FC's costs in relation to the Director of Rugby post was £25,149 (2012 £17,000). There was £10,000 outstanding at 31 August 2013 (2012 £5,000).

### **29. Ultimate controlling party**

The Academy is a company limited by guarantee, has no share capital and is controlled by its members.