



**FINANCIAL STATEMENTS
FOR THE YEAR TO 31 AUGUST 2011**

FOR

**SOUTH LEEDS ACADEMY TRUST
(a company limited by guarantee)**

**COMPANY REGISTERED NUMBER: 06948499
AND AN
EXEMPT CHARITY**

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SOUTH LEEDS ACADEMY TRUST

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SOUTH LEEDS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISORS

Trustees (Governors)	Mr Ian Garforth – Chair until 7 September 2010 Mrs Sally Cieslik – Chair from 7 September 2010 Mr Colin Bell Mr Chris Billington Cllr Judith Blake Mrs Jeanette Dahl Mr Charles Ellis Cllr Angela Gabnel Mrs Cristina George (resigned 7 December 2011) Mr Richard Gyamera (resigned 27 November 2011) Mrs Fiaz Riaz Miss Michelle Smith (resigned 31 August 2011) Mrs Sally Sumpner Mr Paul Walton	
Senior Leadership Team	Principal Vice Principal Assistant Principal Assistant Principal Assistant Principal Assistant Principal Assistant Principal	Mr Colin Bell Jason Kenneally Mrs Wendy Gore Mrs Diana Hall Mrs Barbara Trayer Mrs Louise Soiden Mr Andrew Percival
Registered Office	C/o School Partnership Trust Education House Fusion Court Aberford Road Garforth Leeds LS25 2GH	
Academy Site	The South Leeds Academy Trust Old Run Road Leeds LS10 2JU	
Company Registration Number	06948499 (England and Wales)	
Auditors	RSM Tenon Audit Limited 2 Wellington Place Leeds LS1 4AP	
Bankers:	Natwest Bank Sheffield City Centre 42 High Street Sheffield S1 1QG	

SOUTH LEEDS ACADEMY TRUST

REPORT OF THE TRUSTEES For the Year Ended 31 August 2011

The trustees present their report together with the financial statements of the charitable company for the year ended 31 August 2011. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies on pages 16 to 18 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy is a company limited by guarantee with no share capital (registration no 06948499) and a charity exempt under the Academies Act 2010. The charitable company's memorandum and articles of association are the primary governing documents of the academy. Members of the charitable company are nominated by either the Secretary of State for Education or by School Partnership Trust, the main sponsors of the academy. The articles of association require the members of the charitable company to appoint up to a maximum of 15 trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

Members' liability

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

Trustees

The trustees are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The trustees can also be referred to as Governors in the context of an educational establishment.

The trustees who were in office at 31 August 2011 and served throughout the year, except where shown, are listed on page 3.

During the period under review the trustees held 06 full board meetings and a total of 12 sub-committee meetings across three committees. The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new trustees will be given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only two or three new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Responsibilities of the Trustees

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company at the end of the financial period and of its incoming resources and application of resources, including its income and expenditure, for the financial period. In preparing financial statements giving a true and fair view, 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 financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

SOUTH LEEDS ACADEMY TRUST

REPORT OF THE TRUSTEES For the Year Ended 31 August 2011 (continued)

Responsibilities of the Trustees (continued)

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

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

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

The Sponsors

School Partnership Trust are sponsors to South Leeds Academy Trust, as set out within the Education Brief. School Partnership Trust have added additional resources and capacity, including leadership time from within a core team to deliver a consistent method of operation within the academy and to quality assure the work of the academy and its Senior Leadership Team (SLT).

The Core Team added capacity for raising standards and challenged practice, pedagogy and methodology both within the academy and its satellite centres. The Core Team also lead on the raising of educational attainment and standards. The School Partnership Trust has taken into account local context but has endeavoured to deliver a consistent, recognisable strategy in the academy. In addition, the core team supports and informs the production of the academy's Improvement Plan.

Organisational Structure

During the year a unified management structure was introduced to help improve the way the academy is run. The structure consists of four levels: the Trustees, the Senior Leadership Team, the Middle Leaders team and the Core Team, which in itself comprises of three levels, the School Improvement Team, The Business Team and the Principals' Forum. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Senior Leadership Team (SLT) comprises of the Principal, the Vice Principal and six Assistant Principals. The SLT controls the academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the SLT is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts within the SLT always include a member of the Board of Trustees and HR support from the Business Team. Some spending control is devolved to members of the Middle Leader Team, with limits above which the Principal must countersign.

The Middle Leader Team, overseen by the SLT, includes the Learning Leaders and the House Leaders. These managers are responsible for the day to day operation of the academy, in particular organising the teaching staff, facilities and students.

SOUTH LEEDS ACADEMY TRUST

REPORT OF THE TRUSTEES For the Year Ended 31 August 2011 (continued)

Risk management

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

Statement on the system of internal finance control

As trustees, we acknowledge we 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,
- The academy complies with relevant laws and regulations.

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees,
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans and expenditure programmes,
- any capital works that may be agreed with the PFI contractor, subject to a variation request
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks.

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

- set policies on internal controls which cover the following
 - the type of risks the academy faces,
 - the level of risks which they regard as acceptable,
 - the likelihood of the risks materialising,
 - the academy's ability to reduce the incidence and impact on the academy's operations of risks that do materialise,
 - the costs of operating particular controls relative to the benefits obtained,
- clarified the responsibility of the Senior Leadership Team to implement the trustees' policies and to identify and evaluate risks for the trustees' consideration,
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives,

SOUTH LEEDS ACADEMY TRUST

REPORT OF THE TRUSTEES For the Year Ended 31 August 2011 (continued)

Statement on the system of internal finance control (continued)

- embedded the control system in the academy's operations so that it becomes part of the culture of the academy,
- developed systems to respond quickly to evolving risks arising from factors within the academy and to changes in the external environment, and
- included procedures for reporting failings immediately to appropriate levels of management and the trustees together with details of corrective action being undertaken

The trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the trustees have appointed Charles Ellis as Responsible Officer (RO). The RO's role includes giving advice on financial matters. RSM Tenon Limited (Internal Audit and Risk Management Division), were appointed to carry out financial checks each term and report their findings to the RO. The RO then reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The principal object and activity of the charitable company is the operation of South Leeds Academy Trust to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on English and Applied Learning.

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 with an emphasis on the academy's specialisms.

The over-riding objectives of the academy during the year ended 31 August 2011 are summarised below and are established on the key objectives which underpin the work of the School Partnership Trust and which form a framework for South Leeds Academy. The School Partnership Trust charitable objectives include

- To advance and enhance the development and education of people of all ages and without distinction
- To advance the health and welfare of students and their families
- To promote community cohesion
- To provide or assist in providing facilities for recreation and leisure time activities at all times of the year
- Develop long term sustainable relationships for the benefit of children and families within the local community
- Create an environment where all learners of any age or background will have access to and support for a wide range of learning opportunities, raise standards and achievement and improve the well being and aspirations of students and families

The academy in South Leeds will be based on the values and principles of the School Partnership Trust and prides itself on being,

- An institution with high standards where individuals will be aware of the consequences of their actions
- An institution with high expectations both for the individual and where there will be a collective responsibility for raising community aspirations
- A caring school based upon social responsibility, honesty, equality and consideration for others

SOUTH LEEDS ACADEMY TRUST

REPORT OF THE TRUSTEES For the Year Ended 31 August 2011 (continued)

- A highly successful school where self-help, self-determination and self-improvement will be encouraged
- An innovative and energising learning centre which develops lively and enquiring minds for both students and staff
- A school which promotes inclusion rather than exclusion and which by working in partnership with local agencies and offering a personalised curriculum for all students, will strive to adopt a zero exclusion policy
- A school where courtesy, co-operation, enterprise and initiatives are paramount and where tolerance rather than intolerance is practiced
- At the centre of the community both as a resource, in its service to others and in promoting community cohesion

Particularly distinctive features of the academy are,

- The vision for partnership activity and community involvement providing local solutions for local needs
- The English and Applied Learning specialism which defines the ethos as well as enriches the academy's curriculum. It provides a particular focus on literacy in an area where English is often the second language. The applied learning specialism provides the opportunity for new ways in the curriculum to tackle disengagement with employer-led qualifications in a wide range of vocational courses
- An emphasis on traditional values and building positive and productive relationships
- Recognition of the implications for encouraging parental involvement
- Clear aspirations for improving inclusion and attendance

Strategies and activities

The academy's main strategy is encompassed in its mission statement. Our 'Mission Statement' states,

South Leeds Academy is a learning institution where difference is recognised and understood, diversity is celebrated and encouraged, strengths are promoted and developed, weaknesses are supported and overcome

This will be achieved through high levels of partnership working, high expectations of everyone involved in the academy and seeking excellence in all aspects of our work

As members of the School Partnership Trust, we recognise that

Together, we are stronger

The Mission Statement is underpinned by the need to recognise the unique value and individuality of every person and to provide personalised learning routes, coaching and support for everyone. To this end the activities provided include

- tuition and learning opportunities for all students to attain appropriate academic qualifications,
- training opportunities for all staff, and especially teaching staff,
- secondments and placing of students with industrial and commercial partners,
- a programme of sporting and after school leisure activities for all students,
- a system of after school clubs to allow students to explore a range of curricular and extra curricular activities,
- a careers advisory service to help students obtain employment or move on to higher education

Public benefit

We have referred to the public benefit guidance contained in the Charity Commission general guidance when reviewing the academy's aims and objectives and in planning future activities

SOUTH LEEDS ACADEMY TRUST

REPORT OF THE TRUSTEES For the Year Ended 31 August 2011 (continued)

Equal opportunities policy

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

Disabled persons

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

ACHIEVEMENTS AND PERFORMANCE

The academy achieved the forecast numbers in year 7 with 210 admissions but saw a slight increase in numbers for the 6th form. Total numbers of students in the year ended 31st August numbered 1,118, an overall increase of 39 students on the figure for the end of the 2009-10 Financial/Academic year.

Examination results for 2011 exceeded Fischer Family Trust estimates based on prior attainment but fell short of the academy targets in some areas. 72% of students achieved 5 or more A*-C passes at GCSE (2008 – 36%, 2009 – 63%, 2010 – 72%) and 28% achieved 5 A*-C including Maths and English (2008 – 11%, 2009 – 16%, 2010 – 30%).

The academy further developed its 6th form and the offer now includes a range of courses drawing on its own experience and expertise and opportunities to extend this range through an active partnership arrangement with another member of the School Partnership Trust's group of schools, Garforth Community College, now Garforth Academy.

The academy working closely with a team of Connexions Advisors and through the academy's own team of Work Related Learning mentors enables students to access opportunities off-site through curricular and work placement activities.

The academy offers a two year Key Stage 3 programme, based on the National Curriculum with an active tutorial programme through the vertical tutor group arrangements that underpin the House Structure. This includes a period of support for Year 8 students preparing to choose subjects for Key Stage 4.

FINANCIAL REVIEW

Financial report for the year

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

The academy also receives grants for fixed assets from the DfE, and from other government bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2011, total expenditure of £8,836K (2010 - £8,880K) was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds) was £41K (2010 - £874K).

At 31 August 2011 the net book value of fixed assets was £115K (2010 - £84K) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

SOUTH LEEDS ACADEMY TRUST

REPORT OF THE TRUSTEES For the Year Ended 31 August 2011 (continued)

Under accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension scheme, that is provided for support staff, to the Restricted Fund. This resulted in the pension fund showing a deficit of £490K (2010 - £1,194K), this has been carried forward in the current year. It should be noted that this does not present a liquidity problem for the academy and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years.

Reserves policy and financial position

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to one month's expenditure, approximately £732K. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves, prior to the pension deficit is £88K, this is the total funds less the amount held in fixed assets and restricted funds. The academy intends to continue building up free reserves to the level needed.

Financial position

The academy held a surplus fund balance at 31 August 2011 of £628K (2010 - deficit £211K), comprising £1,030K (2010 - £958K) restricted funds and £88K (2010 - £25K) of unrestricted general funds and a pension reserve deficit of £490K (2010 - £1,194K).

Restricted funds excluding fixed assets amount to £915K (2010 - £874K). This is shown in more detail in note 16 to the financial statements.

PLANS FOR FUTURE PERIODS

The academy will continue striving to improve the levels of performance of its students at all levels with a view to ensure that progression and retention rates to further education, including the academy sixth form are high. The academy will continue to focus on raising student numbers in order to ensure that the standard admission number of 175 at post 16 is achieved by 2012 with plans to exceed this number in the future through collaborative partnership working with the School Partnership Trust group of academies.

The academy has introduced a greater range of vocational options with Motor Vehicle Engineering and Hospitality and Catering identified as growth areas and consultations are ongoing with other members of the SPT(Academies) group and within the local 14-19 collaborative.

AUDITORS

The auditors, RSM Tenon Audit Limited, are willing to continue in office, a resolution to re-appoint them will be proposed at the annual general meeting.

The report of the trustees was approved by the trustees on 16 12 2011 and signed on their behalf by

Sally Cieslik
Chair of the Board of Trustees

SOUTH LEEDS ACADEMY TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF

SOUTH LEEDS ACADEMY TRUST

We have audited the financial statements of South Leeds Academy Trust for the year ended 31 August 2011, which comprise the Statement of Financial Activities (including the Income and Expenditure Account and the Statement of Total Recognised Gains and Losses), the Balance Sheet, the Cash Flow Statement, and the related notes. These financial statements have been prepared under accounting policies set out therein.

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

Respective responsibilities of Governors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 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 inconsistencies we consider the implications for our report.

SOUTH LEEDS ACADEMY TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF

SOUTH LEEDS ACADEMY TRUST

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- the financial statements have been prepared in accordance with the Companies Act 2006,
- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Young People's Learning Agency, in respect of the relevant financial year,
- grants made by the Young People's Learning Agency have been applied for the purposes intended, and
- the information given in the Governors' Report is consistent with the financial statements

Opinion on other matter prescribed by the Companies Act 2006

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

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

Alan Dunwell
Senior Statutory Auditor

RSM Tenon Audit Limited
Registered Auditors
2 Wellington Place
Leeds
LS1 4AP

Dated 21 12 2011

SOUTH LEEDS ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2011**

(including Income and Expenditure and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000 <i>(restated)</i>	Restricted Funds £000 <i>(restated)</i>	Restricted Fixed Asset Funds £000	Total 2011 £000	Total 2010 £000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	9	47	-	56	41
Activities for generating funds	3	49	30	-	79	8
Investment income	4	5	-	-	5	3
Incoming resources from charitable activities						
Funding for the Academy's Educational operations	5	-	8,766	65	8,831	9,811
Total incoming resources		<u>63</u>	<u>8,843</u>	<u>65</u>	<u>8,971</u>	<u>9,863</u>
Resources expended						
Charitable Activities						
Academy's Educational operations	6	-	(8,460)	(37)	(8,497)	(8,583)
Governance costs	7	-	(339)	-	(339)	(297)
Resources expended before pension adjustments		<u>-</u>	<u>(8,799)</u>	<u>(37)</u>	<u>(8,836)</u>	<u>(8,880)</u>
Net incoming resources before pension adjustment and transfers		63	44	28	135	983
Inherited pension deficit and service costs		-	(76)	-	(76)	(1,037)
Net incoming resources before transfers		<u>63</u>	<u>(32)</u>	<u>28</u>	<u>59</u>	<u>(54)</u>
Gross transfers between funds	16	-	(3)	3	-	-
Net incoming resources before other recognised gains and losses carried forward		<u>63</u>	<u>(35)</u>	<u>31</u>	<u>59</u>	<u>(54)</u>

SOUTH LEEDS ACADEMY TRUST
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2011
(including Income and Expenditure and Statement of Total Recognised Gains and Losses)

Net incoming resources before other recognised gains and losses brought forward		63	(35)	31	59	(54)
Other recognised gains and losses						
Actuanal losses on defined Benefit pension schemes	16, 20	-	780	-	780	(157)
Net movement in funds brought forward at 1 September 2010	16, 17	<u> </u>	<u> 25</u>	<u>(320)</u>	<u> 84</u>	<u>(211)</u>
Net movement in funds carried forward at 31 August 2011	16, 17	<u> 88</u>	<u> 425</u>	<u> 115</u>	<u> 628</u>	<u>(211)</u>

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

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

The notes on pages 17 to 31 form part of these financial statements

SOUTH LEEDS ACADEMY TRUST
Company Registration Number 06948499

BALANCE SHEET
at 31 August 2011

	Note	2011 £000s	2010 £000s <i>(restated)</i>
Fixed assets			
Tangible assets	13	115	84
Current assets			
Debtors	14	489	172
Cash at bank		1,258	1,676
		<hr/>	<hr/>
Current liabilities		1,747	1,848
Creditors Amounts falling due within one year	15	(744)	(949)
		<hr/>	<hr/>
Net current assets		1,003	899
		<hr/>	<hr/>
Net assets excluding pension liability		1,118	983
Pension scheme liability	20	(490)	(1,194)
		<hr/>	<hr/>
Net assets including pension liability		628	(211)
		<hr/>	<hr/>
Funds			
Restricted funds			
Restricted fixed asset funds	16	115	84
Restricted General Fund	16	915	874
Pensions Liability		(490)	(1,194)
Unrestricted fund			
General fund	16	88	25
		<hr/>	<hr/>
TOTAL FUNDS		628	(211)
		<hr/>	<hr/>

The financial statements on pages 13 to 31 were approved by the trustees on 16 December 2011 and signed on their behalf by

Sally Cieslik
Chair of the Board of Trustees

The notes on pages 17 to 31 form part of these financial statements

SOUTH LEEDS ACADEMY TRUST

**CASH FLOW STATEMENT
for the year ended 31 August 2011**

	2011 £000s	2010 £000s
Net cash inflow from operating activities (see note below)	(355)	1,781
Return on investments		
Interest recovered	5	3
Capital expenditure		
Payments to acquire tangible fixed assets	(68)	(108)
	<hr/>	<hr/>
Increase in cash in the year	(418)	1,676
	<hr/>	<hr/>

NOTES TO CASH FLOW STATEMENT

Reconciliation of excess income over expenditure to net cash inflow from operating activities:

	2011 £000s	2010 £000s
Excess of income over expenditure	59	(54)
Increase in pension deficit adjustment	76	1,037
Depreciation	37	24
Increase in debtors	(317)	(172)
(Decrease) Increase in creditors	(205)	949
Interest receivable	(5)	(3)
	<hr/>	<hr/>
Net cash (outflow) inflow from operating activities	(355)	1,781
	<hr/>	<hr/>

Analysis of changes in net cash

	Cashflows £000s	2011 £000s	2010 £000s
Net cash			
Cash in hand and at bank			
At 1 September 2010	1,676	1,676	-
At 31 August 2011	1,258	1,258	1,676
	<hr/>	<hr/>	<hr/>
Cash flows	(418)	(418)	1,676
	<hr/>	<hr/>	<hr/>

SOUTH LEEDS ACADEMY TRUST

PRINCIPAL ACCOUNTING POLICIES 31 August 2011

Format of financial statements

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

Basis of accounting

The financial statements are prepared under the historic cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Charities SORP 2005

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 year 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.

Donations

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy are recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the year in which they are receivable, and where the benefit is both quantifiable and material.

Interest receivable

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

Resources expended

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

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

SOUTH LEEDS ACADEMY TRUST

PRINCIPAL ACCOUNTING POLICIES

31 August 2011

(continued)

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. Such costs include both direct and allocated support costs.

Fund accounting

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

Restricted funds comprise grants from the DfE and other donors which are to be used for specific purposes as explained in note 16.

Tangible fixed assets

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

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

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

Depreciation

Depreciation is provided on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is charged in the year of acquisition.

The principal annual rates used for assets are:

Leasehold Improvement	Life of the lease
Fixtures and fittings	10% Reducing Balance
IT equipment	33% Reducing Balance

Stock

Unused stationery and uniform stocks are valued at the lower of cost or net realisable value. The amounts of stock at the year end are not considered material to include within the financial statements.

Leased assets

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

Taxation

The Academy 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.

SOUTH LEEDS ACADEMY TRUST

PRINCIPAL ACCOUNTING POLICIES

31 August 2011

(continued)

Pensions

Academy staff are members of one of two defined benefit pension schemes. More details of the schemes are given in note 19 and 20.

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education. As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Academy in the year.

Local Government Pension Scheme

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

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

Prior Year Adjustment

The academy has recorded a prior year adjustment in relation to the disclosure of the pension reserve deficit. In the prior year the pension reserve deficit was recorded in unrestricted funds on the balance sheet and the movements during the year were recorded in unrestricted funds in the Statement of Financial Activities. However, following recently issued guidance from the YPLA, the decision has been taken to reclassify the pension reserve as part of restricted funds. The overall effect of this change in treatment of the pension reserve is to increase opening unrestricted funds by £1,194,000 and reduce opening restricted funds by the same amount.

SOUTH LEEDS ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
31 August 2011**

1. GENERAL ANNUAL GRANT (GAG)

a) Results and Carry Forward for the Year

	2011	2010
	£000s	£000s
GAG brought forward	140	-
GAG allocation for school year	6,627	7,010
Capital grant expended	(3)	28
	<hr/>	<hr/>
Total GAG available to spend	6,764	7,038
	<hr/>	<hr/>
Recurrent expenditure on GAG	(6,632)	(6,898)
	<hr/>	<hr/>
Total GAG expenditure	(6,632)	(6,898)
	<hr/>	<hr/>
GAG under spend carry forward	132	140
	<hr/>	<hr/>
	(no breach)	(no breach)
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	795	841
	<hr/>	<hr/>

1 b) Use of GAG brought forward from Previous Year for Recurrent Purposes

	2011	2010
	£000s	£000s
Recurrent expenditure from GAG in current year	6,632	6,898
GAG allocation in current year	(6,627)	(7,010)
GAG allocation for previous year x 2%	(140)	-
	<hr/>	<hr/>
GAG brought forward from previous year in excess of 2% Used on recruitment expenditure in current year (2% rule breached if result is positive)	(135)	(112)
	(no breach)	(no breach)
	<hr/>	<hr/>

2. VOLUNTARY INCOME

	Unrestricted	Restricted	Total funds	Total Funds
	2011	2011	2011	2010
	£000s	£000s	£000s	£000s
Donations	9	-	9	41
Other grants	-	47	47	-
	<hr/>	<hr/>	<hr/>	<hr/>
	9	47	56	41
	<hr/>	<hr/>	<hr/>	<hr/>

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted	Restricted	Total funds	Total Funds
	2011	2011	2011	2010
	£000s	£000s	£000s	£000s
School Trips	-	27	27	4
Other income	49	3	52	4
	<hr/>	<hr/>	<hr/>	<hr/>
	49	30	79	8
	<hr/>	<hr/>	<hr/>	<hr/>

SOUTH LEEDS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 August 2011

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4 INVESTMENT INCOME

	Unrestricted 2011 £000s	Restricted 2011 £000s	Total Funds 2011 £000s	Total Funds 2010 £000s
Bank interest	<u>5</u>	<u>-</u>	<u>5</u>	<u>3</u>

5 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted 2011 £000s	Restricted 2011 £000s	Total Funds 2011 £000s	Total Funds 2010 £000s
Department of Education Grants				
General Annual Grant (GAG) (note 1)	-	6,627	6,627	7,010
Start up grants A and B	-	313	313	775
Standard Funds	-	370	370	577
Earmarked grant – PFI	-	674	674	622
Earmarked grant – other	-	270	270	-
Implementation grants	-	-	-	93
Capital grants	-	36	36	19
Other	-	218	218	201
Other Government grants				
Capital grants	-	29	29	117
Special Education Needs Funding	-	221	221	189
Other	<u>-</u>	<u>73</u>	<u>73</u>	<u>206</u>
	<u>-</u>	<u>8,831</u>	<u>8,831</u>	<u>9,811</u>

6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Total Funds 2011 £'000	Total Funds 2010 £'000
Direct educational costs		
Teaching staff costs	3,543	3,234
Supply teachers	166	227
Educational books, materials and stationery	100	194
Examination fees	119	101
School trips	11	1
Transport costs	77	67
External provision of educational resources	253	374
Exclusions	32	18
Music Service	21	24
School uniform	33	90
Teacher recruitment	4	26
Educational Consultancy	47	15
Area Inclusion Partnership	-	37
Depreciation	37	24
Other costs	20	6
	<u>4,463</u>	<u>4,438</u>

SOUTH LEEDS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 August 2011

(continued)

6	CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS (continued)		Total Funds	Total Funds	
			2011	2010	
			£'000	£'000	
	Direct Educational costs		4,463	4,438	
	Support costs		<u> </u>	<u> </u>	
	Support staff costs		1,792	1,826	
	Supply support		48	92	
	Cleaning		8	8	
	Technology costs		241	268	
	Rent		58	13	
	Utilities		50	41	
	Insurance		27	23	
	Printing, postage and stationery		74	87	
	Repairs, renewals and maintenance costs		75	113	
	Telephone		11	2	
	HR, payroll and legal fees		21	33	
	Training		31	38	
	Management charges		144	99	
	PFI costs		1,497	1,410	
	Other costs		75	125	
	Allocated to Governance		(118)	(119)	
			<u>4,034</u>	<u>4,059</u>	
	Implementation costs		<u>-</u>	<u>86</u>	
	Total of Academy's Educational Operations		<u>8,497</u>	<u>8,583</u>	
7.	GOVERNANCE		2011	2010	
			£'000	£'000	
	Teaching staff costs		34	34	
	Supply Teachers		21	25	
	Support staff costs		7	6	
	Governors services		1	1	
	Other support costs allocated		118	119	
	Management charges		144	99	
	Audit and accountancy fees		<u>14</u>	<u>13</u>	
			<u>339</u>	<u>297</u>	
8	RESOURCES EXPENDED				
	Staff Costs	Depreciation	Other costs	Total	Total
	£'000	£'000	£'000	2011	2010
				£'000	£'000
	Educational operations	37	883	4,463	4,438
	Support costs	-	2,242	4,034	4,059
	Implementation costs	-	-	86	
	Governance	<u>41</u>	<u>298</u>	<u>339</u>	<u>297</u>
		<u>37</u>	<u>3,371</u>	<u>8,836</u>	<u>8,880</u>

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

SOUTH LEEDS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
31 August 2011
 (continued)

9 STAFF COSTS AND NUMBERS

The aggregate payroll costs were as follows.

	2011	2010
	£'000	£'000
Staff costs comprise:		
Wages and salaries	4,512	4,278
Social security costs	349	334
Other pension costs	515	524
	5,376	5,136

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

	2011	2010
	No	No
Particulars of employees:		
Teachers	84	77
Support	79	80
	163	157

Three employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2011. The total emoluments of these employees were in the following ranges

	2011	2010
	No	No
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,000 - £110,000	1	-
	3	3

All of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2011, pension contributions for these staff amounted to £32,948 (2010 - £33,190)

10. TRUSTEES' REMUNERATION AND EXPENSES

Three of the trustees are employed by the Academy in teaching/non-teaching roles. Their remuneration is commensurate with their position in the Academy.

During the year Sally Cieslik the Chair of the Board of Trustees received £2,527 in respect of work that was undertaken within a project on raising attendance. This payment was not appropriately authorised in line with the Memorandum and Articles of Association and therefore the amount was repaid in full after the year end.

No other trustees received payment from the Academy of any nature.

SOUTH LEEDS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 August 2011

(continued)

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2011 was £989 (2010 - £989)

12. OPERATING PROFIT

Operating profit is stated after charging

	2011	2010
	£'000	£'000
Depreciation	37	24
Auditors' fees in respect of external scrutiny	9	9
Trustees' liability insurance	1	1
	—	—

13. TANGIBLE FIXED ASSETS

	Leasehold Improve' ments £000s	Fixtures and Fittings £000s	IT Equipment £000s	Total £000s
Cost				
At 1 September 2010	43	6	59	108
Additions	-	16	52	68
	—	—	—	—
At 31 August 2011	43	22	111	176
	—	—	—	—
Depreciation				
At 1 September 2010	4	1	19	24
Charged in period	4	2	31	37
	—	—	—	—
At 31 August 2011	8	3	50	61
	—	—	—	—
Net book value				
At 31 August 2011	35	19	61	115
	—	—	—	—
At 31 August 2010	39	5	40	84
	—	—	—	—

All assets held at the 31 August were for the provision of education

SOUTH LEEDS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 August 2011

(continued)

13. TANGIBLE FIXED ASSETS (continued)

Source of funding for assets acquired (cumulative to date)

	2011 £000s	2010 £000s
Net book value of fixed assets at 1 September 2010	84	-
DfE capital grants	36	19
Other government grants	29	117
General purpose fund	3	(28)
	<hr/>	<hr/>
		108
Less accumulated depreciation	(37)	(24)
	<hr/>	<hr/>
Net book value of fixed assets at 31 August 2011	115	84
	<hr/>	<hr/>

14. DEBTORS

	2011 £000s	2010 £000s
Trade debtors	-	15
Prepayments	44	72
Other debtors	1	85
Accrued income	351	-
VAT recoverable	93	-
	<hr/>	<hr/>
	489	172
	<hr/>	<hr/>

15 CREDITORS: Amounts falling due within one year

	2011 £000s	2010 £000s
Trade creditors	130	265
Taxation and social security	-	-
Other creditors	418	216
Deferred income	77	403
Accruals	119	65
	<hr/>	<hr/>
	744	949
	<hr/>	<hr/>

Deferred income	£'000s
Deferred income at 1 Sept 2010	403
Resources deferred in the year	77
Amounts released from previous year	(403)
	<hr/>
Deferred income at 31 August 2011	<u>77</u>

Deferred income held at 31 August 2011 includes Devolved Capital grant £13K, 6th Form Bursary £12K, Pupil Premium £15K and capital funding of £37K

SOUTH LEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 August 2011
(continued)

16. FUNDS

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

	Balance at 1 Sept 2010 £000s <i>(restated)</i>	Incoming Resources £000s	Resources expended £000s	Gains, losses and transfers £000s	Balance at 31 August 2011 £000s
Restricted general funds					
General Annual Grant (GAG)	140	6,627	(6,632)	(3)	132
Start up Grants A and B	713	313	(255)	-	771
Standard Funds	-	370	(370)	-	-
Earmarked grant – PFI	-	674	(674)	-	-
Earmarked grant- other	-	270	(270)	-	-
Implementation Grants	7	-	(7)	-	-
Other grants	-	218	(218)	-	-
Special Educational Needs	-	221	(221)	-	-
Other income	<u>14</u>	<u>150</u>	<u>(152)</u>	<u>-</u>	<u>12</u>
	<u>874</u>	<u>8,843</u>	<u>(8,799)</u>	<u>(3)</u>	<u>915</u>
Restricted fixed assets funds					
DfE capital grant and expenditure from GAG	16	36	(13)	3	42
Other Government Grants	<u>68</u>	<u>29</u>	<u>(24)</u>	<u>-</u>	<u>73</u>
	<u>84</u>	<u>65</u>	<u>(37)</u>	<u>-</u>	<u>115</u>
Pension reserve	<u>(1,194)</u>	<u>-</u>	<u>(76)</u>	<u>780</u>	<u>(490)</u>
	<u>(236)</u>	<u>8,908</u>	<u>(8,912)</u>	<u>780</u>	<u>540</u>
Unrestricted Funds					
Unrestricted	<u>25</u>	<u>63</u>	<u>-</u>	<u>-</u>	<u>88</u>
Total Funds	<u>(211)</u>	<u>8,971</u>	<u>(8,912)</u>	<u>780</u>	<u>628</u>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2011 are represented by

	Unrestricted General funds £000s	Restricted funds £000s	Restricted FA fund £000s	Total 2011 £000s	Total 2010 £000s
Tangible fixed assets	-	-	115	115	84
Current assets	88	1,659	-	1,747	1,848
Current liabilities	-	(744)	-	(744)	(949)
Pension scheme liability	-	(490)	-	(490)	(1,194)
	<u>88</u>	<u>425</u>	<u>115</u>	<u>628</u>	<u>(211)</u>

SOUTH LEEDS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
31 August 2011
(continued)

18. CONTINGENT LIABILITIES

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

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

- (a) the value at that time of the Academy's 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

19. TEACHER'S PENSION SCHEME

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS scheme is classed as a multi-employer pension schemes. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme

Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out below the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates

The Teachers' Pension Scheme (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 pension 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 Teachers' 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 rate was 14.1%. The employee rate for the same period was 6.4%

The pension cost charged in the financial statements for the scheme for the period ended 31 August 2011 was £388K (2010-£372K) which were the contributions for the period

SOUTH LEEDS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 August 2011

(continued)

20. LOCAL GOVERNMENT PENSION SCHEME

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

The LGPS is a defined benefit scheme with 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.

Actuarial Assumptions

The major assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund for FRS17 purposes were

	31 August 2011 % per annum	31 August 2010 % per annum
Discount rate	5.4	4.9
RPI inflation	3.6	3.4
CPI inflation	2.7	2.7
Pension increase rate	2.7	2.7
Deferred pension increase rate	2.7	2.7
Salary increase rate	5.1	5.15

Post Retirement Mortality Assumptions

Life expectancy is based on the PFA92 and PMA92 tables, with allowance for MC improvement factors to 2007. Based on these assumptions, average future life expectancies at age 65 are summarised below.

	At 31 August 2011		At 31 August 2010	
	Males	Females	Males	Females
Future lifetime from age 65 (aged 65 at accounting date)	21.9 years	24.0 years	21.8 years	25.4 years
Future lifetime from age 65 (aged 45 at accounting date)	23.7 years	26.0 years	24.1 years	27.9 years

Commutation

An allowance is included for 50% to take maximum cash and 50% take 3/80ths cash.

Expected Return on Assets

	At 31 August 2011		At 31 August 2010	
	Long Term rate Of return Expected % pa	Asset split %	Long Term rate of Return Expected % pa	Asset split %
Equities	7.7	73.1	7.7	69.9
Property	7.2	3.6	7.2	3.9
Government Bonds	3.7	11.6	3.7	13.2
Corporate Bonds	4.8	4.0	4.3	3.9
Cash	1.6	2.1	1.4	2.5
Other	7.7	5.6	7.7	6.6
Total	7.0	100.0	6.9	100.0

SOUTH LEEDS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
31 August 2011
(continued)

20 LOCAL GOVERNMENT PENSION SCHEME continued

Reconciliation of funded status to balance sheet

	2011	2010
	£'000	£'000
Notional value of assets	1,759	1,706
Present value of liabilities	(2,249)	(2,900)
	<hr/>	<hr/>
Net pension asset / (liability)	(490)	(1,194)
	<hr/>	<hr/>

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

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

Analysis of income and expenditure charge

	2011	2010
	£'000	£'000
Current service cost	175	200
Past service cost	-	(245)
Interest cost	147	144
Expected return on assets	(119)	(101)
	<hr/>	<hr/>
Total	203	(2)
	<hr/>	<hr/>

Net (loss)/gain recognised in Statement of Recognised Gains and Losses

	2011	2010
	£'000	£'000
Total actuarial gain / (losses)	780	(157)
	<hr/>	<hr/>
Total gain / (loss) in STRGL	780	(157)
	<hr/>	<hr/>

Contributions

The total contributions made for the period ended 31 August 2011 was £177K (2010 - 206K) of which employer's contributions totalled £127K (2010 - £153K) and employees contributions totalled £50K (2010 - £53K)

The agreed contribution rates for the period ended 31 August 2011 were 18% to 31 March 2011 and 13.4% thereafter for employers.

The following information is based upon a full actuarial valuation of the fund as at 31 March 2010, updated to 31 August 2011 by a qualified independent actuary.

SOUTH LEEDS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
31 August 2011
(continued)

20. LOCAL GOVERNMENT PENSION SCHEME continued

	2011	2010
	£'000	£'000
Movement in surplus/(deficit) during the year		
Deficit inherited at 1 September 2010	(1,194)	(1,192)
Movement in year	780	(157)
Past service cost		
- Employer contribution	127	153
- Current service cost	(175)	(200)
- Past service cost	-	245
- Interest cost	(147)	(144)
- Expected return on assets	119	101
	<hr/>	<hr/>
Deficit at 31 August 2011	(490)	(1,194)
	<hr/>	<hr/>
Changes to the present value of liabilities		
	2011	2010
	£'000	£'000
Opening present value of liabilities	2,900	2,605
Current service cost	175	200
Interest cost	147	144
Contributions by participants	50	53
Actuarial (gains)/losses on liabilities	(1,007)	186
Net benefits paid out	(16)	(43)
Past service costs	-	(245)
	<hr/>	<hr/>
Closing defined benefit obligation	2,249	2,900
	<hr/>	<hr/>
Changes to the fair value of assets		
	2011	2010
	£'000	£'000
Opening fair value of assets	1,706	1,413
Expected return on assets	119	101
Contributions by participants	50	53
Contributions by the employer	127	153
Net benefits paid out	(16)	(43)
Actuarial gains/(losses) on assets	(227)	29
	<hr/>	<hr/>
Closing fair value of employer assets	1,759	1,706
	<hr/>	<hr/>
Actual return on assets		
	2011	2010
	£'000	£'000
Expected Return on assets	119	101
Actuarial gain/(loss) on assets	(227)	29
	<hr/>	<hr/>
Actual Return on assets	(108)	130
	<hr/>	<hr/>

SOUTH LEEDS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 August 2011

(continued)

20 LOCAL GOVERNMENT PENSION SCHEME continued

History of asset values, present value of liabilities and surplus/deficit

	2011	2010
	£'000	£'000
Fair Value of assets	1,759	1,706
Present value of liabilities	2,249	2,900
	<hr/>	<hr/>
Surplus / (deficit)	(490)	(1,194)
	<hr/>	<hr/>

**History of experience gains and losses
2011**

	2010	£'000
	£'000	£'000
Experience gains and losses on assets		
Amount	(227)	29
Percentage of assets	-12.7%	1.7%
	<hr/>	<hr/>

21 FINANCIAL COMMITMENTS

	Land and Buildings	Other	Land and Buildings	Other
	2011	2011	2010	2010
	£000	£000	£000	£'000
Due less than one year	-	1	-	19
Between 1 - 2 years	-	12	-	1
Between 2 – 5 years	-	17	-	12
Over 5 years	<u>1,428</u>	<u>-</u>	<u>1,509</u>	<u>-</u>

The financial commitments in relation to Land and Buildings relate to the PFI contract of £1,403K (2010 - £1,484), this includes associated costs for catering, cleaning, utilities and other ancillary services. It also includes the offsite Applied Learning Centre lease of £25K (2010 - £25K)

22. CAPITAL COMMITMENTS

As at the 31st August 2011 the South Leeds Academy Trust had contracted and authorised £76K of capital works to provide a Motor Vehicle Engineering Site

23. MEMBERS' LIABILITY

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

24 RELATED PARTY TRANSACTIONS

During the year Wrigley's Solicitors LLP provided legal services to South Leeds Academy Trust totalling £2,777. Christopher Billington who is a Trustee of the Academy is a partner at Wrigleys Solicitors LLP. The transaction took place at arms length and there was no outstanding balance at the year end