

Cirencester  
Deer Park School



Audited Financial Statements

For the period ended 31 August 2011

Company Limited by Guarantee

Registration Number:  
07524811 (England and Wales)

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## Cirencester Deer Park School

5 month period ended 31 August 2011

### Governors' Annual Report

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## Reference and Administrative Details

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<b>Company Name</b>	Cirencester Deer Park School																																						
<b>Company Registration Number</b>	07524811 (England and Wales)																																						
<b>Principal Address and Registered Office</b>	Cirencester Deer Park School Stroud Road Cirencester GL7 1XB																																						
<b>Directors / Governors</b>	<table><tr><td>Philip Beckerlegge</td><td>- Chairman</td></tr><tr><td>Simon Bellamy</td><td>- Finance committee</td></tr><tr><td>Charles Brown</td><td>- Finance committee</td></tr><tr><td>Simone Clark</td><td>- Finance committee (Chair) - Admissions committee (Chair)</td></tr><tr><td>David Clarke</td><td>- Resigned 31/08/2011</td></tr><tr><td>Jon Collins</td><td>- Curriculum committee - Admissions committee</td></tr><tr><td>Margaret Edney</td><td>- Personnel committee</td></tr><tr><td>Mike Evans</td><td>- Finance committee</td></tr><tr><td>Aminul Hamid</td><td>- Personnel committee - Admissions committee</td></tr><tr><td>Chiquita Henson</td><td></td></tr><tr><td>Kath Maeso</td><td>- Curriculum committee - Admissions committee</td></tr><tr><td>Deryck Nash</td><td>- Personnel committee - Admissions committee</td></tr><tr><td>John Partridge</td><td>- Finance committee</td></tr><tr><td>Chris Perryman</td><td>- Curriculum committee</td></tr><tr><td>Stephen Priestnall</td><td>- Curriculum committee (Chair) - Admissions committee</td></tr><tr><td>Michael Spittle</td><td>- Personnel committee - Responsible officer</td></tr><tr><td>Kenneth Stook</td><td>- Personnel committee</td></tr><tr><td>Valerie Watson</td><td>- Personnel committee (Chair) - Admissions committee</td></tr><tr><td>John White</td><td>- Curriculum committee</td></tr></table>	Philip Beckerlegge	- Chairman	Simon Bellamy	- Finance committee	Charles Brown	- Finance committee	Simone Clark	- Finance committee (Chair) - Admissions committee (Chair)	David Clarke	- Resigned 31/08/2011	Jon Collins	- Curriculum committee - Admissions committee	Margaret Edney	- Personnel committee	Mike Evans	- Finance committee	Aminul Hamid	- Personnel committee - Admissions committee	Chiquita Henson		Kath Maeso	- Curriculum committee - Admissions committee	Deryck Nash	- Personnel committee - Admissions committee	John Partridge	- Finance committee	Chris Perryman	- Curriculum committee	Stephen Priestnall	- Curriculum committee (Chair) - Admissions committee	Michael Spittle	- Personnel committee - Responsible officer	Kenneth Stook	- Personnel committee	Valerie Watson	- Personnel committee (Chair) - Admissions committee	John White	- Curriculum committee
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<b>Senior Leadership Team</b>	<table><tr><td>Chiquita Henson</td><td>- Head Teacher</td></tr><tr><td>Tim Connole</td><td>- Deputy Head</td></tr><tr><td>Chris Francis</td><td>- Deputy Head</td></tr><tr><td>Jerry Richer</td><td>- Assistant Head</td></tr><tr><td>Martin Doidge</td><td>- Director of Support</td></tr></table>	Chiquita Henson	- Head Teacher	Tim Connole	- Deputy Head	Chris Francis	- Deputy Head	Jerry Richer	- Assistant Head	Martin Doidge	- Director of Support																												
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Martin Doidge	- Director of Support																																						
<b>Company Secretary</b>	Martin Doidge																																						
<b>Auditors</b>	Randall & Payne LLP 79 Promenade Cheltenham GL50 1PJ																																						

## Cirencester Deer Park School

5 month period ended 31 August 2011

### Governors' Annual Report

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#### **Bankers**

Lloyds Bank PLC  
29 High Street  
Chippenham  
SN15 3HA

#### **Solicitors**

Rickerby's LLP  
Ellenborough House  
Wellington Street  
Cheltenham  
GL50 1YD

## **Structure, Governance and Management**

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### **Constitution**

The Academy is a company limited by guarantee with no share capital (company registration no. 07524811). The company's memorandum and articles of association are the primary governing documents of the Academy. The Academy also has to adhere to the rules and regulations as laid down by the Young People's Learning Agency and the Department for Education. Members of the company comprise the Governors of the school who are responsible for the statutory and constitutional affairs of the company and the management of the Academy. The Academy is an exempt charity (under amendments in the Finance Act 2011) and is entitled to the same exemptions as a registered charity.

As part of the funding agreement the academy is required to have its financial statements audited every year even though it may otherwise be entitled to exemption under Section 477 of the Companies Act 2006.

### **Members' liability**

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

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

### **Recruitment and appointment of the Governors**

The Governors are directors of the company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The Governors who were in office at 31 August 2011 and served throughout the period, except as noted, are listed on in the Reference and Administrative Details on page 2.

Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. At each Annual General Meeting of the company one third of the Governors retire by rotation. The Governors to retire are those who have been longest in office since their last election or appointment.

### **Governors induction and training**

During the 5 month period under review the Governors met just once, although each sub-committee of the Governing body also met. In the run up to conversion on 1 April 2011 Governors had met extensively and had undertaken training on academy status and the legal ramifications of conversion for both the school and themselves.

The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction is provided on charity and educational, legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, strategic plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Time is allotted to governor training sessions before most full Governors meetings and all Governors are expected to attend these sessions.

## Risk management

The Governors have assessed the major risks to which the Company 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 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. They are satisfied that these systems are consistent with guidelines issued by the Charities Commission. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

## Sponsoring organisations

Cirencester Deer Park School does not have a sponsoring organisation.

## Organisational structure

The Governing Body has established a number of sub committees (Resources, Personnel, Curriculum and Admissions) to review policies and performance of the school in all areas. Every member of the Governing Body sits on at least one sub-committee. The Head Teacher also attends every sub-committee meeting along with other members of the school's senior management team (as appropriate). Reports from each of the sub committees is received and discussed at every meeting of the full governing body.

The Governors 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 of the Academy comprises the Head Teacher, two Deputy Heads, one Assistant Head and the Director of Support. This team control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the leadership team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment decisions for management posts always contain a Governor. Some spending control is devolved to members of the extended leadership team who each have budgets, with limits above which a senior manager must countersign.

The extended leadership team includes the Senior Leadership Team (SLT) and Pastoral and Curriculum head. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

## Objectives and Activities

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### Objects, aims and strategic direction

The principal object and activity of the company is the operation of the Cirencester Deer Park School to advance, for the public benefit, education for students of different abilities between the ages of 11 and 16. The school aims to offer "more than a visible curriculum" by enriching pupils' experience of school with extensive opportunities for extra-curricular activities and a wide range of educational trips.

In accordance with the Articles of Association the 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 pupils to the Academy, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the Academy during the year ended 31 August 2011 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to achieve a smooth transition from Foundation to Academy status and build on the legacy of the school's specialism's;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

### Public benefit

The Governors have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy. The Governors confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives. This is reflected in the schools primary purpose which is to advance, for the public benefit, education for pupils of different abilities between the ages of 11 and 16.

### Financial objectives

The Academy's financial objectives are:

- to achieve a consistently balanced budget on a long term basis;
- to manage funding available for the benefit of current learners;
- to invest in the maintenance and renewal of the schools facilities and infrastructure to provide excellent learning and teaching facilities.

### Sustainability

The Academy is committed to sustainable development throughout all aspects of its operations. Recent capital investment funding has been used to install further double-glazing which will reduce energy consumption. The school is also considering investment in photo voltaic panels to generate electricity on site. Our "Young Energy People" project involves pupils and staff in monitoring the school's sustainability and actively seeking ways to improve energy consumption. We are working towards the Eco School's Green Flag Award.

## Achievements and performance

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The Academy was established on 1 April 2011 following the conversion of Cirencester Deer Park School from a Foundation school to Academy status.

Total students in the year ended 31 August 2011 numbered 1029 however numbers on roll continue to fall reflecting local demographics, and pupil numbers at the start of the new term in 2011/12 were 1003. It is expected that this slow decline will continue for the next few years. Potential development of land near the school for residential housing may also increase numbers but the timing of this is uncertain at present.

The school was successful in a bid to the Department for Education for £145,000 of additional funding to renew roofing and fascias on the Languages and Art classroom blocks and to install double glazed windows in the Design Technology classrooms. Work on these schemes commenced during the summer but was not complete at 31 August 2011.

During the financial period there was a reduction in staffing as a result of progression and of a small number of teaching and support staff redundancies ensuring that staff numbers continued to fall in line with the reduction in pupil numbers.

### Academic performance

Examination results for 2011 were the best ever achieved by the school. 88% of pupils achieved 5 or more GCSE's at A\* - C (2010: 84%) and 68% achieved 5 or more A\* - C grades including Maths and English (2010: 61%). 25% of all grades awarded were at A\* or A (2010: 21%). 27% met the criteria for the English Baccalaureate (A\* - C passes in English, Maths, two Sciences, a Humanity and a Foreign Language) (2010: 23%).

To ensure that standards are continually raised the Academy operates a programme of lesson observations, regular reviews of each subject area with the Head teacher, use of challenging pupil targets, staff performance management targets based on exam outcomes and close monitoring of teacher forecasts of assessment data.

### Going concern

The Governors have assessed whether the use of going concern is appropriate. After due consideration of the financial climate and future funding of the academy, the Governors are satisfied that the going concern basis should be adopted. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

### Performance indicators

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

In its latest inspection (May 2010), Ofsted concluded that Cirencester Deer Park School was an 'Outstanding' school.

Assessment	Inspection Grade
Overall effectiveness of the school	1
The school's capacity for sustained improvement	2
Outcomes for individuals and groups of pupils	1
The quality of teaching	2
The effectiveness of leadership and management in embedding ambition and driving improvement	2

Note: Grade 1 is 'Outstanding' and Grade 2 is 'Good'

The Academy is also monitored through the completion and submission of various returns to the YPLA.

## Financial Review

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### Reserves policy

The Governors review the reserve levels of the Academy regularly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Governors have accepted that the current level of reserves is too high and are seeking to reduce reserves through judicious use of expenditure to support learning and teaching. However there is currently significant uncertainty about the long term level of funding available to the Academy and until this uncertainty is resolved the Governors intend to carry a higher level of reserves than they would normally to ensure that any future changes to funding can be managed without severe disruption to resource levels in the short term.

### Funding

Most of the Academy's income is obtained from the YPLA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA 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 capital investment. 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 £2,567,184 was more than covered by recurrent grant funding from the YPLA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £944,868. This was significantly higher than would normally be expected as the funding provided by the YPLA for the initial five months of Academy operation was equivalent to 5/12ths of the annual amount but the Academy was actually closed for holidays for nearly two of the months covered by this report. This resulted in lower than normal expenditure and a higher surplus.

At 31 August 2011 the net book value of fixed assets was £2,091,932 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The company operates a defined benefit pension scheme for support staff and is therefore required to recognise the assets and liabilities of the pension fund on its Balance Sheet. The Academy has obtained a valuation report from its actuaries, Hymans Robertson LLP, which shows that at 31 August 2011 the scheme has assets of £441,000 and liabilities of £1,130,000 with a pension deficit of £689,000. The Directors recognise that this is not a significant issue as the scheme has only one current pension in payment and 49 active and contributing members. This liability is therefore expected to reduce rapidly as scheme member contributions continue.

The Governors would like to publicly acknowledge receipt of £16,000 of funding from the Powells Educational Trust. This is a local charity dedicated to raising educational standards. This money has been allocated to developing the use of new technologies, specifically digital projectors and interactive whiteboards.

The funding received from the YPLA for the accounting period was based on pupil numbers in school at January 2010 (1,056 pupils) as the January 2011 figures were at that stage unavailable to the YPLA. On 8 September 2011 the YPLA advised the school that an overpayment of GAG had occurred as the January 2011 pupil numbers on which funding should have been based had fallen to 1,024. The YPLA will therefore be reducing the school's income for 2011/12 by the sum of £48,466 although this relates to the previous accounting period. This adjustment will not have any material impact on the financial viability of the school.

## Risk management

The Academy continues to undertake work to further develop systems of internal control, including financial, operational and risk management designed to protect the Academy's assets and reputation.

The Resources sub-committee of the governing body has a remit to identify and manage risk and is currently updating the Academy's risk register which identifies the risks to which the Academy is exposed. This will also identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy. This review will also identify any new risks which may arise as a result of a conversion to Academy status. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

### *1. Government funding*

The Academy has considerable reliance on continued Government funding through the YPLA. In the period under review 94% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Indeed the Government is currently consulting on a revised system of school funding.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements such as lettings of facilities to derive additional income streams
- By ensuring the Academy is rigorous in delivering high quality education and training, thus attracting additional pupils over and above those in the Academy's catchment area
- Continuing to monitor Government funding proposals and make provision accordingly

### *2. Pupil Numbers*

Pupil numbers are currently falling due to local demographics and this has a direct impact on funding which is based on pupils on roll. The Governors Admissions and Marketing committees monitor pupil numbers from local primary schools and systems and procedures are in place to ensure that reductions in pupil roll are also reflected in reduced levels of resources, both staffing and goods and services. Our excellent exam results continue to attract pupils from outside our catchment area.

### *3. Academic performance*

The local area is fortunate to have a number of high quality (Ofsted "Excellent") schools along with selective schools in Stroud. Any sudden decline in academic standards could have a significant impact on the school's reputation, Ofsted rating and ultimately attractiveness to pupil and parents. Close attention is paid to teacher forecasts of performance which are regularly updated and any adverse movement in forecast performance is investigated and remedial measures put in place to support pupils and staff to ensure that results are consistently good. The Governors Curriculum committee is responsible for monitoring academic performance.

### *4. Maintain adequate funding of pension liabilities*

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 17. Whilst this currently shows a large liability, the Governors do not believe this poses any risk to the school as the pension scheme has many contributing members and only one pension in payment. The liability is therefore anticipated to reduce steadily.

## Plans for Future Periods

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The Academy will continue striving to improve levels of academic performance and has rigorous targets and monitoring strategies in place to achieve this.

The Governing Body is working towards achievement of the Governor Mark award in 2012 to demonstrate that current practice is excellent and has been externally benchmarked.

The Academy is currently undertaking a review of the curriculum offered to pupils and plans to implement a comprehensive, flexible and sustainable curriculum from 2012 that drives access to continuing pathways and provides quality not quantity.

The Academy will be assessing the quality of service and value for money of external services currently brought in from the Local Authority to ensure that these fully meet the needs of our learners.

## Funds held as Custodian Trustee on behalf of others

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Cirencester Deer Park School continues to hold funds on behalf of the South Cotswold Partnership. The South Cotswold Partnership exists to promote a learning partnership between local schools to provide vocational courses they could not otherwise operate individually.

It is anticipated that the next academic year will be the final year of the Partnership in its current form. The funds are included within deferred income and amount to £103,909 this year.

## Equal opportunities and employment of disabled persons

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The Academy is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

The Academy considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Academy continues. The Academy's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees. An equalities plan is published each year and monitored by managers and Governors.

The Academy seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005, and the Equalities Act 2010.

## Auditor

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In so far as the Governors are aware:

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

## Cirencester Deer Park School

5 month period ended 31 August 2011

### Governors' Annual Report

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The Financial Statement auditors, Randall & Payne LLP, were appointed from 1<sup>st</sup> April 2011 and are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Report of the Governors was approved by the Governors on 15 December 2011 and signed on their behalf by:

Philip Beckerlegge

Chair

## Statement of Governors Responsibilities

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The Governors (who are also Directors of Cirencester Deer Park School for the purposes of company law) are responsible for preparing the Governors Report and the Financial Statements in accordance with applicable law, 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 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 Academy and of the incoming resources and application of resources, including the income and expenditure, of the Academy for the year. In preparing these Financial Statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 academy will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 academy 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.

In so far as the Governors are aware:

- there is no relevant audit information of which the academy's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved by order of the members of the Governing Body on 15 December 2011 and signed on its behalf by:

Philip Beckerlegge

Chair

## Statement of Internal Control

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### Statement on the System of Internal Financial Control

#### *Scope of responsibility*

As Governors, we acknowledge we have overall responsibility for the Academy's system of internal financial control and for reviewing its effectiveness. 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 Head, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Academy's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between Cirencester Deer Park School and YPLA. She is 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 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 Cirencester Deer Park School for the period ended 31 August 2011 and up to the date of approval of the annual report and Financial Statements.

#### *Risk management*

The Governors have assessed the major risks to which the Company 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 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. They are satisfied that these systems are consistent with guidelines issued by the Charity Commission. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

## Cirencester Deer Park School

5 month period ended 31 August 2011

### Statement of Internal Control

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#### *The risk and control framework*

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

In addition, the Governors 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 Governors policies and to identify and evaluate risks for the Governors consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- 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 Governors together with details of corrective action being undertaken.

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 Michael Spittle, a Governor, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The RO will report on a regular basis to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

#### *Review of effectiveness*

As Accounting Officer, the Head has responsibility for reviewing the effectiveness of the system of internal control. Her review of the effectiveness of the system of internal control is informed by:

- the work of the Responsible Officer;
- the work of the External Auditor;
- the financial management and governance self-assessment process;

## Cirencester Deer Park School

5 month period ended 31 August 2011

### Statement of Internal Control

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- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Head has been advised on the implications of the result of her review of the effectiveness of the system of internal control by the Resources Committee, which oversees the work of the Responsible Officer, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The Governors Resources committee also receive regular reports from the Responsible Officer, which include recommendations for improvement. The Resources Committee's role in this area is confined to a high-level review of the arrangements for internal control.

Approved by order of the members of the Governing Body on 15 December 2011 and signed on its behalf by:

Philip Beckerlegge  
Chair

Chiquita Henson  
Director / Accounting Officer

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIRENCESTER DEER PARK SCHOOL**

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We have audited the financial statements of Cirencester Deer Park School for the period ended 31 August 2011, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account) the Balance Sheet, the Cash Flow Statement, the Principal Accounting Policies 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).

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 academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Governors and Auditors'**

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

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the academy'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's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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;

## Cirencester Deer Park School

5 month period ended 31 August 2011

### Auditor's Report

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#### 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.

#### 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.

Russel Byrd - Senior Statutory Auditor  
For and on behalf of Randall & Payne LLP - Statutory Auditor

Date: 22 December 2011

79 Promenade  
Cheltenham  
Gloucestershire  
GL50 1PJ

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Statement of Financial Activities (incorporating Income & Expenditure account)

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2011
		£	£	£	£
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	6,146	275,289	-	<b>281,435</b>
Assets transferred from predecessor school		622,791	-	2,196,073	<b>2,818,864</b>
Activities for generating funds	3	68,980	-	-	<b>68,980</b>
Interest receivable	4	1,480	-	-	<b>1,480</b>
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy's educational operations	5	-	2,241,966	96,721	<b>2,338,686</b>
Other income	6	-	108,359	-	<b>108,359</b>
<b>Total incoming resources</b>		<b>699,397</b>	<b>2,625,614</b>	<b>2,292,794</b>	<b>5,617,804</b>
<b>Resources expended</b>					
<i>Cost of generating funds :</i>					
Costs of generating voluntary income	7	63,484	-	-	<b>63,484</b>
<i>Charitable activities:</i>					
Academy's educational operations	8	-	2,294,525	187,042	<b>2,481,567</b>
<i>Governance costs</i>	9	-	22,134	-	<b>22,134</b>
<b>Total resources expended</b>	<b>7</b>	<b>63,484</b>	<b>2,316,659</b>	<b>187,042</b>	<b>2,567,184</b>
<b>Net incoming (outgoing) resources before transfers</b>		<b>635,913</b>	<b>308,955</b>	<b>2,105,752</b>	<b>3,050,620</b>
Gross transfers between funds	18	-	-	-	-
<b>Net income / (expenditure) for the year</b>		<b>635,913</b>	<b>308,955</b>	<b>2,105,752</b>	<b>3,050,620</b>
<b>Other recognised gains and losses</b>					
Defined benefit pension scheme liability introduced	24	-	(685,000)	-	<b>(685,000)</b>
Actuarial gains (losses) on defined benefit pension schemes	24	-	1,000	-	<b>1,000</b>
<b>Net movement in funds</b>		<b>635,913</b>	<b>(375,046)</b>	<b>2,105,752</b>	<b>2,366,620</b>
Total funds brought forward at 1 April 2011	18	-	-	-	-
<b>Funds carried forward at 31 August 2011</b>		<b>635,913</b>	<b>(375,046)</b>	<b>2,105,752</b>	<b>2,366,620</b>

All of the Academy's activities derive from continuing operations during the above financial period.

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

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

Balance sheet as at 31 August 2011

Company No. 07524811

	Note	Total £
<b>Fixed assets</b>		
Tangible assets	14	<u>2,091,932</u>
<b>Current assets</b>		
Stock	15	5,000
Debtors	16	180,391
Cash at bank and in hand		<u>1,147,533</u>
		<b>1,332,924</b>
<b>Creditors: Amounts falling due within one year</b>	17	(369,236)
<b>Net current assets</b>		<b>963,688</b>
<b>Net assets excluding pension liability</b>		3,055,620
Pension scheme liability	24	(689,000)
<b>Net assets including pension liability</b>		<b>2,366,620</b>
<b>Restricted funds</b>		
Fixed asset fund	18	2,105,752
General fund	18	313,956
Pension reserve	18	(689,000)
<b>Total restricted funds</b>		<b>1,730,707</b>
<b>Unrestricted funds</b>		
General fund		635,913
<b>Total unrestricted funds</b>		<b>635,913</b>
<b>Total Charity Funds and Reserves</b>		<b>2,366,620</b>

The financial statements on pages 18 to 20 were approved by the governors, and authorised for issue on 15 December 2011 and signed on their behalf by:

**Philip Beckerlegge**  
Chairman

**Chiquita Henson**  
Director

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Cash Flow Statement for period ended 31 August 2011

	<b>Total 2011 £</b>		
<b>Net cash inflow from operating activities</b>			
(Deficit)/surplus on continuing operations after depreciation of assets at valuation	2,366,620		
Depreciation (note 14)	112,141		
(Loss)/profit on disposal of tangible fixed assets	-		
Capital grants from DfE and Others	(96,721)		
Interest receivable (note 4)	(1,480)		
Donated capital assets	(2,196,073)		
FRS 17 pension brought forward balance	685,000		
FRS 17 pension cost less contributions payable (note 23)	(9,000)		
FRS 17 pension finance income (note 23)	14,000		
FRS17 pension actuarial gain	(1,000)		
(Increase)/decrease in stocks	(5,000)		
(Increase)/decrease in debtors	(180,391)		
Increase/(decrease) in creditors	369,236		
Increase/(decrease) in provisions	-		
<b>Net cash inflow from operating activities</b>	<b>1,057,332</b>		
<b>Returns on investments and servicing of finance</b>			
Interest received	1,480		
<b>Taxation</b>	-		
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	(8,000)		
Capital grants from DfE/YPLA	96,721		
Capital funding received from sponsors and others	-		
Receipts from sale of tangible fixed assets	-		
	<b>88,721</b>		
<b>Management of liquid resources</b>	-		
<b>Increase / (decrease) in cash in the year</b>	<b>1,147,533</b>		
<b>Analysis of changes in net funds</b>	<b>At 1 April 2011</b>	<b>Cash flows</b>	<b>At 31 August 2011</b>
Cash in hand and at bank	-	1,147,533	1,147,533

## Statement of Accounting Policies

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### Basis of Preparation

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

### Going Concern

The Governors have assessed whether the use of going concern is appropriate. After due consideration of the financial climate and future funding of the Academy, the Governors are satisfied that the going concern basis should be adopted. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

### Incoming Resources

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

#### *Grants receivable*

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued and recognised in debtors.

#### *Sponsorship income*

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

#### *Donations*

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

#### *Other income*

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

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Accounting Policies

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#### *Donated Services and gifts in kind*

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

#### Resources Expended

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

#### *Costs of generating funds*

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

#### *Charitable activities*

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

#### Governance Costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses. All resources expended are inclusive of irrecoverable VAT.

#### Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Freehold buildings	25 years
Plant & equipment	5 years
ICT equipment	4 years

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Accounting Policies

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

A review for impairment of fixed assets 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.

The Governor's have agreed to include the inherited land & buildings from the previously Local Authority (LA) maintained school at depreciated insurance rebuild cost. This was chosen in favour of having a formal valuation done as the cost of a formal valuation would be onerous compared with the additional benefit derived by users of the accounts in assessing management's stewardship of the assets; the Governor's deemed it more beneficial to expend these funds on the objectives of the company. This is in accordance with FRS 15 section 18.

### Leased Assets

Rentals under operating leases are charged on an accruals basis over the lease term.

### Stock

Catering stocks are valued at the lower of cost and net realisable value.

### Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and it therefore 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 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.

The trading income received by the academy is not wholly primary purpose income and therefore falls outside the scope of the above exemptions and is potentially taxable. The academy has however not breached the charity small trading limits in the year and therefore no liability to corporation tax has arisen.

### Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quin-quennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Accounting Policies

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liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

### Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Young People's Learning Agency, Department for Education or other grant provider, 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 Young People's Learning Agency, Department for Education and the Local Authority.

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

#### 1 General Annual Grant (GAG)

##### a. Results and Carry Forward for the Year / period

	2011 £
GAG brought forward from previous year	-
GAG allocation for current year	2,072,649
<b>Total GAG available to spend</b>	<b>2,072,649</b>
Recurrent expenditure from GAG	(1,935,673)
Fixed assets purchased from GAG	-
Transfer from unrestricted fund	-
	<b>136,976</b>
Other restricted GAG funds	-
<b>GAG carried forward to next year</b>	<b>136,976</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(248,718)
<b>GAG to surrender to DfE</b> (12% rule breached if result is positive)	<b>(111,742)</b> no breach

##### b. Use of GAG Brought Forward from Previous Year for Recurrent Purposes

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

Recurrent expenditure from GAG in current year	1,935,673
GAG allocation for current year	(2,072,649)
GAG allocation for previous year x 2%	-
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year (2% rule breached if result is positive)	<b>(136,976)</b> no breach

#### 2 Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	2011 Total Funds £
Donations - Capital	-	10,950		10,950
Donations	3,810	262,839		266,649
Other	2,336	1,500		3,836
	<b>6,146</b>	<b>275,289</b>	-	<b>281,435</b>

#### 3 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	2011 Total Funds £
Lettings income	20,717	-	-	20,717
Catering	44,535	-	-	44,535
Supplies to students	3,728	-	-	3,728
	<b>68,980</b>	-	-	<b>68,980</b>

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

#### 4 Investment Income

	Unrestricted Funds £	Restricted Funds £	2011 Total Funds £
Bank Interest	1,480		1,480
	<u>1,480</u>	<u>-</u>	<u>1,480</u>

#### 5 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
<b>DfE / YPLA capital grant</b>			
Devolved Formula Capital allocations	-	21,820	21,820
Academy building grants	-	74,901	74,901
	<u>-</u>	<u>96,721</u>	<u>96,721</u>
<b>DfE / YPLA revenue grants</b>			
General Annual Grant (GAG) (note 1)	-	1,763,520	1,763,520
School Standards Funds	-	87,353	87,353
Extended schools programme	-	38,559	38,559
Specialist school	-	141,250	141,250
Lunch grant	-	1,612	1,612
Insurance grant	-	40,356	40,356
Start Up grants	-	25,000	25,000
Other DfE / YPLA grants	-	114,160	114,160
	<u>-</u>	<u>2,211,809</u>	<u>2,211,809</u>
<b>Other Government grants</b>			
SEN from LA	-	30,157	30,157
Special educational projects	-		-
16-18 Bursary Fund	-		-
	<u>-</u>	<u>30,157</u>	<u>30,157</u>
	<u>-</u>	<u>2,338,686</u>	<u>2,338,686</u>

#### 6 Other incoming resources

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Contribution to exam fees	-	233	233
Pupil trips	-	54,136	54,136
Music tuition	-	8,495	8,495
Graduate training contribution	-	10,933	10,933
Wages recharged	-	31,407	31,407
Sundry income	-	3,155	3,155
	<u>-</u>	<u>108,359</u>	<u>108,359</u>

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

#### 7 Resources Expended

	Premises Costs £	Staff Costs £	Other Costs £	2011 Total £
Costs of generating voluntary income	-	2,464	61,020	63,484
Academy's educational operations				
Direct costs	19,240	1,618,157	240,745	1,878,143
Allocated support costs	178,046	257,242	168,135	603,424
	<b>197,286</b>	<b>1,875,400</b>	<b>408,880</b>	<b>2,481,567</b>
Governance costs including allocated support costs	-	2,068	20,066	22,134
	<b>197,286</b>	<b>1,879,932</b>	<b>489,966</b>	<b>2,567,184</b>

The method used for the apportionment of support costs is disclosed in the accounting policies on page 22.

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

	2011 £
Depreciation	112,141
Operating leases	1,586
Profit / (loss) on disposal of fixed assets	-

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

	Unrestricted Funds £	Restricted Funds £	2011 Total Funds £
<b>Direct costs</b>			
Teaching and educational support staff costs	-	1,618,157	1,618,157
Depreciation	-	19,240	19,240
Educational supplies	-	58,187	58,187
Examination fees	-	17,772	17,772
Staff development	-	10,328	10,328
Music tuition	-	7,943	7,943
Educational trips	-	141,655	141,655
Other direct costs	-	4,861	4,861
	-	<b>1,878,143</b>	<b>1,878,143</b>
<b>Educational support costs</b>			
Support staff costs	-	257,242	257,242
Depreciation	-	92,901	92,901
Recruitment and other staff costs	-	226	226
Heat and light	-	28,607	28,607
Premises and maintenance costs	-	131,587	131,587
Cleaning contracts	-	17,853	17,853
Technology costs	-	54,753	54,753
Other support and admin expenses	-	20,255	20,255
	-	<b>603,424</b>	<b>603,424</b>
	-	<b>2,481,567</b>	<b>2,481,567</b>

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

#### 9 Governance costs

	Unrestricted Funds £	Restricted Funds £	2011 Total £
Legal and professional fees	-	13,566	13,566
Auditors' remuneration			
Audit of financial statements	-	6,000	6,000
Other services	-	500	500
Support costs	-	475	475
Governors' reimbursed expenses	-	62	62
Governors' honorarium	-	1,531	1,531
	<u>-</u>	<u>22,134</u>	<u>22,134</u>

#### 10 Staff costs

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

	2011 No.
<b>Charitable Activities</b>	
Teachers	66
Administration	39
Management	5
	<u>110</u>

Staff costs comprise:

	Unrestricted Funds £	Restricted Funds £	2011 Total Funds £
Wages and salaries	-	1,483,321	1,483,321
Social security costs	-	113,285	113,285
Other pension costs	-	215,911	215,911
	<u>-</u>	<u>1,812,518</u>	<u>1,812,518</u>
Supply teacher costs	-	7,579	7,579
Compensation payments	-	57,767	57,767
	<u>-</u>	<u>1,877,864</u>	<u>1,877,864</u>

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

	2011 No.
£60,001 - £70,000	2
£80,001 - £90,000	1

All 3 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2011, pension contributions for these staff amounted to £12,168.

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

#### 11 Governors' remuneration and expenses

Principal and Staff Governors only receive remuneration in respect of services they provide under the roles of Principal and staff members and not in respect of services as Governors. Other Governors did not receive any payments from the academy in respect of their role as Governors. The value of the Principals remuneration was £35,149. The value of Staff Governor's remuneration was £36,230.

During the year ended 31 August 2011, stationery expenses totalling £62 were reimbursed to 1 Governor.

#### *Interests in transactions*

There were no declared interests in transactions made by the Academy.

#### 12 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost for the insurance for the period ended 31 August 2011 was £1,883.

#### 13 Taxation

The academy is a registered charity and therefore is not liable to Income Tax or Corporation Tax on income from charitable activities, as it falls within the exemption available to registered charities.

#### 14 Tangible Fixed Assets

	Freehold Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2011	-	-	-	-
Additions		5,000	3,000	<b>8,000</b>
Inherited assets	2,093,128	24,420	78,525	<b>2,196,073</b>
At 31 August 2011	<u>2,093,128</u>	<u>29,420</u>	<u>81,525</u>	<u><b>2,204,073</b></u>
<b>Depreciation</b>				
At 1 April 2011	-	-	-	-
Charged in year	87,710	3,650	20,781	<b>112,141</b>
At 31 August 2011	<u>87,710</u>	<u>3,650</u>	<u>20,781</u>	<u><b>112,141</b></u>
<b>Net Book Value</b>				
At 31 August 2011	<u><b>2,005,418</b></u>	<u><b>25,770</b></u>	<u><b>60,744</b></u>	<u><b>2,091,932</b></u>
At 1 April 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Governor's have agreed to include the inherited land & buildings from the previously Local Authority (LA) maintained school at depreciated insurance rebuild cost. This was chosen in favour of having a formal valuation done as the cost of a formal valuation would be onerous compared with the additional benefit derived by users of the accounts in assessing management's stewardship of the assets; the Governor's deemed it more beneficial to expend these funds on the objectives of the company. This is in accordance with FRS 15 section 18.

The Secretary of State has placed a restrictive covenant on the land and buildings of the academy; these assets are not allowed to be sold without the Secretary's permission.

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

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#### 15 Stock

	<b>2011 Total £</b>
Catering	5,000
	<b><u>5,000</u></b>

#### 16 Debtors

	<b>2011 Total £</b>
Trade debtors	26,088
Prepayments	60,491
VAT recoverable	53,100
Other debtors	40,712
	<b><u>180,391</u></b>

#### 17 Creditors: amounts falling due within one year

	<b>2011 Total £</b>
Trade creditors	158,383
Taxation and social security	
Sundry creditors	(529)
Accruals and deferred income	211,382
	<b><u>369,236</u></b>

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

#### 18 Funds

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

	At 1 April 2011	Incoming resources	Resources expended	Gains, losses, and transfers	At 31 August 2011
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grants (GAG)	-	2,072,649	(1,940,673)	5,000	136,976
Start Up Grant	-	25,000	(20,066)	-	4,934
Other DfE/YPLA grants	-	114,160	(114,160)	-	-
SEN	-	30,157	(30,157)	-	-
Music tuition fund	-	8,495	(7,943)	-	552
Private trips fund	-	316,975	(145,481)	-	171,494
GASH fund	-	5,950	(5,950)	-	-
Other funds	-	52,228	(52,228)	-	-
	-	<b>2,625,614</b>	<b>(2,316,658)</b>	<b>5,000</b>	<b>313,956</b>
<b>Restricted fixed asset funds</b>					
DfE capital grants	-	96,721	(74,901)	-	21,820
Donated Fixed Assets	-	2,196,073	(112,141)	-	2,083,932
	-	2,292,794	(187,042)	-	2,105,752
<b>Other restricted funds</b>					
Pension Reserve	-	-	(685,000)	(4,000)	(689,000)
<b>Total restricted funds</b>	<b>-</b>	<b>4,918,407</b>	<b>(3,188,700)</b>	<b>1,000</b>	<b>1,730,707</b>
<b>Unrestricted Funds</b>					
Unrestricted funds	-	699,397	(63,484)	-	635,913
<b>Total unrestricted funds</b>	<b>-</b>	<b>699,397</b>	<b>(63,484)</b>	<b>-</b>	<b>635,913</b>
<b>Total funds</b>	<b>-</b>	<b>5,617,804</b>	<b>(3,252,184)</b>	<b>1,000</b>	<b>2,366,620</b>

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

*Restricted GAG Fund, Other DfE/YPLA grants & Other funds* - This fund represents grants received for the Academy's operational activities and development.

*Start Up Grant* - This fund is specifically to assist with the costs of converting to an academy.

*SEN fund* - This fund is for subsidising the extra cost of educating children with special educational needs.

*Music tuition fund* - This is monies that students have paid to pay for music tuition costs.

*Private trips fund* - This is income from students to pay for educational trips in the future.

*GASH fund* - This is funds received from GASH for a project undertaken in the year.

*DfE capital grants* - These grants relate to funding received from the DfE, YPLA and private sponsors to carry out works of a capital nature as part of the School Building project.

*Donated Fixed Asset fund* - This is the fund value of assets brought into the academy, the appropriate depreciation is being charged to this fund on an annual basis.

*Pension reserve* - This fund relates solely to the LGPS pension reserve.

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

#### 19 Analysis of net assets between funds

Fund balances at 31 August 2011 are represented by:

	<b>Unrestricted general fund £</b>	<b>Restricted general fund £</b>	<b>Restricted fixed asset fund £</b>	<b>Restricted other fund £</b>	<b>2011 Total £</b>
Tangible fixed assets			2,091,932		<b>2,091,932</b>
Current assets	635,913	697,011			<b>1,332,924</b>
Current liabilities		(369,236)			<b>(369,236)</b>
Pension scheme liability		(689,000)			<b>(689,000)</b>
<b>Total net assets</b>	<b>635,913</b>	<b>(361,225)</b>	<b>2,091,932</b>	<b>-</b>	<b>2,366,620</b>

#### 20 Financial commitments

##### *Operating leases*

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

	<b>2011 Total £</b>
Land and buildings	
Expiring within one year	-
Expiring within two and five years inclusive	-
Expiring in over five years	-
	<b>-</b>
Other	
Expiring within one year	661
Expiring within two and five years inclusive	-
Expiring in over five years	-
	<b>661</b>

#### 21 Capital Commitments

Capital commitments contracted but not provided for in the Financial Statements are as follows:

	<b>2011 Total £</b>
Building repairs	<b>70,099</b>

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

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#### 22 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 site and premises and other assets held for the purpose of the Academy:  
and

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

The Governors' have no indication of how much this liability would be, neither do they have any indication of whether the liability will crystallise.

#### 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.

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

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#### 24 Pension Commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucestershire County Council Pension Fund. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS was 31 March 2010. The Government Actuary's Department is currently undertaking a full revaluation of the TPS scheme as at 31 March 2008.

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

#### Teachers' Pension Scheme

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

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

	<b>2011</b>
	<b>£</b>
Academy's contribution for the period	<u>154,581</u>
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 Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) section 9(b), the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

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#### 24 Pension Commitments (Continued)

##### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2011 was £80,356, of which employer's contributions totalled £61,330 and employees' contributions totalled £19,026. The agreed contribution rates for future years are 19.8 per cent for employers and range from 5.5 to 7.5 per cent for employees.

Principal Actuarial assumptions	At 31 August 2011	At 1 April 2011
Rate of increase in salaries	4.40%	4.60%
Rate of increase for pensions in payment	2.60%	2.80%
Discount rate for scheme liabilities	5.40%	5.50%
Expected return on assets	6.00%	6.70%

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

FRS17 does not require disclosure of the sensitivity of the results to the methods and assumptions used. However, it is recommended best practice that this information is included and we have therefore shown these below.

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

	At 31 August 2011
<i>Retiring today</i>	
Males	21.70
Females	23.60
<i>Retiring in 20 years</i>	
Males	23.50
Females	25.80

##### Actuarial assumptions sensitivity

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

Change in assumptions at 31 Aug 2011	Approx % increase to employer liability	Approx monetary amount (£)
0.5% decrease in Real Discount Rate	12%	136,000
1 year increase in member life expectancy	3%	34,000
0.5% increase in the Salary Increase Rate	5%	56,000
0.5% increase in the Pension Increase Rate	7%	78,000

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

#### 24 Pension Commitments (Continued)

##### Local Government Pension Scheme (Continued)

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

	Rate of return expected at 31 August 2011	Value at 31 August 2011	Rate of return expected at 1 April 2011	Value at 1 April 2011
	%	£	%	£
Equities	6.8%	287,000	7.5%	256,000
Bonds	4.6%	115,000	4.8%	88,000
Property	4.8%	26,000	5.5%	20,000
Cash	3.9%	13,000	4.6%	11,000
<b>Total market value of assets</b>		<b>441,000</b>		<b>375,000</b>
Present value of scheme liabilities				
- Funded		1,130,000		1,060,000
- Unfunded		-		-
<b>Surplus/(deficit) in the scheme</b>		<b>(689,000)</b>		<b>(685,000)</b>

None of the fair 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 return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (i.e. As at 1 April 2011 for the period to 31 August 2011). The return on bonds are assumed to be the corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

The actual return on the scheme assets in the year was £16,000.

<b>Total expenditure recognised in the Statement of Financial Activities</b>	<b>2011</b>
	<b>£</b>
Current service cost	54,000
Past service cost (gain)	-
<b>Total operating charge</b>	<b>54,000</b>
Interest on obligation	25,000
Expected return on Scheme assets	(11,000)
<b>Net return</b>	<b>14,000</b>
Actuarial gains / (losses) on pension scheme assets	(27,000)
Actuarial gains / (losses) on scheme liabilities	28,000
<b>Net actuarial gain</b>	<b>1,000</b>

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

#### 24 Pension Commitments (Continued)

##### Amount recognised in the statement of financial activities (SOFA)

	2011 £
Actual return less expected return on pension scheme assets	(27,000)
Change in the financial and demographic assumptions underlying the present value	28,000
<b>Actuarial (loss)/gain recognised in SOFA</b>	<b>1,000</b>

##### Reconciliation of opening and closing balances of the present value of the Trust's share of scheme's liability

	2011 £
<b>Scheme liabilities at 1 April 2011</b>	1,060,000
Current service cost	54,000
Past service cost	-
Contributions by scheme participants	19,000
Interest cost	25,000
Benefits paid	-
Curtailments	-
Liabilities assumed in a business combination	-
Actuarial (gain)/loss	(28,000)
<b>Scheme liabilities at 31 August 2011</b>	<b>1,130,000</b>

##### Reconciliation of opening and closing balances of the fair value of the Trust's share of the scheme assets

	2011 £
<b>Fair value of scheme assets at 1 April 2011</b>	375,000
Expected return on scheme assets	11,000
Contributions by employer	63,000
Contributions by scheme participants	19,000
Benefits paid	-
Assets acquired in a business combination	-
Actuarial gains / (losses)	(27,000)
<b>Fair value of scheme assets at 31 August 2011</b>	<b>441,000</b>

##### Movement in surplus/(deficit) during year

	2011 £
Surplus/(deficit) in scheme at 1 April	-
Change in opening market value of assets	-
Brought forward defined benefit pension scheme asset (liability)	(685,000)
Current service cost	(54,000)
Past service cost	-
Curtailments and settlements	-
Employer contributions	63,000
Net interest/return on assets	(14,000)
Business combinations	-
Actuarial gain or (loss)	1,000
<b>(Deficit)/Surplus in scheme at 31 August</b>	<b>(689,000)</b>

## Cirencester Deer Park Academy

5 month period ended 31 August 2011

### Notes to the Accounts (continued)

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#### 24 Pension Commitments (Continued)

##### Amounts for the current and previous periods

	2011 £	2010 £
Defined benefit obligation at end of year	1,130,000	1,060,000
Fair value of plan assets at end of year	441,000	375,000
Deficit	<u>(689,000)</u>	<u>(685,000)</u>
Experience adjustments on scheme assets	(27,000)	
Experience adjustments on scheme liabilities	28,000	

##### Projected pension expense for the year to 31 August 2012

	2012 £
Projected amount credited to:	
Service cost	120,000
Interest cost	66,000
Return on assets	(32,000)
Total	<u>154,000</u>
Employer contributions	<u>152,000</u>

It must be appreciated in accordance with the Charity Commission publication, 'Charity Reserves and Defined Pension Schemes' that where, under FRS 17, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset that can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that the equivalent amount is already committed and is no longer available to the trustees to further the charity's objectives.

#### 25 Related Parties

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

##### *Gloucestershire Association of Secondary Head-Teachers Ltd (GASH Limited)*

GASH Limited is related through one of the Directors in Cirencester Deer Park School also being a Director in GASH Limited. During the year a grant was received of £6,525 for capital purchases. The Academy received the funds as part of its membership of GASH, and did not receive preferential treatment because of the Director's position.

##### *Powells Educational Foundation*

The Powells Educational Foundation is related through one of the Directors in Cirencester Deer Park School also being a Trustee in the Foundation. During the year grants totalling £16,000 were received for capital purchases. The grants were issued on an arms length basis and there was no preferential treatment in the grant making process due to the Directors position.