

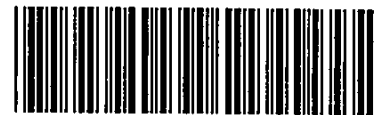
Company Registration No. 07007398 (England and Wales)

ENTERPRISE SOUTH LIVERPOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2011

HBD Accountancy Services LLP
Chartered Accountants
Liverpool

THURSDAY



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COMPANIES HOUSE

ENTERPRISE SOUTH LIVERPOOL ACADEMY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	F Cogley	
	D Francis	
	O McLaughlin	(resigned 29 February 2012)
	A Merry	
	M O'Dowd	
	M Ramussen	(appointed 1 September 2010, resigned 20 July 2011)
	J Richardson	
	C Strickland	(appointed 20 July 2011)
	M Sunderland	
	A Tremarco	(resigned 1 September 2010)

Chair	M Sunderland
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Board of Governors	S Blackall	Parent (resigned 27 June 2011)
	E Boyes	Liverpool University
	Father E Cain	Catholic Archdiocese of Liverpool
	C Chapman	Catholic Archdiocese of Liverpool
	B Gough	Enterprise
	J Kennedy	Enterprise
	P Loughlin	Enterprise
	B Marsh	Church of England Diocese of Liverpool
	B McBrion	Enterprise
	W Meredith	Employee
	T Moore	Local authority (appointed 9 March 2011)
	B Murray	Local authority (appointed 20 July 2011)
	I Nelson	Enterprise
	J Pendlebury	Principal
	N Small	Local authority (resigned 27 June 2011)

Clerk	T Brown
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Senior Managers	J Pendlebury	Principal
	K Unsworth	Vice Principal
	C Lamontagne	Vice Principal
	W Lyon	Finance (resigned 6 July 2011)

Company number	07007398
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Principal address	Heath Road Campus Heath Road Liverpool L19 4TN
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ENTERPRISE SOUTH LIVERPOOL ACADEMY

LEGAL AND ADMINISTRATIVE INFORMATION

Registered office	Lancaster House Centurion Way Leyland Lancashire PR26 6TX
Auditors	HBD Accountancy Services LLP Statutory Auditors and Chartered Accountants Gladstone House 2 Church Road Liverpool L15 9EG
Bankers	The Co-operative Bank Lyceum Building 1 Bold St Liverpool L1 4NW

ENTERPRISE SOUTH LIVERPOOL ACADEMY

CONTENTS

	Page
Trustees' report	1 - 4
Statement of trustees' responsibilities	5
Independent auditors' report	6 - 7
Statement of financial activities	8
Balance sheet	9 - 10
Cash flow statement	11
Notes to the accounts	12 - 27

ENTERPRISE SOUTH LIVERPOOL ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2011

The trustees present their report and audited accounts of the charitable company for the year ended 31 August 2011. The report is prepared in accordance with Part VI of the Charities Act 1993, as amended by the Charities Act 2006, and the Charities SORP 2005.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

Constitution

Enterprise South Liverpool Academy is a company limited by guarantee and an exempt charity and was incorporated on 2 September 2009. The company's memorandum and articles of association are the primary governing documents of the Academy. Members of the Academy are nominated by either the Secretary of State for Education or the sponsors of the Academy, Enterprise who are the lead sponsors, the Catholic Archdiocese of Liverpool, the Church of England Diocese of Liverpool, the University of Liverpool and Liverpool City Council. The articles of association require the members of the company to appoint at least three governors to be responsible for the statutory and constitutional affairs of the company and the management of the company.

Members' liability

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

Trustees and Governors

The trustees and governors, who have been appointed as directors for the purposes of company law, and who served during the year are:

- M Sunderland (Chairman)
- E Boyes
- J Chapman
- D Francis
- B Gough
- J Kennedy
- P Loughlin
- B McBrion
- O McLaughlin (resigned 29 February 2012)
- A Merry
- I Nelson
- M O'Dowd
- J Pendlebury
- M Ramussen (appointed 1 September 2010, resigned 20 July 2011)
- J Richardson
- A Tremarco (resigned 1 September 2010)

None of the trustees and governors received any remuneration in respect of their services as a trustee or governor during the year.

ENTERPRISE SOUTH LIVERPOOL ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2011

Organisational structure

The management structure consists of three levels the trustees, the governors and the senior managers of the Academy. The aim of the structure is to devolve responsibility to those best able to make appropriate decisions.

The trustees are there to support the senior management team and the community in the running of the Academy, and have no ambition to run the Academy on a day-to-day basis. Along with this governance role the trustees are there to give support and advice when asked and to be roving ambassadors for both the Academy and what it is trying to achieve.

Risk management

The trustees, governors and senior management intend to complete a Corporate Risk Map Audit in 2012 reviewing all areas of risk.

Meanwhile, the trustees consider that the key risk currently faced by the Academy is the possible delays to the construction timetable for the new building and the corresponding difficulties in arranging a smooth transition over to the new building. This has been mitigated by engaging a temporary facilities project manager to try to ensure that the building is delivered on time and that appropriate contingency plans are generated and updated at each stage of completion as appropriate to the latest predicted forecast for completion.

A further key risk for the Academy is the changing demographics in the area and as such the reduction in expected student numbers and corresponding funding. A restructuring proposal in 2011/12 will address this issue in respect of the financial viability of the Academy and a professional publicity company is to be engaged to improve the visibility of the Academy and try to ensure that the proportion of Academy first choices is high as a percentage of the overall population.

Statement on the system of internal financial control

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

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

The Academy's system of internal control is based on a framework of administrative procedures including, where practicable given the size of the Academy, segregation of duties and a system of delegation of authority and accountability. In particular, it includes where practicable

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body, staffing and finance committee,
- Regular reviews by the governing body, staffing and finance committee which indicate financial performance against the forecasts,
- Setting targets to measure financial and other performance,
- Clearly defined purchasing guidelines, and
- Identification and management of risks.

The Academy has appointed a Responsible Officer whose role is to advise on financial matters and to perform a range of checks on the Academy's financial system. The responsible officer is Ian Nelson and the work is carried out on his behalf by HBD Accountancy Services LLP.

ENTERPRISE SOUTH LIVERPOOL ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2011

Objectives and activities

The principle activity of the company is the operation of the Enterprise South Liverpool Academy to provide education for pupils of all faiths and none and with an emphasis on business and enterprise. The main objectives of the Academy are summarised below:

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

In setting the Academy's objectives and planning its activities, the governors have given careful consideration to the Charity Commission's general guidance on public benefit.

Timetable for the development of the Academy

The completion of the construction of the new building is planned for April 2013.

The academy opened in August 2010 in the two predecessor school buildings. The planned capacity of the new school is 1,100 students, aged between 11 and 19.

Equal opportunities policy

The Academy's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled persons

The Academy's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Achievements and performance

The first year of the Academy has seen significant progress made within Enterprise South Liverpool Academy and as Chairman of the Trustees I would like to thank everyone who works in or attends the school.

Despite the challenges of bringing together the two predecessor schools to create one new Academy and operating from two sites throughout the year this has been successfully achieved with minimal disruption thanks to the dedication of the staff and students.

During the last year we have been able to offer the school facilities to the local community and we hope to be able to extend this provision further.

The academic results for the year to August 2011 were pleasing. As reported by Ofsted 82% of students achieved 5+A*-C GCSE results with 40% including English and Maths. The only students who did not achieve GCSE grades were those on extended Work Related Learning programmes established in the predecessor schools. 92% of Sixth formers in Year 13 also achieved good "A" passes.

ENTERPRISE SOUTH LIVERPOOL ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2011

Achievements and performance (continued)

The results were in line with our own improvement trajectory and above government floor targets

Financial review

Most of the Academy's income is obtained from the DfE in the form of grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2011 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2011, total expenditure of £8,945,818 was covered by grant funding from the DfE together with other incoming resources. The excess of income over expenditure (excluding actuarial losses on the defined benefit pension scheme) was £730,394.

As at 31 August 2011 the net book value of fixed assets was £474,990 and movements in tangible assets are shown in note 12 to the accounts. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Reserves policy

The academy currently has £9,620 of unrestricted reserves. The trustees have decided that all unrestricted reserves will be utilised in helping the Academy achieve its objectives. The trustees have not yet determined an appropriate level of reserves.

The Academy's investment policy is consistent with its Charitable Status. Investments must always be made in accordance with written procedures adopted by the Governing Body and must always ensure the maximum integrity of such investments. The priority for the Academy since opening has been to have cash invested in liquid investments that bear no risk with its bankers, the Co-operative bank.

Plans for the future

The next accounting period will see a continuation of the intensive work on preparing for the new Academy building to open in April 2013. In addition the Principal will continue working with the sponsors, the governing body and the staff and students of the Academy to deliver the sponsors vision of creating a transformational curriculum that engenders a love of learning and places importance on the acquisition of core skills.

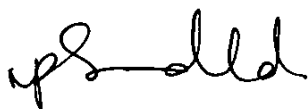
Further to this, the next period will see a significant restructuring within the Academy to align the organisation with the vision for the future and establish an appropriate structure for a single building operation.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that HBD Accountancy Services LLP be reappointed as auditors of the company will be put to the members.



M Sunderland

Trustee

Dated 13 March 2012

ENTERPRISE SOUTH LIVERPOOL ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Academy and of its incoming resources and application of resources, including its net income and expenditure for the year

In preparing these accounts, the trustees are required to

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

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

ENTERPRISE SOUTH LIVERPOOL ACADEMY

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ENTERPRISE SOUTH LIVERPOOL ACADEMY

We have audited the financial statements of Enterprise South Liverpool Academy for the year ended 31 August 2011 on pages 8 to 27, which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and The Annual Accounts Direction 2010/11 issued by the YPLA.

This report is made solely to the charitable company's members, as a body, in accordance with Section 495 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully on page 5 in the Trustees' Responsibilities Statement, the trustees, who are also the directors of Enterprise South Liverpool Academy for the purposes of company law are responsible for preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements 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 charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees 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 the financial statements

In our opinion the financial statements

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

Opinion on the financial statements

In our opinion grants from the YPLA/DfE have been applied for the purposes intended.

Opinion on other matter prescribed by the Companies Act 2006

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

ENTERPRISE SOUTH LIVERPOOL ACADEMY

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ENTERPRISE SOUTH LIVERPOOL 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 by the Academy Trust, or
- the financial statements are not in agreement with the account records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Benjamin Russell BSc ACA (Senior Statutory Auditor)
for and on behalf of HBD Accountancy Services LLP
Statutory Auditors and Chartered Accountants

Gladstone House
2 Church Road
Liverpool
L15 9EG

Dated 13 March 2012

ENTERPRISE SOUTH LIVERPOOL ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) FOR THE YEAR ENDED 31 AUGUST 2011

	Notes	Unrestricted General funds £'000s	Restricted Fixed Asset fund £'000s	Restricted General funds £'000s	Total 2011 £'000s	Total 2010 £'000s
Incoming resources						
Activities for generating funds	3	16	-	-	16	-
		16	-	-	16	-
Incoming resources from charitable activities	5	-	-	9,411	9,411	78
Other incoming resources	4	34	-	215	249	-
Total incoming resources		50	-	9,626	9,676	78
Resources expended						
Charitable activities						
Academy's educational operations	7	41	145	8,680	8,866	-
Implementation costs		-	-	-	-	78
Governance costs	8	-	-	81	81	-
Total resources expended	6	41	145	8,761	8,947	78
Net incoming/(outgoing) resources before transfers		9	(145)	865	729	-
Gross transfers between funds	17	-	620	(620)	-	-
Net incoming resources before other recognised gains and losses		9	475	245	729	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension scheme		-	-	(2,010)	(2,010)	-
Net movement in funds		9	475	(1,765)	(1,281)	-
Fund balances at 1 September 2010		-	-	-	-	-
Fund balances at 31 August 2011		9	475	(1,765)	(1,281)	-

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

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

ENTERPRISE SOUTH LIVERPOOL ACADEMY

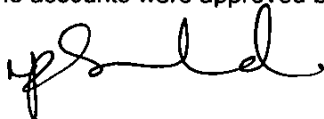
BALANCE SHEET AS AT 31 AUGUST 2011

	Notes	2011 £'000s	2010 £'000s
Fixed assets			
Tangible assets	12	475	-
Current assets			
Debtors	13	199	128
Cash at bank and in hand		892	167
		1,091	295
Creditors: amounts falling due within one year	14	(837)	(295)
Net current assets		254	-
Total assets less current liabilities		729	-
Net assets excluding pension liability		729	-
Pension scheme liability	15	(2,010)	-
Net assets including pension liability		(1,281)	-
Income funds			
Restricted funds			
Restricted general fund	16	245	-
Pension fund	15	(2,010)	-
Restricted fixed asset fund	17	475	-
		(1,290)	-
Unrestricted funds			
General fund		9	-
Total unrestricted reserves		9	-
		(1,281)	-

ENTERPRISE SOUTH LIVERPOOL ACADEMY

BALANCE SHEET AS AT 31 AUGUST 2011

The accounts were approved by the Board on 13 March 2012



M Sunderland
Trustee

Company registration number: 07007398

ENTERPRISE SOUTH LIVERPOOL ACADEMY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2011

	Notes	2011 £'000s	2010 £'000s
Net cash inflow from operating activities	21	1,346	167
Capital expenditure	22	(621)	-
Increase/(decrease) of net cash flow to movement in net funds		725	167
Net funds at 1 September 2010		167	-
Net funds at 31 August 2011	23	892	167

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

1 Accounting policies

1.1 Format of financial statements

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

In the trustees' opinion the Academy is insolvent only as a result of the pension fund deficit. The trustees are confident that the Academy will be able to meet all of the pension fund contributions as set out by the actuaries as they fall due. Therefore the trustees feel it appropriate to prepare the accounts on a going concern basis.

1.2 Incoming resources

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for a specific purpose 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.

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.

1.3 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 proportion of the asset's use. Other support costs are allocated based on the spread of staff costs. All resources expended are inclusive of irrecoverable VAT.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

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

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Computer equipment	Over 2 5 years
Fixtures, fittings & equipment	Over 2 5 years

Assets costing £100 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

The Academy holds land and buildings on a lease from Liverpool City Council, with a peppercorn rent to be paid. The current lease is for 3 years from 1 September 2010. The accounts do not show a notional rent as a reliable market rate has not been established. Construction of new building began during 2010/2011, and on completion the academy will enter into a 125 year lease for the entire site. At this point all of the academy premises will be valued and entered onto the balance sheet and depreciated over its estimated useful economic life.

1.5 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme (SERPS), and the assets are held separately from those of the Academy Trust.

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 Trust 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 15, the TPS is a multi employer scheme and the Academy Trust 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 Trust 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 settlement and curtailment. 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.

1.6 Fund accounting

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

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

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

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

1.7 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within the 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.

2 General Annual Grant (GAG)

a. Results and Carry Forward for the Year

	2011 £'000s	2010 £'000s
GAG brought forward from previous year	-	-
GAG allocation for current year	8,151	-
Total GAG available to spend	8,151	-
Recurrent expenditure from GAG	(7,362)	-
Fixed Assets purchased from GAG	(620)	-
GAG carried forward to next year	169	-
GAG carried forward to next year	169	-
Maximum permitted GAG carry forward at the end of the current year (12% of current year allocation)	(978)	-
GAG to surrender to DfE (12% rule breached if result is positive)	(809)	-
	No Breach	No Breach

b Use of GAG brought forward from previous year for recurrent purposes

(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

Recurrent expenditure from GAG in current year	7,362	-
GAG allocation for current year	(8,151)	-
GAG allocation for previous year x 2%	-	-
GAG b/fwd from previous year in excess of 2% used on recurrent expenditure in current year (2% rule breached if result is positive)	(789)	-
	No Breach	No Breach

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

3 Activities for generating funds

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2011 £'000s	Total 2010 £'000s
Lettings	16	-	16	-
	16	-	16	-

4 Other incoming resources

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2011 £'000s	Total 2010 £'000s
Sundry income	34	65	99	-
National challenge	-	103	103	-
Devolved formula capital grant	-	11	11	-
Pupil premium	-	36	36	-
	34	215	249	-

5 Funding for the Academy's Educational Operations

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2011 £'000s	Total 2010 £'000s
Department of Education				
- General Annual Grant (GAG) (note 2)	-	8,151	8,151	-
- LEA Grants	-	161	161	-
- Start-up Grant A	-	303	303	-
- Start-up Grant B	-	623	623	-
- Implementation Grant	-	173	173	-
	-	9,411	9,411	-

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

6 Total resources expended

	Staff costs £'000s	Depreciation £'000s	Other costs £'000s	Total 2011 £'000s	Total 2010 £'000s
<u>Academy's educational costs</u>					
Direct costs	5,669	145	694	6,508	-
Allocated support costs	870	-	1,488	2,358	50
	<u>6,539</u>	<u>145</u>	<u>2,182</u>	<u>8,866</u>	<u>50</u>
Governance costs	-	-	81	81	28
	<u>6,539</u>	<u>145</u>	<u>2,263</u>	<u>8,947</u>	<u>78</u>

Governance costs include payments to the auditors of £5,800 (2010 £225) for audit fees and £6,432 (2010 £1503) for other services

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

7 Academy's educational operations

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2011 £'000s	Total 2010 £'000s
Direct costs				
Teaching and educational support staff costs	25	5,644	5,669	-
Depreciation and loss on disposal of fixed assets	-	145	145	-
Examination fees	-	170	170	-
Information and communication technology	-	123	123	-
Books, apparatus and stationery	16	139	155	-
Furniture and room hire	-	21	21	-
Student courses	-	225	225	-
	41	6,467	6,508	-
Allocated support costs				
Support staff costs	-	870	870	-
Severance and pay claims	-	77	77	-
Staff development	-	101	101	14
Maintenance of premises and equipment	-	171	171	-
Rates	-	48	48	-
Heat and light	-	97	97	-
Insurances	-	39	39	-
Other premises costs	-	165	165	-
Travel and visits	-	117	117	-
Admin supplies	-	160	160	-
Admin support	-	53	53	-
Consultancy	-	77	77	-
Catering	-	192	192	-
Advertising	-	60	60	36
Uniforms	-	94	94	-
Health and safety	-	16	16	-
Sundry support costs	-	21	21	-
	-	2,358	2,358	50
	41	8,825	8,866	50

8 Governance costs

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2011 £'000s	Total 2010 £'000s
Audit fees	-	6	6	-
Professional costs	-	75	75	28
	-	81	81	28

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

9 Employees

Number of employees

The average monthly number of employees (including senior management team) employed by the Academy during the year expressed as full time equivalent was as follows

	2011 Number	2010 Number
Teachers	104	-
Administration and support	102	-
	<u>206</u>	<u>-</u>

Charitable Activities

	2011 £'000s	2010 £'000s
Wages and salaries	5,412	-
Social security costs	416	-
Other pension costs	711	-
	<u>6,539</u>	<u>-</u>

The number of employees whose annual emoluments were more than £60,000 were

	2011 Number	2010 Number
£60,001 to £70,000	4	-
£80,001 to £90,000	1	-
£110,001 to £120,000	1	-
	<u>6</u>	<u>-</u>

Five of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2011, pension contributions for these staff amounted to £50,190 (2010 £nil). The other employee participated in the Local Government Pension Scheme, pension contributions amounts to £8,160 (2010 £nil).

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

10 Trustees and Governors

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other trustees and governors did not receive any payments other than expenses, from the Academy in respect of their role as trustees or governors. The value of the Principal's and the 1 other staff governor's remuneration was £134,282 in 2011 (2010: £nil).

During the year ended 31 August 2011, travel and subsistence expenses totalling £69 (2010: £nil) were reimbursed to 1 governor (2010: nil).

Related party transaction involving the trustees are set out in note 20.

11 Trustees', 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 £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Total
	£'000s	£'000s	£'000s
Cost			
At 1 September 2010	-	-	-
Additions	560	61	621
Disposals	(1)	-	(1)
At 31 August 2011	559	61	620
Depreciation			
At 1 September 2010	-	-	-
Charge for the year	134	11	145
At 31 August 2011	134	11	145
Net book value			
At 31 August 2011	425	50	475

13 Debtors

	2011 £'000s	2010 £'000s
Other debtors	167	22
Prepayments and accrued income	32	106
	199	128

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

14 Creditors: amounts falling due within one year	2011 £'000s	2010 £'000s
Trade creditors	184	131
Taxes and social security costs	133	-
Teachers pension	73	-
Other creditors	201	150
Accruals and deferred income	246	14
	837	295

Deferred income

	2011 £'000s
Deferred income at 1 September 2010	150
Resources deferred in the year	83
Amounts released from previous years	(150)
Deferred income at 31 August 2011	83

Deferred income held at 31 August 2011 relates to amounts received for pupil premium, devolved formula capital grant, and other funding in the year to 31 August 2011 but which relate to periods after this date

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

15 Pension 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 Merseyside 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 was 31 March 2004 and of the LGPS 31 March 2010 The total pension cost to the Academy during the year ended 31 August 2011 was £710,650 (2010 £nil) of which £497,740 (2010 £nil) relates to the TPS and £212,910 (2010 £nil) relates to LGPS

There were outstanding contributions at the end of the year of £148,279 There were no outstanding contributions at the beginning of the financial year

Teachers Pension Scheme (TPS)

The TPS is an unfunded defined benefit scheme Contributions on a 'pay-as-you-go' basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of the Teacher's Pension (Employers Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent The employee rate was 6.4% for the same period

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 on 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 and the implications for the Academy in terms of the anticipated contribution rates

The pension cost charged in the financial statements for this scheme for the year ended 31 August 2011 was £497,740 (2010 £nil) which were the contributions due for the year

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

15 Pension commitment (continued)

Local Government Pension Scheme

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

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

The total contribution made for the year ended 31 August 2011 was £263,842 (2010: £nil) of which employer's contributions totalled £212,910 (2010: £nil) and employees' contributions totalled £50,932 (2010: £nil). The agreed contribution rates were 9.3% for employers and 5.5% - 7.2% for employees.

Principal Actuarial Assumptions

	2011	2010
Rate of increase in salaries	4.20%	4.00%
Rate of increase for pensions in payment/inflation	2.70%	2.50%
Discount rate for scheme liabilities	5.30%	4.90%
Inflation assumption (CPI)	3.20%	3.00%
Commutation of pensions to lump sums	50%	50%

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

Retiring today

Males	21.4	21.2
Females	24.1	24.0

Retiring in 20 years

Males	22.8	22.7
Females	25.7	25.6

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

15 Pension commitments (continued)

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

	Expected return at 31 August 2011	Value at 31 Aug 2011 £'000s	Expected return at 31 August 2010	Value at 31 Aug 2010 £'000s
Equities	7.0%	511	7.0%	-
Government Bonds	3.7%	123	3.7%	-
Other Bonds	4.8%	35	4.5%	-
Property	6.0%	81	6.0%	-
Cash/Liquidity	0.5%	20	0.5%	-
Other	7.0%	117	7.0%	-
Total market value of assets		887		-
Present value of scheme liabilities				
-Funded		(2,897)		-
Deficit in the scheme		(2,010)		-

The actual return on scheme assets was £54,000 (2010 £nil)

Amounts recognised in the statement of financial activities

	2011 £'000s	2010 £'000s
Current service cost (net of employee contributions)	147	-
Past service gain	-	-
Total operating charge	147	-
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	44	-
Interest on pension liabilities	(136)	-
Pension finance costs	(92)	-

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 £2,010,000 loss (2010 £nil).

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

15 Pension commitments (continued)

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

	2011 £'000s	2010 £'000s
Opening defined benefit obligation	-	-
Current service cost	147	-
Interest cost	136	-
Member contributions	50	-
Past service cost	-	-
Actuarial (gains)/losses	(117)	-
Business combinations	2,681	-
Closing defined benefit obligation	2,897	-

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

	2011 £'000s	2010 £'000s
Opening fair value of plan assets	-	-
Expected return	44	-
Actuarial gains/(losses)	10	-
Business combinations	636	-
Employer contributions	147	-
Member contributions	50	-
Closing fair value of plan assets	887	-

The estimated value of employer contributions for the year ended 31 August 2012 is £188,000

The five-year history of experience adjustments is as follows:

	2011 £'000s	2010 £'000s
Present value of defined benefit obligation	(2,897)	-
Fair value of share of scheme assets	887	-
Deficit in the scheme	(2,010)	-
Experience adjustments on scheme liabilities	-	-
Experience adjustments on scheme assets	10	-

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

16 Restricted funds

The income funds of the charity include restricted general funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Movement in funds				Balance at 31 August 2011 £'000s
	Balance at 1 September 2010 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	
General annual grant (GAG)	-	8,151	(7,362)	(620)	169
Start up grant	-	926	(871)	-	55
Implementation grant	-	173	(173)	-	-
Local education authority grants	-	161	(145)	-	16
Other DfE/YPLA grants	-	150	(150)	-	-
Other	-	65	(60)	-	5
Restricted general fund	-	9,626	(8,761)	(620)	245
Pension Fund	-	-	(2,010)	-	(2,010)
Total restricted funds	-	9,626	(10,771)	(620)	(1,765)

The Implementation grant is used to fund recurrent expenditure incurred for the establishment of the Academy prior to it opening

The Start-up Grant has been used to meet the costs of purchasing basic stock and teaching materials, the transitional costs and the diseconomics of scale arising on the opening of the Academy. The pupil numbers are still growing and this fund will be utilised as numbers increase

The other DfE/YPLA grants are made up of amounts received for pupil premium, devolved formula capital grant and National Challenge

The Local Education Authority grants are used to meet the day to day working capital commitments of the Academy

The pension fund relates to the Academy's share of the deficit of the Local Government Pension Scheme (note 15)

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2011

17 Restricted fixed asset fund

The income funds of the charity include the following restricted fixed asset fund

	Movement in funds			
	Balance at 1 September 2010	Incoming resources	Resources expended	Transfers
	£'000s	£'000s	£'000s	£'000s
Capital expenditure from GAG	-	-	(145)	620
	-	-	(145)	620

The restricted fixed assets are mainly funded by government grants

18 Analysis of net assets between funds

	Unrestricted funds	Restricted fixed asset fund	Restricted funds	Total
	£'000s	£'000s	£'000s	£'000s
Fund balances at 31 August 2011 are represented by				
Tangible fixed assets	-	475	-	475
Current assets	9	-	1,082	1,091
Creditors amounts falling due within one year	-	-	(837)	(837)
Pension scheme liability	-	-	(2,010)	(2,010)
	9	475	(1,765)	(1,281)

19 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any assets 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

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

(a) the value, at the time, of the Academy's site and premises and other assets held for the purpose of the Academy and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

ENTERPRISE SOUTH LIVERPOOL ACADEMY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

20 Related parties

Owing to the nature of the Academy's operation and the composition of the board of governors 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 governors 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.

During the year the Academy received waste collections services from Enterprise Liverpool Limited, a company related by common directors totalling £5,794. The balance outstanding at the year end was £nil. The Academy received administration support services from Enterprise Managed Services Limited, a company related by common directors totalling £53,814. The balance outstanding at the year end was £2,860. In addition, the Archdiocese of Liverpool contributed £24,699 towards ICT equipment.

21 Reconciliation of net income to net cash inflow from operating activities

	Total 2011 £'000s	Total 2010 £'000s
Net income	(1,281)	-
Depreciation	145	-
Disposal of fixed assets	1	-
(Increase)/decrease in debtors	(71)	(128)
Increase/(decrease) in creditors	2,552	295
Net cash inflow from operating activities	1,346	167

22 Capital expenditure and financial investment

Purchase of tangible fixed assets	(621)	-
Net cash outflow from capital expenditure and financial investment	(621)	-

23 Analysis of change in net funds

	At 1 September 2010 £'000s	Cash flows £'000s	At 31 August 2011 £'000s
Cash in hand and at bank	167	725	892