

Chellaston Academy

Governors report and financial statements

For the period ended 31 August 2011



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Chellaston Academy
(A company limited by guarantee)

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Chellaston Academy
(A company limited by guarantee)

Reference and administrative details of the Academy, its trustees and advisers
for the period ended 31 August 2011

Governors and members A Johnson, Chairman
A P Dawson
R P Ruszczyński, Headteacher and Accounting Officer

Governors Sarah Archer (appointed 14 February 2011)
Duncan Brown
David Cross
Steve Ellis, Teacher Governor
Graham Golding
Nick Hollis, Vice Chairman
Hannah Hogg (appointed 7 March 2011)
Jan Lawrence
Angela Monk
Debbie Radford, Staff Governor
Angela Tillyard, Responsible Officer
Wendy Wesson

Company secretary D M Croft

Senior Management Team

Deputy Headteacher S Ellis
Deputy Headteacher J Maher
Assistant Headteacher J Buckiewicz
Assistant Headteacher P Burrows
Assistant Headteacher P Clarke
Assistant Headteacher S Johnson
Assistant Headteacher J Shillingford

Company registered number 07430289

Registered office Chellaston Academy
Swarkestone Road
Chellaston
Derby
DE73 5UB

Auditors Dains LLP
Charlotte House
Stanier Way
The Wyvern Business Park
Derby
DE21 6BF

Bankers HSBC Plc
Victory Road
Derby
DE24 9HX

Solicitors Flint Bishop LLP
St Michael's Court
St Michael's Lane
Derby
DE1 3HQ

Chellaston Academy
(A company limited by guarantee)

Governors' report
for the period ended 31 August 2011

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Chellaston Academy (the Academy) for the period ended 31 August 2011. The Governors confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document, the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 and the Annual Accounts Direction 2010/11 issued by the Young People's Learning Agency.

Structure, governance and management

a Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors who act as the trustees for the charitable activities of Chellaston Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Chellaston Academy.

There shall be at least 3 members of the Academy Trust and they shall comprise

- 1 until they cease to be Members, the signatories to the Memorandum,
- 2 the Principal,
- 3 the chairman of the Governors,
- 4 the vice-chairman of the Governors,
- 5 any Governor who wishes to become a Member, by right from the time of their appointment as a Governor,
- 6 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose,
- 7 any person appointed unanimously in writing by the existing Members.

Details of the Governors who served on the Chellaston Academy Governing Body throughout the period except as noted are included in the Reference and Administrative Details.

Chellaston Academy came into being on 1 December 2010 having converted to Academy status from Chellaston Foundation School on 1 December 2010. A Funding Agreement was signed with the Secretary of State on 24 November 2010 and the charitable company was registered at Companies House on 4 November 2010.

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

Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of Chellaston Academy against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of Chellaston Academy.

Principal Activities

The Principal Activity of the charitable company is the operation of Chellaston Academy to provide education, with a balanced and broadly based curriculum, for pupils of different abilities between the ages of 11 and 19, who are wholly or mainly drawn from the area in which the Academy is situated. Governors, in their various committees, adhere to statutory guidance and Codes of Practice related to Admissions, Exclusions, Data Protection, Freedom of Information and Child Protection.

b. Method of appointment or election of Governors

The Academy Trust shall have the following Governors

- 1 up to 7 Community Governors, appointed by the Members of the Academy Trust,
- 2 up to 2 Staff Governors, 1 of whom shall be teaching staff and 1 of whom shall be non-teaching staff, employed by the Academy at the time of election and elected by the teaching and non-teaching staff at the Academy,
- 3 1 Appointed Teaching Staff Governor, appointed by the Members of the Academy Trust,
- 4 2 Parent Governors, elected by secret ballot by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when they are elected. The Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so,
- 5 up to 4 Appointed Parent Governors, appointed by the Members of the Academy Trust,
- 6 the Principal, ex officio
- 7 any Additional Governors, if appointed by the Secretary of State following a warning notice to the Governors,
- 8 any Further Governors if appointed by the Secretary of State if a Special Measures Termination Event occurs,
- 9 up to 2 Co-opted Governor appointed by non Co-opted Governors

The term of office for any Governor is a maximum of 4 years, other than the Principal who is ex-officio. Any Governor may be re-appointed or re-elected subject to continuing eligibility. Governors of the Academy were reclassified from the Foundation School Governing Body.

The Academy Trust is committed to participation and wide representation of stakeholders in the composition and constitution of the Governing Body. The 6 Parent Governors and 7 Community Governors represent the localities and interests of the communities from which the Academy draws students. Efforts are made to ensure that there is a broad gender, ethnic and socio-economic mix of Governors.

When ballots are held for Governors, there are opportunities for nominated persons to visit the school and interview the Principal and Chair of Governors. Full information about the roles and responsibilities of the Governors are posted, prior to recruitment and election, on the Academy website. Hard copies of information are always available. The Governors' website is a rich source of information.

Ballot papers are posted to pupil homes. Nominations and vote counting are overseen independently and organised openly by the Clerk to Governors. Results are announced by pupil post and on the Academy website.

Appeals against maladministration can be made.

c. Policies adopted for the induction and training of Governors

All Governors receive the Governors' Handbook which is updated annually. New Governors meet with the Principal and the Chair of Governors, receive a copy of the SIP, past minutes and committee information, additionally the Local Authority's Governors' induction training can be accessed. Governors have opportunities to see the Academy in our 'open door' policy and through partnering of a Curriculum Area.

d Organisational structure and decision making

The Governing Body holds 1 meeting per half term and has delegated authority to a number of sub committees as follows

- 1 Finance and Facilities
- 2 Admissions and Discipline
- 3 Staffing and Personnel
- 4 Principals' and Deputy Headteachers' Review
- 5 Trust Working Committee
- 6 Audit Committee

Each Sub Committee has documented and agreed Terms of Reference which detail the level of devolved authority from the Governing Body to the Sub Committee. These are updated and reviewed annually. The Chair of the Sub Committee reports back to the Governing Body at the Governors' meeting following each Sub Committee meeting.

Individual governors are linked to curriculum areas.

The Governors are responsible for setting general policy, adopting an annual improvement plan and budget, monitoring the Academy performance and making major decisions about the direction of the Academy, its staffing and capital expenditure.

The day to day management of the Academy is delegated to the Principal who directs the Leadership Team which consists of 2 Deputy Headteachers and 5 Assistant Headteachers. The Principal is the Accounting Officer for the Academy.

The Company Secretary is managed by the Chair of Trustees. The Clerk to the Governors is managed by the Chair of Governors. The Clerk has access to regular training.

Budgets are devolved to budget holders at both Leadership Team and Curriculum level as appropriate. The Governors have developed and approved Financial Limits of Authority, these are reviewed on an annual basis.

The management and governance responsibilities are interlinked and mutually supportive. The Governors define the aims, objectives, principles and strategies of the Academy, the Management team ensures that all operational decisions are in accord with those principles. Executive decisions made by the Principal have to be approved by the Governors in relation to Exclusions, Admissions, Staffing Complement, Staff Discipline and Grievance and Staffing Structure.

Governors approve targets for the Academy and for the Principal and Deputy Headteachers. These targets are reviewed by the appropriate committee.

The Principal has a Leadership Team which manages the performance and effectiveness of the Middle Managers in the Academy, who in turn manage the effectiveness and performance of the teaching staff.

Decisions are made in a coherent and transparent process through staff consultation and discussion. Executive decisions will be made by the Principal or the Deputy Headteachers.

e. Related party relationships

The Academy enjoys a number of partnerships and collaborations, both formal and informal, which have been established to further the Principal Activities

The 3 Trustees of the Academy are also Trustees of the Sinfin/Chellaston Trust, which began as a National Challenge Trust. Further developments are planned to develop this formal partnership. The Principal is a National Leader and the Academy is a National Support School, both designations of the National College. The Academy plays a role in promoting City initiatives such as 14-19 Partnership, Managed Moves, Hard to Place Protocol, Excellence Partnerships and Extended Schools. The Academy will actively seek to link with other educational and employment providers to further promote Academy aims.

f Risk management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff, supervision of school grounds) and an effective system of internal financial control in order to minimise risk.

Risks to the Academy fall into the following three categories

- 1 Financial - Income to the Academy is always predicted prudently and expenditure plans are controlled by a strong Committee structure. The Principal is accountable to the Committee for restricting expenditure within budget limits.
- 2 Performance – A decline in results would lead to a less favourable reputation which would, in turn, lead to fewer numbers of students with the subsequent loss of income. The Principal is accountable to the Governing Body for academic results.
- 3 Health and Safety – A range of risk assessments, including actions to be taken in the event of extreme incidents, have been written. These are reviewed annually.

Objectives and Activities

a. Policies and objectives

The Academy Trust's objects are specifically restricted to the following

- 1 advancing 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,
- 2 promoting for the benefit of the inhabitants of Chellaston and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants

The Academy has 3 Aims on which the development plan and associated spending decisions are based These are

- 1 To maximise pupil attainment
- 2 To maintain an 'outstanding' grading at inspection by OFSTED and to ensure that excellence is sought in all Academy activities
- 3 To use new technologies

b. Objectives, Strategies and Activities

Having converted to Academy Status on 1 December 2010 the principal objective and activity of the charitable company is the operation of Chellaston Academy to provide education to children of different abilities between the ages of 11 and 19

During the period of reporting, the main aims of the Academy were to maximise the attainment of students and to meet aspirational attainment targets

The Academy recorded its best ever GCSE results (80% 5 or more A* to C with Maths and English) and 'A' level results These outstanding results were achieved by excellent teaching and productive relationships between staff and students

The academic success of the Academy has raised the aspirations of the students, who embark on productive pathways to employment, Higher Education and Apprenticeships

The Academy wishes to build upon the strong academic results of last year and has set targets to reach higher levels of attainment There will be a stronger focus on the achievement of less favoured groups in the school community

c. Public benefit

The Academy Trust governors have complied with their duty to have due regard to the Charity Commission guidance on public benefit in exercising their powers and duties, as noted above in the review of activities during the period in regard to the objects of the charitable company

The Academy has played a major role in supporting community development by providing resources, expertise and support for various local groups, Chellaston Community Forum, Adult Education, numerous Sports Teams, local charities and local politicians The academy plays a pivotal role in the life of the Community

Achievements and performance

a Review of activities

The Achievements and Performance of the Academy have been far-reaching and are capable of being sustained

- The Academy provides excellent value for money,
- Capital works have expanded and enriched the Academy estate,
- Examinations results are the best in the history of the school,
- Applications to the Academy are at record levels,
- Successful applications to Universities hit their highest levels,
- 5 students gained Oxbridge places,
- The National Challenge Trust completed a very effective programme of support

b. Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust 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.

c. Financial and Risk Management Objectives and Policies

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes in pursuance of the Academy's objects. The grants received from the DfE during the period ended 31 August 2011 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities. During the period to 31 August 2011 the Academy received the reserve from the closure of the Chellaston School accounts.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice (SORP 2005) such grants are shown in the Statement of Financial Activities as restricted income in the restricted 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 period ended 31 August 2011, £441,231 was spent on the construction of the new Science laboratories which were completed in September 2011.

At 31 August 2011 the net book value of fixed assets was £531,820 (excluding Freehold Property) and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Governors have been advised by the actuary for the Local Government Pension Scheme that the pension liability has increased to £896,000 for the current shortfall in payments required to fund non-academic staff's final salary pension schemes (In accordance with FRS 17).

d. Principal Risks and Uncertainties

Given that cash funding is received directly from the DfE under the terms of the Funding Agreement the risk and uncertainty of reduced funding is controlled by the DfE, however, as funding levels are primarily based on pupil numbers and applications to Year 7 and Post 16 remain high, funding is considered to be secure.

Financial review

a. Reserves policy

The Governors review the reserve levels of the Academy on a regular basis as part of their regular monitoring of the Academy finances

The Academy Trust held fund balances at 31 August 2011 of £15,435,404 consisting of £15,007,081 restricted funds and £428,323 unrestricted funds. Included in the restricted fund is an amount of £15,306,820 invested in fixed assets and a pension reserve deficit of £896,000

During the next financial and academic year the Governors have formulated plans for three capital projects. Proposals for an extension to Music and Drama and additional changing facilities in PE will be completed by March 2012 and refurbishment of the MFL department will be completed by December 2012, these projects will be funded by an amount in the region of £500,000 from the restricted fund and the balance by a Capital Maintenance Grant

b. Material investments policy

In furtherance of the Objects Chellaston Academy Trust may deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Objects only after obtaining such advice from a financial expert, authorised to give investment advice under the Financial Services and Markets Act 2000, as the Governors consider necessary and having regard to the suitability of investments and the need for diversification

Plans for the future

a. Future developments

For the next reporting year 2011/12, the Academy has three capital projects planned. These projects, when completed, will provide for students an enhanced learning environment and better resources. The Academy will also benefit from an injection of ICT equipment worth £122,000 which will transform access to Technology across the campus and meet the aims of the Technology College aspect of the Academy's work

The Improvement Plan has many aspirational targets but the focus will remain on providing the best possible life chances for students of all abilities and backgrounds

One of the measures against which we shall be measured is the percentage of students who find gainful employment on leaving the Academy

Governors' responsibilities statement

The Governors (who are also directors of Chellaston Academy for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2010/11 issued by the Young Peoples' Learning Agency

Company and charity law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Governors are responsible for keeping adequate accounting records that 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.

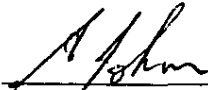
The governors are responsible for ensuring that in its conduct and operation the academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the YPLA/DfE have been applied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


Provision of information to auditors

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Governors on 12 December 2011 and signed on their behalf, by



A Johnson
Chairman



R P Ruszczyński
Headteacher and Accounting Officer

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Chellaston 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chellaston 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.

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 Trust 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 Chellaston Academy for the period ended 31 August 2011 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2011 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 Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing 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 Mrs A Tillyard, a governor, as Responsible Officer ('RO') on 18 July 2011. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems in conjunction with the external auditors. It is planned that RO will liaise with the external auditors to report 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.

Chellaston Academy
(A company limited by guarantee)

Statement on Internal Control
for the period ended 31 August 2011

As Accounting Officer, 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 external auditor,
- the financial management and governance self assessment process,
- the work of the Finance Manager within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 12 December 2011 and signed on their behalf by



Alan Johnson
Chairman



Roman Ruszczyński
Headteacher and Accounting Officer

Independent auditors' report to the members of Chellaston Academy

We have audited the financial statements of Chellaston Academy for the period ended 31 August 2011 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2010/11 issued by the Young People's Learning Agency.

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

Respective responsibilities of Governors and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2011 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 2010/11 issued by the Young People's Learning Agency.

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.

Chellaston Academy
(A company limited by guarantee)

Independent auditors' report to the members of Chellaston Academy

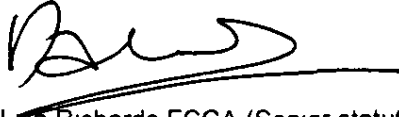
Opinion on other matter prescribed by the academy's funding agreement with the Secretary of State for Education

In our opinion grants made by the Young People's Learning Agency have been applied for the purposes intended

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



Lisa Richards FCCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Charlotte House, Derby
12 December 2011

Chellaston Academy
(A company limited by guarantee)

Statement of financial activities
for the period ended 31 August 2011

	Note	Restricted fixed asset funds 2011 £	Restricted general funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	3	15,000,000	(852,649)	538,738	14,686,089
Activities for generating funds	4	-	-	257,563	257,563
Investment income	5	-	-	969	969
Incoming resources from charitable activities	6	550,782	6,237,790	-	6,788,572
Total incoming resources		15,550,782	5,385,141	797,270	21,733,193
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	7	-	-	235,582	235,582
Charitable activities	10	249,869	5,707,812	79,043	6,036,724
Governance costs	8	-	11,483	-	11,483
Total resources expended	9	249,869	5,719,295	314,625	6,283,789
Net incoming resources / (resources expended) before transfers		15,300,913	(334,154)	482,645	15,449,404
Transfers between Funds	19	56,417	(2,095)	(54,322)	-
Net incoming resources / (resources expended) before revaluations		15,357,330	(336,249)	428,323	15,449,404
Actuarial losses on defined benefit pension schemes	16	-	(14,000)	-	(14,000)
Net movement in funds for the year		15,357,330	(350,249)	428,323	15,435,404
Total funds at 4 November 2010		-	-	-	-
Total funds at 31 August 2011		15,357,330	(350,249)	428,323	15,435,404

All activities relate to continuing operations

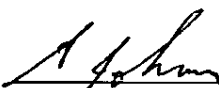
The notes on pages 17 to 34 form part of these financial statements

Chellaston Academy
(A company limited by guarantee)
Registered number: 07430289


Balance sheet
as at 31 August 2011

	Note	£	2011 £
Fixed assets			
Tangible assets	16		15,306,820
Current assets			
Debtors	17	449,776	
Cash at bank and in hand		1,274,086	
		<u>1,723,862</u>	
Creditors: amounts falling due within one year	18	<u>(699,278)</u>	
Net current assets			<u>1,024,584</u>
Total assets less current liabilities			<u>16,331,404</u>
Defined benefit pension scheme liability	25		<u>(896,000)</u>
Net assets including pension scheme liabilities			<u><u>15,435,404</u></u>
Charity Funds			
Restricted fixed asset funds	19		15,357,330
Restricted general funds	19		(350,249)
Unrestricted funds	19		428,323
			<u>15,435,404</u>

The financial statements were approved by the Governors on 12 December 2011 and signed on their behalf, by



A Johnson
Chairman



R P Ruszczyński,
Headteacher and Accounting Officer

The notes on pages 17 to 34 form part of these financial statements

Chellaston Academy
(A company limited by guarantee)

Cash flow statement
for the period ended 31 August 2011

	Note	Period ended 31 August 2011 £
Net cash flow from operating activities	21	1,279,024
Returns on investments and servicing of finance	22	969
Capital expenditure and financial investment	22	(5,907)
Increase in cash in the period		1,274,086

Reconciliation of net cash flow to movement in net funds/debt
for the period ended 31 August 2011

	Period ended 31 August 2011 £
Increase in cash in the period	1,274,086
Movement in net debt in the period	1,274,086
Net funds at 31 August 2011	1,274,086

The notes on pages 17 to 34 form part of these financial statements

Statement of changes in resources applied for fixed assets for charity use
for the period ended 31 August 2011

	Restricted fixed asset funds 2011 £	Restricted general funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Net movement in funds for the year	15,357,330	(350,249)	428,323	15,435,404
Net movement in funds available for future activities	15,357,330	(350,249)	428,323	15,435,404

The notes on pages 17 to 34 form part of these financial statements

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, the Academies Accounts Direction 2010/11 issued by the Young Peoples' Learning Agency, applicable accounting standards and the Companies Act 2006.

A summary of the principal accounting policies, which have been applied consistently, is set out below.

1.2 Company status

The Academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

1.3 Incoming resources

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.

Donations

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

Other income

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

1.4 Deferred Income

In accordance with the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commission for England & Wales, funds received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the Trust or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the financial statements and the sums involved are shown as creditors in the financial statements.

1. Accounting policies (continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Charitable activities

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

Support costs

These are costs incurred directly in support of expenditure on the objects of the Academy and include costs for the maintenance and upkeep of the School property.

Governance costs

These include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit and Governor's meetings.

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing, individually, more than £2,000 are capitalised

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

Freehold property	2% straight line
Building refurbishments	10% straight line
Motor vehicles	25% straight line
Fixtures and fittings	20% straight line
Computer equipment	over 3 years straight line

Assets under construction are not depreciated

Where tangible fixed assets have been acquired with the aid of specific grants 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.

On 1 December 2010, Derby City Council gifted the Academy the School site. As the school is a specialised property, as defined in Financial Reporting Standard Number 15, this freehold property has been valued in the accounts on a Depreciated Replacement Cost basis.

The land associated with the School site has not been valued in the accounts as it is deemed to have no value due to the restriction in use for educational purposes.

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.

1.7 Operating leases

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

1.8 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.

1 Accounting policies (continued)

1.9 Fund accounting

Unrestricted funds represent those resources available for use at the discretion of the Governors in furtherance of the general objectives of the Academy and which have not been designated for other purposes

Restricted fixed asset funds are funds which are to be applied to specific capital purposes imposed by the Young People's Learning Agency ('YPLA') and Department for Education ('DfE') where the asset acquired or created is held for a specific purpose

Restricted general funds comprise all other restricted funds received and include grants from the YPLA and DfE

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

1.10 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS') These are defined benefit schemes, 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method As stated in Note 25, the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted 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

Changes to the LGPS defined benefit scheme liability arising from factors other than the cash contribution by the Academy are charges to the Statement of Financial Activity in accordance with Financial Reporting Standard Number 17, "Retirement Benefits"

1.11 Gifts from the Local Authority

The gifts in kind provided to the Academy from the Local Authority are recognised at their fair value at the date of transfer, 1 December 2010

1 Accounting policies (continued)

1.12 Transfers between funds

Transfers between funds relate to fixed asset purchase from GAG

2. General Annual Grant (GAG)

	2011 £
a. Results and Carry Forward for the Year	
GAG brought forward from previous year	-
GAG allocation for current year	5,718,542
	5,718,542
Total GAG available to spend	5,718,542
Recurrent expenditure from GAG	(5,188,948)
Fixed assets purchased from GAG	(2,095)
	527,499
GAG carried forward to next year	527,499
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(686,225)
	-
GAG to surrender to DfES	-
	-

3. Voluntary income

	Restricted fixed asset funds 2011 £	Restricted general funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Donations	-	4,351	-	4,351
Government grants - surplus carried forward	-	-	538,738	538,738
Gift from Local Authority	15,000,000	(857,000)	-	14,143,000
	15,000,000	(852,649)	538,738	14,686,089
Voluntary income	15,000,000	(852,649)	538,738	14,686,089

Chellaston Academy
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2011

4. Activities for generating funds

	Restricted fixed asset funds 2011 £	Restricted general funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Lettings Income	-	-	21,981	21,981
Catering Income	-	-	235,582	235,582
	<u>-</u>	<u>-</u>	<u>257,563</u>	<u>257,563</u>

5. Investment income

	Restricted fixed asset funds 2011 £	Restricted general funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Short term deposits	-	-	969	969
	<u>-</u>	<u>-</u>	<u>969</u>	<u>969</u>

6 Incoming resources from charitable activities - Funding for the Academy's educational operations

	Restricted Fixed Asset Funds 2011 £	Restricted General Funds 2011 £	Unrestricted Funds 2011 £	Total funds 2011 £
General Annual Grant (GAG)	-	5,346,023	-	5,346,023
Devolved capital grant	183,782	-	-	183,782
S106 funds	367,000	-	-	367,000
Mainstream Grant	-	331,104	-	331,104
Other local authority grants	-	301,311	-	301,311
Insurance Grant	-	41,416	-	41,416
Pupil Premium	-	20,820	-	20,820
Non teaching income	-	21,130	-	21,130
Other teacher income	-	82,647	-	82,647
Visit and trip income	-	8,913	-	8,913
Exam fees income	-	302	-	302
Graduate Teacher Programme Funding	-	79,125	-	79,125
Community education fees	-	4,999	-	4,999
	<u>550,782</u>	<u>6,237,790</u>	<u>-</u>	<u>6,788,572</u>

Chellaston Academy
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Notes to the financial statements
for the period ended 31 August 2011

7 Costs of generating voluntary income

	Restricted fixed asset funds 2011 £	Restricted general funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Catering costs	-	-	235,582	235,582
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8. Governance costs

	Restricted fixed asset funds 2011 £	Restricted general funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Auditors' remuneration	-	4,750	-	4,750
Legal and professional fees	-	6,241	-	6,241
Governors meetings	-	492	-	492
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	11,483	-	11,483
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

9. Analysis of resources expended by expenditure type

	Staff costs 2011 £	Depreciation 2011 £	Other costs 2011 £	Total 2011 £
Costs of generating voluntary income	-	-	235,582	235,582
Costs of generating funds	-	-	235,582	235,582
Educational operations	4,910,467	249,869	876,388	6,036,724
Governance	-	-	11,483	11,483
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	4,910,467	249,869	1,123,453	6,283,789
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10. Analysis of resources expended by activities

	Activities undertaken directly 2011 £	Support costs 2011 £	Total 2011 £
Educational operations	5,186,322	850,402	6,036,724
	<u> </u>	<u> </u>	<u> </u>

Chellaston Academy
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Notes to the financial statements
for the period ended 31 August 2011

11. Direct costs

	Educational operations 2011 £
Examination fees	125,790
ICT costs	52,916
Free school meals	38,256
Training and staff development	8,656
Recruitment and support costs	26,463
Stationery, materials and photocopying	62,812
Equipment costs	48,081
Vehicle costs	15,322
Other direct costs	4,946
Subscriptions	3,737
Educational workshops and consultancy	25,129
Wages and salaries	3,716,110
National insurance	279,136
Pension cost	529,099
Depreciation	249,869
	<hr/> 5,186,322 <hr/>

12. Support costs

	Educational operations 2011 £
Maintenance of premises and equipment	178,128
Catering costs	12,800
Rent and rates	42,569
Heat and light	83,282
ICT costs	9,159
Insurance	41,763
Printing, postage, stationery and telephone	37,575
Equipment costs	3,930
Premises security	22,869
Other support costs	26,134
Subscriptions	6,071
Wages and salaries	332,882
National insurance	15,386
Pension cost	37,854
	<hr/> 850,402 <hr/>

Chellaston Academy
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Notes to the financial statements
for the period ended 31 August 2011

13. Net incoming resources / (resources expended)

This is stated after charging

	Period ended 31 August 2011 £
Depreciation of tangible fixed assets - owned by the charity	249,869
Auditors' remuneration	4,750
	<u>254,619</u>

During the period, one Governor received remuneration of £75,054. The Trustee only received remuneration in respect of their services they provided under their role of headteacher and not in respect of their services as a Governor.

During the period, no Governors received any benefits in kind.

During the period, no Governors received any reimbursement of expenses.

There were no related party transactions involving the Governors in the period.

14. Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governor and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

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

Chellaston Academy
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Notes to the financial statements
for the period ended 31 August 2011

15. Staff costs

Staff costs were as follows

	Period ended 31 August 2011 £
Wages and salaries	4,048,991
Social security costs	294,522
Other pension costs (Note 25)	566,953
	<hr/>
	4,910,466
	<hr/> <hr/>

The average monthly number of employees during the period was as follows

	Period ended 31 August 2011 No.
Cleaning	25
Caretakers	4
Administration	14
Educational Support	18
Midday Supervisors	15
Supply	1
Teachers	140
Community Education	4
Classroom Assistant	15
Invigilators	4
Cover Supervisors	2
Extended Schools	1
ICT Technicians	2
	<hr/>
	245
	<hr/> <hr/>

The number of higher paid employees was

	Period ended 31 August 2011 No.
In the band £70,001 - £80,000	1
	<hr/> <hr/>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2011, pension contributions for this member of staff amounted to £10,583

Chellaston Academy
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Notes to the financial statements
for the period ended 31 August 2011

16. Tangible fixed assets

	Freehold property £	Buildings Refurbishments £	Motor vehicles £	Fixtures and fittings £
Cost				
At 4 November 2010	-	-	-	-
Additions	15,000,000	28,967	22,555	37,341
At 31 August 2011	<u>15,000,000</u>	<u>28,967</u>	<u>22,555</u>	<u>37,341</u>
Depreciation				
At 4 November 2010	-	-	-	-
Charge for the period	225,000	2,897	5,639	7,468
At 31 August 2011	<u>225,000</u>	<u>2,897</u>	<u>5,639</u>	<u>7,468</u>
Net book value				
At 31 August 2011	<u><u>14,775,000</u></u>	<u><u>26,070</u></u>	<u><u>16,916</u></u>	<u><u>29,873</u></u>
		Computer equipment £	Assets under Construction £	Total £
Cost				
At 4 November 2010		-	-	-
Additions		26,595	441,231	15,556,689
At 31 August 2011		<u>26,595</u>	<u>441,231</u>	<u>15,556,689</u>
Depreciation				
At 4 November 2010		-	-	-
Charge for the period		8,865	-	249,869
At 31 August 2011		<u>8,865</u>	<u>-</u>	<u>249,869</u>
Net book value				
At 31 August 2011		<u><u>17,730</u></u>	<u><u>441,231</u></u>	<u><u>15,306,820</u></u>

On 1 December 2010, Derby City Council gifted the Academy the School site and buildings. The site and buildings have been valued on 27 October 2011 to reflect their valuation at 1 December 2010 on an depreciated replacement cost basis as the school meets the definition of a specialised property, as defined in Financial Reporting Standard Number 15, in the sum of £15,000,000. The valuation was performed by Peter H Milner FRICS of Milner McCrea.

Chellaston Academy
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Notes to the financial statements
for the period ended 31 August 2011

17. Debtors

	2011 £
Trade debtors	169,183
Other debtors	148,796
Prepayments and accrued income	131,797
	<u>449,776</u>

18. Creditors
Amounts falling due within one year

	2011 £
Trade creditors	308,636
Social security and other taxes	125,405
Other creditors	114,658
Accruals and deferred income	150,579
	<u>699,278</u>

19. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Fund	-	797,270	(314,625)	(54,322)	-	428,323
Restricted fixed asset funds						
DfE/YPLA Capital Grants	-	13,670	(15,164)	126,682	-	125,188
LA Capital Grants	-	537,112	(9,705)	(70,265)	-	457,142
Gift from Local Authority	-	15,000,000	(225,000)	-	-	14,775,000
	<u>-</u>	<u>15,550,782</u>	<u>(249,869)</u>	<u>56,417</u>	<u>-</u>	<u>15,357,330</u>

Chellaston Academy
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Notes to the financial statements
for the period ended 31 August 2011

19 Statement of funds (continued)

Restricted general funds

General Annual Grant (GAG)	-	5,718,542	(5,195,543)	(2,095)	-	520,904
Other Government Grants	-	399,177	(382,722)	-	-	16,455
Non Government Grants	-	79,125	(79,125)	-	-	-
Other Income	-	45,297	(36,905)	-	-	8,392
Pension liability	-	(857,000)	(25,000)	-	(14,000)	(896,000)
	-	5,385,141	(5,719,295)	(2,095)	(14,000)	(350,249)
Total of funds	-	21,733,193	(6,283,789)	-	(14,000)	15,435,404

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	797,270	(314,625)	(54,322)	-	428,323
Restricted fixed asset funds	-	15,550,782	(249,869)	56,417	-	15,357,330
Restricted general funds	-	5,385,141	(5,719,295)	(2,095)	(14,000)	(350,249)
	-	21,733,193	(6,283,789)	-	(14,000)	15,435,404

Restricted General Fund

This fund represents grants received for the Academy's operational activities and development

Pension reserve

This fund represents the Academy's share of the pension liability arising on the LGPS pension fund

Restricted Fixed Asset Fund

These grants relate to funding received from the DfE and YPLA to carry out works of a capital nature

Chellaston Academy
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Notes to the financial statements
for the period ended 31 August 2011

20. Analysis of net assets between funds

	Restricted fixed asset funds 2011 £	Restricted general funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Tangible fixed assets	15,306,820	-	-	15,306,820
Current assets	50,510	1,245,029	428,323	1,723,862
Creditors due within one year	-	(699,278)	-	(699,278)
Provisions for liabilities and charges	-	(896,000)	-	(896,000)
	<u>15,357,330</u>	<u>(350,249)</u>	<u>428,323</u>	<u>15,435,404</u>

21. Net cash flow from operations

	Period ended 31 August 2011 £
Net incoming resources before revaluations	15,449,404
Returns on investments and servicing of finance	(969)
Non-cash gift from Local Authority	(14,143,000)
Pension cost for LGPS scheme	25,000
Depreciation of tangible fixed assets	249,869
Government capital grants	(550,782)
Increase in debtors	(449,776)
Increase in creditors	699,278
Net cash inflow from operations	<u><u>1,279,024</u></u>

22. Analysis of cash flows for headings netted in cash flow statement

	Period ended 31 August 2011 £
Returns on investments and servicing of finance	
Interest received	<u><u>969</u></u>

Chellaston Academy
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Notes to the financial statements
for the period ended 31 August 2011

22. Analysis of cash flows for headings netted in cash flow statement (continued)

	Period ended 31 August 2011 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(556,689)
Government grants received	550,782
	<hr/>
Net cash outflow capital expenditure	(5,907)
	<hr/> <hr/>

23. Analysis of changes in net debt

	4 November 2010 £	Cash flow £	Other non-cash changes £	31 August 2011 £
Cash at bank and in hand	-	1,274,086	-	1,274,086
	<hr/>	<hr/>	<hr/>	<hr/>
Net funds	-	1,274,086	-	1,274,086
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

24 Capital commitments

At 31 August 2011 the Academy had capital commitments as follows

	2011 £
Contracted for but not provided in these financial statements	35,467
	<hr/> <hr/>

Chellaston Academy
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2011

25. Pension commitments

The Academy operates a Defined benefit pension scheme

The Academy belongs to the LGPS which is a defined benefit pension scheme. The assets of the scheme are held separately from those of the Academy in independently administered funds

A full actuarial valuation of the defined benefit scheme was carried out at 31 August 2011. The Academy's share of the assets and liabilities of the scheme since joining have been calculated at 31 August 2011 by a qualified independent actuary on a Financial Reporting Standard Number 17 - "Retirement Benefits" basis

The amounts recognised in the Balance sheet are as follows

	Period ended 31 August 2011 £
Present value of funded obligations	(1,593,000)
Fair value of scheme assets	697,000
	<hr/>
Net liability	(896,000)
	<hr/> <hr/>

Components of the pension cost for the period to 31 August 2011 are as follows

	Period ended 31 August 2011 £
Current service cost	84,000
Interest on pension liabilities	60,000
Expected return on assets	(31,000)
	<hr/>
Total	113,000
	<hr/> <hr/>
Actual return on scheme assets	17,000
	<hr/> <hr/>

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

	Period ended 31 August 2011 £
Current service costs	84,000
Interest on pension liabilities	60,000
Member contribution	30,000
Benefits / transfers paid	(22,000)
Business combinations	1,441,000
	<hr/>
Closing defined benefit obligation	1,593,000
	<hr/> <hr/>

Chellaston Academy
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Notes to the financial statements
for the period ended 31 August 2011

25. Pension commitments (continued)

Changes in the fair value of scheme assets are as follows

	Period ended 31 August 2011 £
Expected return on plan assets	31,000
Actuarial losses on assets	(14,000)
Business combinations	584,000
Employer contributions	88,000
Member contributions	30,000
Benefits / transfers paid	(22,000)
	<u>697,000</u>

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

	2011
Equities	68.20 %
Government bonds	13.70 %
Other bonds	4.80 %
Property	5.20 %
Cash/liquidity	8.10 %
	- %

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

	2011
Discount rate at 31 August	5.30 %
Future salary increases	4.45 %
Future pension increases	2.70 %
Rate of CPI inflation	2.70 %
Rate of RPI inflation	3.20 %

Amounts for the current period are as follows

Defined benefit pension schemes

	2011 £
Defined benefit obligation	(1,593,000)
Scheme assets	697,000
	<u>(896,000)</u>

Chellaston Academy
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Notes to the financial statements
for the period ended 31 August 2011

25. Pension commitments (continued)

The Trust is also an employer for the purposes of the Teachers' Pension Scheme Regulations 1997. During the period to 31 August 2011, the Academy made contributions totalling £453,431 to this Scheme. Included within creditors at the year-end are TPS pension contributions owing of £nil.

It is not possible for an individual employer to determine its share of the underlying assets and liabilities because each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the Scheme.

26. Operating lease commitments

At 31 August 2011 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2011 £	Other 2011 £
Expiry date:		
Between 2 and 5 years	-	21,371

27. Controlling party

The ultimate controlling party of the Academy is the Board of Governors.