

Company registration no: 08123168
(England and Wales)

ALBANY ACADEMY
REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 AUGUST 2013



ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
REFERENCE AND ADMINISTRATIVE DETAILS	1
GOVERNORS' REPORT	3
GOVERNANCE STATEMENT	11
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE	15
STATEMENT OF GOVERNORS' RESPONSIBILITIES	16
INDEPENDENT AUDITOR'S REPORT	17
INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY	19
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATES THE INCOME & EXPENDITURE ACCOUNT AND THE STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)	21
BALANCE SHEET	22
CASH FLOW STATEMENT	23
NOTES TO THE FINANCIAL STATEMENTS INCORPORATING. ACCOUNTING POLICIES	24
OTHER NOTES TO THE FINANCIAL STATEMENTS	29

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

H Brown¹² - (Chair) – (Appointed 1/8/12)
R Hodgkins¹²³ – (Vice Chair) – (Appointed 1/8/12)
J Hayes¹²³ – (Head Teacher and Accounting Officer) – (Appointed 1/8/12)
J Connor² – (Re-appointed 5/10/12)
M Wilson³ – (Appointed 5/10/12)
M McGhee¹²³ – (Re-appointed 13/10/12)
D Turner² – (Appointed 5/10/12)
A Gibbs¹² – (Appointed 1/8/12)
M Parkinson¹³ – (Appointed 1/8/12)
A Gibson¹ – (Appointed 18/11/12)
A Wiles² – (Appointed 24/10/12)
A Yates² – (Re-appointed 10/12/12)
Prof Price¹² – (Appointed 1/8/12)
S Partington¹ – (Appointed 1/8/13)
H Khan – (Appointed 1/8/12 & resigned 17/9/12)
G Morgan – (Appointed 1/8/12 and resigned 8/5/13)
A Cornthwaite – (Appointed 1/8/12 & resigned 1/9/12)
R Denney – (Appointed 1/8/12 & resigned 24/7/13)
S Pollard – (Appointed 1/8/12 & resigned 1/9/12)
H Cable – (Appointed 1/8/12 & resigned 18/11/12)

¹members of the Learning, Teaching & Pupil Progress Committee

²members of the Finance & Staffing Committee

³members of the Environment & Community Committee

Company Secretary

C Shaw

Senior management team

- | | |
|----------------------------------|-----------|
| - Head Teacher | J Hayes |
| - Deputy Headteacher | K Lowe |
| - Deputy Headteacher | I Woods |
| - School Business Manager | E Harding |

Registered office

Bolton Road
Chorley
Lancashire
PR7 3AY

Company registration number

08123168 (England & Wales)

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Auditors

Moore and Smalley LLP
Chartered Accountants & Statutory Auditor
Richard House
Winckley Square
Preston
PR1 3HP

Bankers

Natwest
46 Market Street
Chorley
Lancashire
PR7 2RZ

Yorkshire Bank
30 Market Street
Chorley
Lancashire
PR7 2TB

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2013

The governors, who are also directors for the purpose of company law, have pleasure in presenting their annual report together with the audited financial statements of the Academy for the period ended 31 August 2013.

Structure, Governance and Management

Constitution

Albany Science College converted to Albany Academy ("The Academy") on 1 August 2012. The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The Academy was incorporated on 28 June 2012 and commenced its activities on transfer from the Local Authority on the conversion date stated above.

The governors act as the trustees for the charitable activities of the Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Albany Academy.

Details of the governors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

The Academy has purchased indemnity insurance to protect governors and officers from claims arising in connection with Academy business. The insurance provides cover of up to £2,000,000 on any one claim.

Principal activities

The principal object and activity of the charitable company is the operation of a school to provide education for pupils of mixed abilities between the ages of 11 and 17. In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Method of recruitment and appointment or election of governors

The Governors are appointed by the following

Parent governors	Elected by parents of the students of the Academy
Staff governors	Elected by staff of the Academy
Other governors	Appointed by the governing body

Policies and procedures adopted for the induction and training of governors

All governors are provided with copies of the relevant school policies, the funding agreement and code of conduct for governors on appointment. Induction training is provided by the Chair and Head Teacher and ongoing training is provided through a variety of activities and pathways coordinated by the training governor, clerk and Head Teacher.

Organisational structure

The Academy is governed by its Governing Body, whose members are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of 3 levels: the Governing Body, the Head Teacher and the Senior Leadership Team.

The Governing Body is responsible for setting general policies, adopting a school development plan and budget, monitoring the school's performance, making major policy decisions, appointing senior staff and permanent staff appointment. Certain elements of these responsibilities are delegated to the following sub-committees who make recommendations to the full Governing Body:

- Teaching, Learning and Pupil Progress
- Finance and Staffing
- Audit
- Environment and Community

The Head Teacher is also the Accounting Officer and has responsibility for the day-to-day leadership and management of the school.

The Senior Leadership Team comprises

- Mr J Hayes (Head Teacher)
- Mrs K Lowe (Deputy Head Teacher)
- Mr I Woods (Deputy Head Teacher)
- Miss E Harding (School Business Manager)

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, health and safety, school trips, child protection and finances. These risks are reviewed on an annual basis by the Head Teacher and the governing body. A number of new operational systems have been implemented during the period in order to minimise specific risks. These include improved Quality Assurance procedures for the monitoring of Learning and Teaching, increased frequency of finance meetings to ensure resources are deployed to best effect and the revision of fire evacuation procedures.

The internal financial systems are based on the Academies Financial Handbook. The systems are based on a framework of segregation of duties, schemes of delegation which include authorisation and approval. Financial management information is provided to the Head Teacher on a monthly basis.

The responsible officer role has been performed during the period by Moore and Smalley LLP and one report for the period has been presented to the Governing Body. Recommendations for the improvements to systems are in the process of being implemented.

Connected organisations, including related party relationships

The governors and their close family members are considered to be connected organisations. Any related party transactions have been disclosed in the accounts.

Objectives and Activities

Objects and Aims

The main objects of the Academy as set out in its governing document are

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, and
- To promote for the benefit of individuals living in Chorley, Adlington, Lancashire and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The academy aims to provide an outstanding education to all of our pupils in a caring and supportive environment.

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Objectives, strategies and activities

The main objectives for the period were

- To provide support and education such that pupils achieve the targets set for them
- To deploy the resources at our disposal so that the primary objective is achieved
- To review the internal school performance data to identify ways to improve our success

These were achieved by continuing to apply our school strategy - Review, Reflect, Respond. This provides a consistent focus on our performance and the progress and wellbeing of our pupils. By ensuring that the relevant information is collected, evaluated and then acted upon we have seen standards continue to rise across all areas of the school both academically and in terms of attendance and behaviour.

Public benefit

The Governors are aware of the Charity Commission Guidance on providing public benefit and have had due regard to this in exercising their duties during the period.

Achievements and Performance

Achievement at Albany Academy is outstanding. KS4 attainment is consistently above national averages despite pupils' attainment on intake being below or significantly below average. The results attained in 2013 were the highest in the school's history despite falling results nationally and the raising of grade boundaries particularly in English and Science. Separate science and additional GCSE are all above national averages but there is still a concern regarding the number of pupils achieving 2 or more C+ grades. This is being addressed through a science faculty improvement action plan. Analysis of the school's performance against other similar schools nationally places us 3rd out of 55 similar schools in terms of pupil attainment (DfE School performance website 2012).

This is due to the exceptional progress made by pupils during their time with us because of the quality of teaching and learning they receive. The percentage of pupils making 3LP in English and maths is consistently high as is progress in the other subjects. The percentage of pupils making greater than expected progress is also high with 29% of pupils making 4 or more levels of progress in English and 44% in maths. 15% of pupils made 5 levels of progress in maths. In 2013 attainment was above national averages in 17 subjects where comparative data is available from JCQ. These subjects include Biology, Chemistry, Physics and additional science.

Being a relatively small school there is considerable variation between year groups in terms of the composition and ability. Detailed progress analysis shows no pattern of over or underachievement and only confirms that each group is unique. The gap between PP and non-PP pupils is closing and in 2013 74% of PP pupils achieved 5A*-C compared to 85% of non-PP pupils and 65% achieved 5A*-C inc E/M compared to 70%. It is worth noting that the Ever6 model was introduced at the very end of this cohort's schooling, if we use the FSM criteria that was previously used to identify the PP pupils in this cohort then the gap is smaller still with 5A*-C – FSM = 77% and non-FSM = 83%, 5A*-C inc E/M = FSM 69% and non-FSM 69.1%.

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Achievements and Performance (continued)

The GCSE results for 2012/13 are as follows

Subject	Albany Academy results 2013	National averages 2013 (where available)
5A-C including English and Maths	65%	Cannot be above 58%
5A*-C	83%	
3 A/A*	25%	
Maths	80%	58%
English	69%	64%
Statistics	100%	77%
BTEC Science	100%	
Media studies	100%	
Music	100%	77%
ICT	100%	
Art	100%	77%
Photography	100%	
Catering	96%	55%
English Literature	94%	77%
Biology	91%	90%
Chemistry	94%	90%
Physics	97%	91%
RE	90%	72%
History	74%	69%
French	79%	70%
PE	73%	71%
Child Development	71%	60%
Leisure and Tourism	67%	43%

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies and in note 30 of the accounts.

Key performance indicators

In addition to the detailed performance data outlined above the most recent Ofsted inspection graded Albany as being 'Good with outstanding features'.

Financial Review

The School's total incoming resources during the period were £7,054,794, including £2,916,381 in respect of the net transfer of assets on conversion. Full details of the assets and liabilities transferred are set out in note 29 to the accounts.

The majority of the School's income derives from central government funding via the Education Funding Agency, in the form of current grants. Total funding received for the School's educational operations in the period was £4,011,737 and further details are provided in note 5 to the accounts.

Total outgoing resources for the period were £3,979,948, the majority of which related to the direct provision of educational operations (£3,832,201). The excess of income over expenditure (excluding the transfer on conversion) was £158,465.

At the period end the School's total reserves were £3,064,846, including unrestricted funds of £41,514 and restricted funds of £3,023,332. Restricted funds include fixed assets of £3,799,267, less the LGPS pensions scheme deficit of £706,000 and the deficit on general restricted funds of £69,935. Included within the deficit fund balance is £160,733 still outstanding in relation to the deficit inherited on conversion. The remaining balances on restricted funds relate to funding received in the period which is due to be spent in 2013/14 in accordance with the terms of funding. Further detail is provided in note 17.

At 31 August 2013 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the School.

Financial and risk management objectives and policies

The academy's financial objectives are

- Applying at all times, best value principles in all purchases
- Monitoring and evaluating the value for money of all staff
- Preventing all areas of wastage

These objectives were achieved in the financial period ending 31st August 2013.

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Principal risks and uncertainties

The Governors have undertaken a risk review and completed a risk register. The principal risk is deemed to be the reliance on government funding via the EFA. This funding is currently undergoing significant changes and this has introduced a degree of uncertainty into the education system. The risk here is mitigated in the following ways:

- Ensuring the academy is relentless in providing an outstanding education for all learners
- Increasing pupil numbers
- Successful application for Capital Maintenance Grants
- Seeking out external sources of income such as lettings and grants

Reserves policy

Restricted GAG reserves

The Governors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. At 31 August 2013 the school held GAG reserves of £64,031, which represents 2% of the GAG income for the period. It is the Governors' policy to aim to carry forward approximately 2% of the GAG income received in each period.

Unrestricted reserves

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the school holds unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the Governors' policy to aim to hold approximately one month's expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve.

At 31 August 2013 the level of unrestricted reserves held was £41,514.

Restricted pension scheme reserve

Included within restricted reserves is a deficit of £706,000 in respect of the academy's participation in the Local Government Pension Scheme. Further information is provided in note 27. This deficit does not represent a liability that will crystallise immediately, but it will result in future deficit payments having to be made, which will generally be met from the academy's annual income. There should be no cash flow deficit or direct impact on the free reserves of the School as a result of recognising this deficit.

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

Investment policy

All investments are agreed by the Governing Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The school does not currently hold any investments other than cash, which is held for its normal operations. The Governing Body has adopted a low risk strategy to its cash.

**ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Investment policy (continued)

holdings Surplus cash is held in an instant access deposit account to ensure that there is always access to sufficient cash to meet short and medium term requirements, whilst earning a competitive rate of interest on any surplus balances

Plans for future periods

The Academy plans to fully act upon the areas for development as detailed in the School Improvement Plan

Auditor

In so far as the governors are aware

- there is no relevant audit information of which the Charitable Company's auditor is unaware, and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by order of the members of the Governing Body on 17/12/13 . and signed on its behalf by.



**Mrs H Brown
Chair**

ALBANY ACADEMY (A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Albany 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, 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 Albany Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The governance of Albany Academy consists of the Trust (3 members who are also governors), the full governing body (consisting of parent, staff and community governors as well as the headteacher) and 3 sub-committees. The performance of the committees and the governing body as a whole is reviewed on an annual basis and the chairs of the sub-committees meet regularly with the headteacher to evaluate this performance. Since conversion there have been a number of challenges to the governing body including a number of new members, changes to funding, curriculum and examination changes and the requirements associated with academy status. These have been addressed through training sessions and the use of specialist organisations and in-house staff to provide the knowledge and skills needed by the governing body.

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 4 times during the period. Attendance during the period at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
H Brown (Appointed 1/8/12)	4	4
R Hodgkins (Appointed 1/8/12)	4	4
J Hayes (Appointed 1/8/12)	4	4
J Connor (Re-appointed 5/10/12)	4	4
M Wilson (Appointed 5/10/12)	3	3
M McGhee (Re-appointed 13/10/12)	4	4
D Turner (Appointed 5/10/12)	2	3
A Gibbs (Appointed 1/8/12)	2	4
M Parkinson (Appointed 1/8/12)	3	4
A Gibson (Appointed 18/11/12)	1	2
A Wiles (Appointed 24/10/12)	3	3
A Yates (Re-appointed 10/12/12)	3	4
Prof Price (Appointed 1/8/12)	4	4
S Partington (Appointed 1/8/13)	3	4
H Khan (Appointed 1/8/12 & resigned 17/9/12)	0	1
G Morgan (Appointed 1/8/12 and resigned 8/5/13)	0	3
H Cable (Appointed 1/8/12 & resigned 18/11/12)	0	2
R Denney (Appointed 1/8/12 & resigned 24/7/13)	1	4

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

The Finance & Staffing Committee is a sub-committee of the main governing body Its purpose is to provide strategic financial oversight of the school and report back to the full governing body Attendance at meetings in the period was as follows

Governor	Meetings attended	Out of a possible
H Brown (Appointed 1/8/12)	4	4
R Hodgkins (Appointed 1/8/12)	3	4
J Hayes (Appointed 1/8/12)	4	4
J Connor (Re-appointed 5/10/12)	4	4
M Wilson (Appointed 5/10/12)	3	4
M McGhee (Re-appointed 13/10/12)	3	4
A Gibbs (Appointed 1/8/12)	4	4
A Gibson (Appointed 18/11/12)	1	4
A Wiles (Appointed 24/10/12)	2	4
A Yates (Re-appointed 10/12/12)	4	4
Prof Price (Appointed 1/8/12)	3	4

The Learning, Teaching and Pupil progress Committee is a sub-committee of the main governing body Its purpose is to receive information on the progress of the pupils, the quality of learning and teaching and the curriculum, have strategic oversight of same and report to the full governing body on these matters. Attendance at meetings in the period was as follows

Governor	Meetings attended	Out of a possible
H Brown (Appointed 1/8/12)	2	3
R Hodgkins (Appointed 1/8/12)	3	3
J Hayes (Appointed 1/8/12)	3	3
M Wilson (Appointed 5/10/12)	2	3
M McGhee (Re-appointed 13/10/12)	3	3
A Gibbs (Appointed 1/8/12)	3	3
M Parkinson (Appointed 1/8/12)	3	3
A Gibson (Appointed 18/11/12)	2	2
A Wiles (Appointed 24/10/12)	1	3
Prof Price (Appointed 1/8/12)	2	3
S Partington (Appointed 1/8/13)	1	3
G Morgan – (Appointed 1/8/12 and resigned 8/5/13)	2	3

The Environment and Community Committee is a sub-committee of the main governing body Its purpose is to receive information about the community work done within school, have strategic oversight of the marketing strategy, the development of facilities and Health and Safety matters Attendance at meetings in the period was as follows

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

Governor	Meetings Attended	Out of a possible
R Hodgkins (Appointed 1/8/12)	3	3
J Hayes (Appointed 1/8/12)	3	3
J Connor (Re-appointed 5/10/12)	3	3
M Wilson (Appointed 5/10/12)	1	3
M McGhee (Re-appointed 13/10/12)	3	3
D Turner (Appointed 5/10/12)	1	3
M Parkinson (Appointed 1/8/12)	1	3
A Wiles (Appointed 24/10/12)	1	3
R Denney (Appointed 1/8/12 & resigned 24/7/13)	2	3

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's 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 the Academy for the period ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,

**ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Moore and Smalley LLP as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Review of effectiveness

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

- the work of the Responsible Officer
- the work of the external auditor
- the work of the School Business Manager within the academy trust who has 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 Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 17/12/13 and signed on its behalf by



Mrs H Brown
Chair



Mr J Hayes
Accounting Officer

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Albany Academy I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust 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 trust governing body 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.



Mr J Hayes
Accounting Officer

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the governors to prepare financial statements for each financial period. Under company law the governors must not approve the financial statements unless they are satisfied 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 the income and expenditure, for that period. In preparing these financial statements, the governors are required to

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

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

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

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

Approved by order of the members of the governing body on 17/12/13 and signed on its behalf by



Mrs H Brown
Chair

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE PERIOD ENDED 31 AUGUST 2013

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 16, the governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2013, and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

**ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

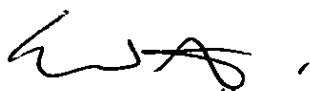
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



**Christine Wilson FCA, DChA
Senior Statutory Auditor**

**For and on behalf of
Moore and Smalley LLP
Chartered Accountants & Statutory Auditor**

Richard House
Winckley Square
Preston
PR1 3HP

Date 17/12/13

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

FOR THE PERIOD ENDED 31 AUGUST 2013

In accordance with the terms of our engagement letter dated 13 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Albany Academy during the period 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 Albany Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Albany 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 Albany Academy and the EFA, for our work, for this report, or for the opinion we have formed.

Respective responsibilities of the accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of the academy trust's funding agreement with the Secretary of State for Education dated 1 August 2012 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 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 trust's income and expenditure.

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
THE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

The work undertaken to draw our conclusion includes an evaluation of the control environment of the school together with appropriate enquiry, analytical review and substantive testing of transactions.

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 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

Moore and Smalley LLP

Moore and Smalley LLP
Chartered Accountants

Richard House
Winckley Square
Preston
PR1 3HP

Date 17/12/13

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATES THE INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

FOR THE PERIOD ENDED 31 AUGUST 2013

		Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	(13 months) Total 2013 £
Incoming resources	Note				
<i>Incoming resources from generated funds</i>					
Voluntary income	2	550	14,251	-	14,801
Transfer from local authority on conversion	29	8,666	(884,285)	3,792,000	2,916,381
Activities for generating funds	3	106,209	3,079	-	109,288
Investment income	4	2,587	-	-	2,587
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	5	11,669	4,000,068	-	4,011,737
Total incoming resources		129,681	3,133,113	3,792,000	7,054,794
Resources expended					
<i>Cost of generating funds</i>					
Costs of activities for generating funds		80,690	3,057	-	83,747
<i>Charitable activities</i>					
Academy's educational operations	7	11,669	3,749,908	70,624	3,832,201
Other finance costs	8	-	31,000	-	31,000
Governance costs	9	-	33,000	-	33,000
Total resources expended	6	92,359	3,816,965	70,624	3,979,948
Net incoming/(outgoing) resources before transfers		37,322	(683,852)	3,721,376	3,074,846
Gross transfers between funds	17	4,192	(82,083)	77,891	-
Net income/(expenditure) for the period		41,514	(765,935)	3,799,267	3,074,846
Other recognised gains and losses					
Actuarial (losses)/gains on defined benefit pension schemes	27	-	(10,000)	-	(10,000)
Net movement in funds		41,514	(775,935)	3,799,267	3,064,846
Reconciliation of funds					
Funds carried forward at 31 August 2013		41,514	(775,935)	3,799,267	3,064,846

All of the Academy's activities derive from acquisitions in the financial period

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET

AS AT 31 AUGUST 2013

	Note	2013 £	£
Fixed assets			
Tangible assets	13		3,799,267
Current assets			
Debtors	14	78,661	
Cash at bank and in hand		234,804	
		<u>313,465</u>	
Creditors Amounts falling due within one year	15	<u>(274,686)</u>	
Net current assets			<u>38,779</u>
Total assets less current liabilities			3,838,046
Creditors Amounts falling due after more than one year	16		(67,200)
Pension scheme liability	27		<u>(706,000)</u>
Net assets including pension liability			<u>3,064,846</u>
Funds of the academy:			
Restricted funds			
Fixed asset funds	17	3,799,267	
General funds	17	(69,935)	
Pension reserve	17	<u>(706,000)</u>	
Total restricted funds			3,023,332
Unrestricted funds	17		41,514
Total funds			<u>3,064,846</u>

The financial statements on pages 21 to 46 were approved by the Governors, and authorised for issue on 17/12/13 2013 and are signed on their behalf by

Helen Brown

Mrs H Brown
Chair

Company Limited by Guarantee
Registration Number 08123168

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2013

	Notes	(13 months) 2013 £
Net cash inflow from operating activities	21	270,893
Returns on investments and servicing of finance	22	2,587
Capital income/(expenditure)	23	(77,891)
Cash transferred on conversion to an academy trust	29	39,215
(Decrease)/increase in cash in the period	24	234,804
Reconciliation of net cash flow to movement in net funds		
Net funds at 31 August 2013		234,804

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

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

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.

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable, where there is certainty of receipt.

Donations

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

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

1 Statement of Accounting policies (continued)

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

Donated services and gifts in kind

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

Resources expended

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

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

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

Governance costs

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

All resources expended are inclusive of any irrecoverable VAT.

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

1 Statement of Accounting policies (continued)

Conversion to an Academy

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Albany Science College to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

On conversion the School acquired the land and buildings from which it operates under a 125 year lease. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 March 2013 on behalf of the Department for Education by Mouchel. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

In addition, the School inherited the fixtures and fittings and other tangible fixed assets in use by the School at the date of conversion. These assets had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value has therefore been included in the accounts for these assets.

Tangible fixed assets

Assets costing £1,000 or more are considered for capitalisation as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

1 Statement of Accounting policies (continued)

Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line over its expected useful lives, as follows

Long leasehold buildings	50 years
Fixtures, fittings and equipment	5-10 years
ICT equipment	3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 under operating leases are charged on a straight line basis over the lease term.

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

1 Statement of Accounting policies (continued)

Pension 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 28, 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 period.

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.

Fund accounting

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

Restricted fixed asset funds are resources which have been utilised in acquiring fixed assets. The initial funding may have arisen from unrestricted funds or other restricted funds, a transfer from the appropriate fund is made to the fixed asset fund to identify the capitalisation of an asset and future depreciation on these assets will be charged to the fixed asset fund.

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

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

2 Voluntary income

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	(13 months) Total 2013 £
Other donations	550	14,251	-	14,801
	550	14,251	-	14,801

3 Activities for generating funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	(13 months) Total 2013 £
Hire of facilities	16,007	-	-	16,007
Catering income	74,389	-	-	74,389
Sundry income	7,917	-	-	7,917
School fund	7,896	3,079	-	10,975
	106,209	3,079	-	109,288

4 Investment income

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	(13 months) Total 2013 £
Bank interest receivable	2,587	-	-	2,587

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

5 Funding for Academy's educational operations

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	(13 months) Total 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	3,177,111	-	3,177,111
Start up grant	-	25,000	-	25,000
Insurance grant	-	43,218	-	43,218
Pupil premium	-	164,427	-	164,427
Other DfE/EFA grants		13,417	-	13,417
	-	3,423,173	-	3,423,173
DfE/EFA Capital grants				
Capital grant	-	325,033	-	325,033
	-	325,033	-	325,033
Other government grants				
Special needs educational projects	-	133,618	-	133,618
	-	133,618	-	133,618
Other educational income				
Other grants	-	59,688	-	59,688
School trips	-	56,077	-	56,077
Sundry income	11,669	2,479	-	14,148
	11,669	118,244	-	129,913
	11,669	4,000,068	-	4,011,737

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

6 Resources expended

	Staff costs	Premises	Other costs	(13 months) Total 2013 £
	£	£	£	£
Cost of generating funds	37,503	-	46,244	83,747
Academy's educational operations	2,604,919	763,968	463,314	3,832,201
Other finance costs	-	-	31,000	31,000
Governance costs	-	-	33,000	33,000
	2,642,422	763,968	573,558	3,979,948

Incoming/outgoing resources for the period include:	(13 months) 2013 £
Fees payable to auditor	
Audit of the financial statements	6,500
Accountancy, taxation and other services	1,500
Operating leases	58,217
Depreciation	70,624

7 Charitable activities – Academy's educational operations

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	(13 months) Total 2013 £
Direct				
Teaching and educational support staff	-	2,270,346	-	2,270,346
Educational supplies and services	11,669	88,888	-	100,557
ICT costs expensed	-	40,932	-	40,932
Depreciation - ICT	-	-	2,557	2,557
Support				
Administrative and other staff	-	326,748	-	326,748
Other staff related costs	-	7,825	-	7,825
Maintenance of premises	-	570,787	-	570,787
Other occupancy costs	-	127,179	-	127,179
Other supplies and services	-	252,772	-	252,772
School trips	-	59,428	-	59,428
Other school fund expenditure	-	5,003	-	5,003
Other equipment costs expensed	-	-	-	-
Depreciation - Other	-	-	68,067	68,067
	11,669	3,749,908	70,624	3,832,201

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

8 Other finance costs

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	(13 months) Total 2013 £
Expected return on pension scheme assets (note 27)	-	(6,000)	-	(6,000)
Interest on pension scheme liabilities (note 27)	-	37,000	-	37,000
	-	31,000	-	31,000

9 Governance costs

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	(13 months) Total 2013 £
Legal and professional fees	-	25,000	-	25,000
Audit and accountancy fees	-	8,000	-	8,000
	-	33,000	-	33,000

10 Staff costs

	(13 months) 2013 £
<i>Staff costs during the period were</i>	
Wages and salaries	2,167,465
Employer's national insurance contribution	168,904
Pension costs	298,228
	2,634,597
Other staff related costs	7,825
	7,825

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

10 Staff costs (continued)

The average number of persons (including senior management team) employed by the Academy during the period as the full time equivalents, was as follows

	2013 Number	2013 Full-time equivalent
<i>Charitable activities</i>		
Teachers	31	29
Administration and support	46	33
Management	8	8
	85	70

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

	2013 £
£60,001 - £70,000	1
	1

The above employee participated in the Teacher's Pension Scheme. During the period ended 31 August 2013, annual pension contributions for these staff amounted to £9,321

11 Governors' remuneration and expenses

Headteacher and staff governors only received remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of the governors' remuneration for the thirteen month period, including pension contributions, was as follows

J Hayes – Headteacher and Trustee	£80,000 to £85,000
A Gibson – Staff Governor and Trustee	£45,000 to £50,000
M Parkinson – Staff Governor and Trustee	£10,000 to £15,000
H Cable – Staff Governor and Trustee	£5,000 to £10,000

During the period ended 31 August 2013, travel and subsistence expenses totalling £68 were reimbursed to governors

Related party transactions involving the governors are set out in note 28

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

12 Governors' and officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

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

13 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 August 2012	-	-	-	-
Transfer on conversion	3,792,000	-	-	3,792,000
Additions	-	58,679	19,212	77,891
Disposals	-	-	-	-
At 31 August 2013	3,792,000	58,679	19,212	3,869,891
Depreciation				
At 1 August 2012	-	-	-	-
Charged in period	66,000	2,067	2,557	70,624
Disposals	-	-	-	-
At 31 August 2013	66,000	2,067	2,557	70,624
Net book values				
At 31 August 2013	3,726,000	56,612	16,655	3,799,267

The Academy acquired the land and buildings from which it operates from the Local Authority under a 125 year lease for £nil consideration. The value of land transferred which is not being depreciated is £746,000.

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

14 Debtors

	2013
	£
VAT recoverable	54,879
Trade debtors	7,437
Prepayments and accrued income	16,345
	<u>78,661</u>

15 Creditors: amounts falling due within one year

	2013
	£
Trade creditors	40
Other taxes and social security	45,914
Accruals and deferred income	228,732
	<u>274,686</u>

16 Creditors: amounts falling after more than one year

	2013
	£
Accruals and deferred income	67,200
	<u>67,200</u>

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

17 **Funds**

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 Aug 2013 £
Restricted general funds				
General Annual Grant (GAG)	3,177,111	(2,949,353)	(163,727)	64,031
Other DfE/EFA grants	571,095	(568,892)	-	2,203
Other government grants	133,618	(133,618)	-	-
Other incoming grants	59,688	(56,135)	-	3,553
School fund	92,691	(67,488)	(4,192)	21,011
LA deficit on conversion	(246,569)	-	85,836	(160,733)
Sundry income	2,479	(2,479)	-	-
	3,790,113	(3,777,965)	(82,083)	(69,935)
Pension reserve	(657,000)	(39,000)	(10,000)	(706,000)
	3,133,113	(3,816,965)	(92,083)	(775,935)
Restricted fixed asset funds				
Capital expenditure from GAG	-	(4,624)	77,891	73,267
Transferred on conversion	3,792,000	(66,000)	-	3,726,000
	3,792,000	(70,624)	77,891	3,799,267
Total restricted funds	6,925,113	(3,887,589)	(14,192)	3,023,332
Unrestricted funds	129,681	(92,359)	4,192	41,514
Total funds	7,054,794	(3,979,948)	(10,000)	3,064,846

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limited on the amount of GAG that it could carry forward at 31 August 2013

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

General Annual Grant must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement

Other DfE/EFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant

Other government grants includes LEA funding for Special Educational Needs of £133,618, which was fully expended in the period

Other restricted funds include contributions received for school trips and non public donations and the related expenditure

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

17 Funds (continued)

The pension reserve represents the value of the School's share of the deficit in the Local Government Pension Scheme. The value of the deficit inherited in conversion was £657,000 and had risen to £706,000 at 31 August 2013.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other capital grants during the period. Depreciation is charged against the fund.

18 Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,799,267	3,799,267
Current assets	43,399	270,066	-	313,465
Current liabilities	(1,885)	(272,801)	-	(274,686)
Long term liabilities	-	(67,200)	-	(67,200)
Pension scheme liability	-	(706,000)	-	(706,000)
Total net assets	41,514	(775,935)	3,799,267	3,064,846

19 Capital commitments

	2013 £
Contracted for but not provided in the financial statements	34,035

20 Financial commitments

Operating leases

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

	2013 £
Land and buildings	
Expiring within one year	-
Expiring within two and five years inclusive	-
Expiring in over five years	-
	-
Other	
Expiring within one year	4,128
Expiring within two and five years inclusive	51,264
Expiring in over five years	-
	55,392

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

21	Reconciliation of net income to net cash inflow from operating activities		
			<i>(13 months)</i>
			2013
			£
	Net incoming resources		3,074,846
	Depreciation (note 13)		70,624
	Capital gains from DfE and other capital income		(325,033)
	Major refurbishment projects funded by capital grants		325,033
	Interest receivable (note 4)		(2,587)
	FRS 17 pension cost less contributions payable (note 27)		8,000
	FRS 17 pension finance income (note 27)		31,000
	Net assets inherited on conversion (note 29)		(2,916,381)
	Increase in debtors		(78,661)
	Increase in creditors		84,052
	Net cash inflow from operating activities		270,893
22	Returns on investments and servicing of finance		
			<i>(13 months)</i>
			2013
			£
	Interest received		2,587
	Net cash inflow from returns on investment and servicing of finance		2,587
23	Capital income and expenditure		
			<i>(13 months)</i>
			2013
			£
	Purchase of tangible fixed assets		(77,891)
	Capital grants from DfE/EFA		325,033
	Major refurbishment projects funded by capital grants		(325,033)
	Net cash outflow from capital expenditure and financial investment		(77,891)
24	Analysis of changes in net funds		
			At 31
			August
		Cash flows	2013
		£	£
	Cash in hand and at bank	234,804	234,804

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

25 Contingent liabilities

There were no contingent liabilities as at 31 August 2013

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 £10 for the debts and liabilities contracted before he/she ceases to be a member

27 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 Both are defined-benefit schemes

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

Contributions amounting to £33,135 were payable to the schemes at 31 August 2013 and are included within creditors falling due within one year

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

The 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

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

27 Pension and similar obligations (continued)

Valuation of 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.

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

ALBANY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

27 Pension and similar obligations (continued)

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 period ended 31 August 2013 was £117,660, of which employer's contributions totalled £89,425 and employees' contributions totalled £28,235. The agreed contribution rates from 1 September 2013 are 19.1% for employers and 7.1% for employees. The rates applicable from 1 April 2014 have not yet been confirmed.

Principal actuarial assumptions

	August 2013 %
Rate of increase in salaries	4.4
Rate of increase in pensions in payment/inflation	2.4
Discount for scheme liabilities	4.6
Inflation assumption (CPI)	2.4

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

	At 31 August 2013
<i>Retiring today</i>	
Males	
Females	22.1
	24.8
<i>Retiring in 20 years</i>	
Males	23.9
Females	26.7

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

27 **Pension and similar obligations (continued)**

Local government pension scheme (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 2013 %	Fair value at 31 August 2013 £000
Equities	7.0	90
Bonds	3.4 - 4.4	48
Property	5.7	14
Cash	0.5	8
Other	7.0	14
Total market value of assets		174
Present value of scheme liabilities funded		(880)
Surplus/(deficit) in the scheme		(706)

The actual return on scheme assets was £14,000

Amounts recognised in the statement of financial activities

	2013 £000
Current service cost (net of employee contributions)	108
Past service cost	-
Total operating charge	108
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	6
Interest on pension liabilities	(37)
Pension finance income/(costs)	(31)

The actual gains and losses for the current period 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 £10,000 loss.

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

27 **Pension and similar obligations (continued)**

Local government pension scheme (continued)

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

	2013
	£000
On conversion	685
Current service cost	108
Past service cost	-
Interest cost	37
Employee contributions	32
Actuarial (gain)/loss	18
Curtailments and settlements	-
Benefits paid	-
At 31 August	880

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

	2013
	£000
On conversion	28
Expected return on assets	6
Actuarial gain/(loss)	8
Employer contributions	100
Employee contributions	32
Assets distributed on settlements	-
Transfer in of new members	-
Benefits paid	-
At 31 August	174

The estimated value of employer contributions for the year ended 31 August 2014 is £92,000

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

27 Pension and similar obligations (continued)

Local government pension scheme (continued)

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

	2013
	£000
Present value of defined benefit obligations	(880)
Fair value of share of scheme assets	174
Surplus/(deficit) in the scheme	(706)
Experience adjustments on share of scheme assets	8
Experience adjustments on scheme liabilities	-

28 Related party transactions

During the period the Academy paid £6,753 in respect of printing costs to Kay Jay Print Limited, a company in which one of the governors has an interest

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

29 Conversion to an Academy Trust

On 1 August 2012 Albany Science College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Academy from the Local Authority for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	3,792,000	3,792,000
- Other tangible assets	-	-	-	-
Budget surplus/(deficit) on LA funds	-	(155,168)	-	(155,168)
Budget surplus/(deficit) on other school funds	8,666	19,284	-	27,950
LGPS pension surplus/(deficit)	-	(657,000)	-	(657,000)
Borrowing obligations	-	(91,401)	-	(91,401)
Other identifiable assets and liabilities				
Net assets/(liabilities)	8,666	(884,285)	3,792,000	2,916,381

The above net assets include £39,215 that was transferred as cash.

Land and buildings were acquired from the Local Authority on conversion under a 125 year lease and have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 March 2013 on behalf of the Department for Education by Mouchel. This valuation has been adjusted to take account of depreciation in the period since conversion to arrive at an estimate for the value of land and buildings acquired on conversion.

Fixtures and fittings acquired on conversion had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of the including such a valuation in the accounts. No value has therefore been included in the accounts for these assets. The insurance value of fixtures and fittings and other assets inherited on conversion was £2,000,000.

ALBANY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

30 Going concern

At 31 August 2013 the academy had funds in deficit of £28,421, after excluding the restricted fixed asset fund balance of £3,799,267 and the pension scheme deficit of £706,000. This has arisen due to the deficit inherited on conversion, of which £160,733 is still outstanding at 31 August 2013, as detailed per note 17. After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy will be able to generate future funding to repay the deficit inherited on conversion and that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.