

**SALTASH.NET ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 AUGUST 2011**

**SALTASH.NET ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2011**

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**Governors**

I Bryce, (F,P,C&S,A) (appointed 24 February 2011)  
S Candy, (C&S,A,SD) (appointed 30 March 2011)  
P Castell, (C&S) (appointed 30 March 2011)  
B Chalkley, (F,C&S,A,SD) (appointed 30 March 2011)  
J Jones, (C&S) (appointed 30 March 2011)  
D Landers, (C&S,SD) (appointed 30 March 2011)  
A Ledger, (F) (appointed 30 March 2011)  
B Lee, (F) (appointed 30 March 2011)  
T Mansell, (F,C&S,SD) (appointed 30 March 2011)  
K Martin, (F,P,A,SD) (appointed 24 February 2011)  
J Parker, (P) (appointed 30 March 2011)  
B Preston, (F) (appointed 30 March 2011)  
D Taylor, (C&S) (appointed 30 March 2011)  
J Smith, (C&S) (appointed 30 March 2011)  
K Waghorn, Chair (F,P,C&S,A,SD) (appointed 24 February 2011)  
P Whitehouse, (F,P,A) (appointed 30 March 2011)  
I Worden, (F) (appointed 30 March 2011)  
D Yates, (C&S) (appointed 30 March 2011)

The academy governors are also members of the following committees:

F - Finance Committee  
P - Personnel Committee  
C&S - Curriculum, Standards and Achievements Committee  
A - Academy Development Committee  
SD - Student Discipline Committee

**Company registered number**

07542166

**Registered office**

Saltash.Net Community School, Wearde Road, Saltash, Cornwall, PL12 4AY

**Company secretary**

D Stoneman

**Accounting officer**

I Bryce

**Auditors**

Bishop Fleming, 50 The Terrace, Torquay, Devon, TQ1 1DD

**Bankers**

Natwest, Saltash, 40 Fore Street, Saltash, Cornwall, PL12 6JU

**Solicitors**

Foot Anstey, Salt Quay House, 4 North East Quay, Plymouth, Devon, PL4 OBN

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**GOVERNORS' REPORTS  
FOR THE PERIOD ENDED 31 AUGUST 2011**

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**GOVERNORS' REPORT**

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the 5 months ended 31 August 2011.

**Structure, Governance and Management**

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 act as the trustees for the charitable activities of Saltash.net Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Saltash.net community school.

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

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10.00, for the debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities

The Governors of the Academy have made declaration that there were no third party indemnity provisions during the year or at the date of approval of the governor's report.

Principal Activities

The Academy Trust's principal activity is to provide, for the public benefit, education in particular without prejudice to the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

Nominations for co-opted governors will be requested by a specified date. These nominations must be made in writing and include the reasons why the nominee wishes to become a governor and the attributes they can bring to the governing body.

These nominations will be considered by the members of the Academy Trust who will decide the successful candidate.

The appointment is subject to the issue of a satisfactory enhanced CRB check.

Policies and Procedures Adopted for the Induction and Training of Governors

The Governing Body and the Headteacher believe it is essential that all new governors receive a comprehensive induction package covering a broad range of issues and topics. There is a commitment to ensure that new governors are given the necessary information and support to fulfil their role with confidence. The process is seen as an investment, leading to more effective governance and retention of governors.

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**GOVERNORS' REPORTS (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2011**

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In order to achieve this, new governors will:

- Be allocated a mentor
- Be sent a letter by the Chair of Governors welcoming the new governor giving details of the process for meeting their mentor, the dates of future meetings and location details
- Meet with the Chair of Governors who will give the new governor the 'Information for Governors' Folder and other information as required
- Be contacted by the Headteacher to arrange a visit to the school to include a tour of the school, meet staff and students
- Be invited to an informal meeting with the Headteacher who will cover the background to the school and current issues facing the school
- Meet with their mentor to go through the documentation received, go through the work of committees, discuss new governor training and discuss any queries, anxieties etc
- Meet with their mentor periodically

A comprehensive checklist will also be completed to ensure the above has been achieved; this will be retained by both the newly appointed governor and the chair of governors.

Organisational Structure

The governors of the Academy Trust are responsible for setting policies to be used within the Trust. Each of the governors form part of the Trust's four committees, Finance, Curriculum, Standards and Achievement, Academy Development and Personnel. Each committee has its own Terms of Reference which helps to aid the policy making process and outlines the specific responsibilities of each committee.

The current organisation structure consists of the Governors, the Leadership Group and Departmental Heads. The Leadership Group consists of the Principal (the Accounting Officer), two Deputy Headteachers, five Assistant Headteachers, the Business Manager and the Data and Personnel Manager. The Leadership Group control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. They are also responsible for the authorisation of spending within agreed budgets with some spending control being devolved to the Departmental Heads with limits set out within the Academy's Scheme of Delegation.

Risk Management

The major risks to which the Academy is exposed have been identified and systems and procedures have been agreed and put in place to manage or mitigate those risks. A Risk Register is being drawn up.

Connected Organisations, including Related Party Relationships

The Academy Trust has no connected organisations or related party relationships so is therefore not exposed to any impact this may have on the operating policies of the trust.

**Objectives and Activities**

Objects and Aims

The principal object of the Academy Trust is to provide education without prejudice to all pupils and its aims can be summarised below:-

- To be concerned with the 'how' of learning as well as the 'what'.
- To have focus on skills, especially the skill of learning to learn.
- To use teaching and learning approaches that develops personal qualities.
- To promote independence, creativity and enterprise in young people.
- To use new technologies to extend the possibilities of when and where learning takes place and who is involved in the learning process, as well what and how learners learn.
- To use knowledge actively as a cornerstone for creativity and problem solving.
- To link learning to big issues and community action, and give learning an international dimension.
- To teach students the skill of research and analysis.
- To ensure our students are confident individuals who become increasingly independent and are able to take initiative and organise themselves.

**GOVERNORS' REPORTS (continued)  
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Objectives, Strategies and Activities

Through an analysis and evaluation of feedback from staff training days, departmental and pastoral reviews, Leadership and Governor meetings, the following were identified as the key areas for development during the year in 2010-11:

1. Continued focus on the standards and achievement agenda, ensuring there is a continued upward trend, especially with regard to the overall 5A\*-C including English and Maths figure. This priority to include review and evaluation of use of progress tracker, using data to impact upon learning outcomes and use of APP/AFL strategies.
2. Continued focus on the achievement of post-16 students, addressing the key Ofsted issues from October 2008.
3. Making sure we maintain numbers for Year 7 and post-16
4. Addressing the 'bigger picture' with regard to Academies and the impact of the Autumn Spending Review
5. Ensuring we do all that we can to generate additional income to supplement the Local Authority Grant and General Annual Grant and maximise our earning potential at saltash.net
6. Continuing to focus on curriculum developments, curriculum delivery and staffing implications, for example:
  - Integrated Learning
  - 14-19 Diplomas
  - Completion of GTPs
  - Budgetary cuts following Spending Review
  - Controlled Assessments
7. Strengthening of Quality Assurance programme across all curricular and pastoral areas including:
  - Autumn and Spring Reviews
  - Work Sampling
  - Lesson Observation and follow up
8. Addressing issues related to Behaviour Management including low level disruption, consistent application of policies and procedures, implementation of new ISU protocols, Rewards & Sanctions, reducing fixed term exclusion rate.
9. Professional development of staff, especially in light of having 12 new teachers, including 9 NQTs/GTPs, as well as a significant number of non-teaching new staff.
10. Strengthening partnerships with parents and the community, including undertaking a Kirkland Rowell survey in the Autumn Term 2010 to include questions on safeguarding, organising information and support evenings for parents of students in Year 10 and 11, and introducing the Parental Gateway in 2011. This priority to be linked to preparation for the redesignation of saltash.net as a specialist school in 2011-12.

Public Benefit

Governors are clear that the Academy has the charitable purpose of the advancement of education. In exercising their power and duties Governors have taken due regard of the two clear principles of public benefit published by the Charities Commission and the major factors within those principles.

**Achievements and Performance**

An evaluation of the key priorities which were identified for the Academy for 2010-11 can be summarized as follows:

- Key Priority 1: The 2010 results, validated by Raise on Line, showed a continued upward trend and led to the SSAT naming saltash.net as one of the most improved schools in the country on the strength of its overall

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5A\*-C. This summer, 2011, the results at GCSE have continued to climb as can be seen by the table below, taken from the whole school SEF.

	2008	2009	2010	2011 (unvalidated)	National
5 A*-C	61%	75%	84%	90%	69% (2011)
5A*-C Inc Eng/Ma	47%	48%	53%	58%	54% (2010)
5 A*-G	96%	97%	98%	96%	92.7% (2011)

In addition, with regard to Key Priority 1, members of the Leadership Group undertook a full review of the use of progress tracker as well as changing the school's target setting process to come in line with FFTD predictions. These changes and the rationale behind them have been shared with all staff during training days throughout the last year:

- Key Priority 2: Following the best A Level results in the school's history in 2010, the school maintained its unrelenting focus on students' achievements post 16. For the second consecutive year there was a 100% attendance of students at the Academic Review day and the policy of handing in all coursework assignments to the 6th Form administrator (in line with University practice) definitely reinforced to earning students the high expectations of the school with regard to them taking responsibility for their own learning. There was another very good set of A Level results in the summer of 2011 with 98% of students gaining a place at University, 87% at their first choice. In a year where competition for places was intense this was extremely pleasing.
- Key Priority 3: The success of our primary/secondary liaison programme, including our Year 5 information evenings, Year 5 Theme Day and Open Evenings, definitely played a key part in ensuring that we had a full year group of 230 students (with others on a waiting list) for September 2011. As 2010-11 was the biggest primary 'dip' in numbers for Year 6 students across the 7 partner primary schools, recruiting 230 students was a major achievement. The 6th Form continues to recruit well with 119 students enrolling into Year 12 this September. As a 'sign of the times', more Year 12 students than in previous years left us at the end of their first year, mainly for apprenticeships or vocational pathways, but the combination of the loss of EMA and the hefty rise in University tuition fees probably accounts for several of the departures.
- Key Priority 6: Curriculum Development
  - o Integrated Learning  
The Integrated Learning team spent twelve months developing an exciting new course and invested significant time in the training of the delivery team. 6 periods a week will now be allocated to Integrated Learning which will be launched at the start of the academic year 2011-12.
  - o 14-19 Diplomas  
14-19 vocational provision remained a priority for Curriculum development. However, across the South East Cornwall Consortium there was dismay that after extensive work having taken place to develop the Diploma offer, the coalition Government did not deem it a priority for further investment. The academy of Tourism, however, continued to develop over the last academic year, providing excellent vocational resources in all 5 secondary schools and Cornwall College, Saltash, as well as the final plans for the new build at St Mellion International, which should be finished by January 2012. The Review of 14-19 provision generally, continued throughout 2010-11, especially in the light of the Wolf report and this will need to continue this year.
  - o Completion of GTPs  
Unfortunately, the PE GTP did not run but we had a very successful Science one, with the

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member of staff acquiring a post in a PRU in London from September, having been especially inspired by the SEN provision here at saltash.net.

- o Controlled Assessments  
These posed considerable challenges for some subjects, especially Geography and Modern Foreign Languages resulting in an increased workload for Heads of Department and Subject Leaders. Consistency of approach across all schools remains a concern and will be evaluated as part of the exams analysis meetings this Autumn.
- Key Priority 7: A major review of the school's QA procedures was undertaken throughout 2010-11. A revised and improved set of policies and procedures will be launched with all Middle Leaders at the start of the school year 2011-12.
- Key Priority 8: The Leadership Group addressed all areas relating to Behaviour Management as identified in the 2009/2010 Development Plan. A major revision of intervention strategies was carried out, leading to, among other things, the appointment of a full time Counsellor (Tina Greenhill) and a full time Intervention Officer (Leanne Mercer). One of the main aims of the review was to reduce the fixed term exclusion rate which was successfully achieved and, once again, there were no permanent exclusions. The Pink (Behaviour) Code was also revisited with input from Students and Staff.
- Key Priority 9: There were many exciting opportunities for professional development throughout 2010-11, many of which were made possible by the school's continuing, very positive relationship with Microsoft. The opportunities included a second, superb residential conference at Bedruthan, sponsored by Microsoft, giving 50 staff (including NQTs and our GTP) time to embrace and develop the learning and teaching with new technologies agenda, many staff commenting at the end of it that it was the best professional development they had ever had.

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.

Key Financial Performance Indicators

The majority 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 5 months ended 31 August 2011 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The Academy also received a grant from the Capital Maintenance Fund from Partnerships for Schools for refurbishment of the school's changing room facilities. 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 5 months ended 31 August 2011, total expenditure of £3,544,575 exceeded the recurrent grant funding from the YPLA together with other incoming resources, mainly due to the level of depreciation £573,771 charged in the period. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £159,002.

At 31st August 2011 the net book value of fixed assets was £32,634,045 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 Local Government Pension Scheme as at 31st August 2011 held a deficit of £361,000, the breakdown of which is detailed within note 26 to the Financial Statements.



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**Financial Review**

Financial and Risk Management

Category	Sub Category	Specific Risk	Likelihood (5= high: 1 = low)	Impact (5 = high: 1 = low)	Response: Tolerate; Treat; Terminate	Target Date	Review Date	Progress Report/Evidence
Finance	Budget	Budget not prepared in time to meet YPLA timetable	1	5	Treat	Annual	Annual	Budget prepared
	Financial Systems	Financial systems are not suitable to produce required information	1	4	Treat	Termly	Termly	Maintain system monitoring. Information not provided in a timely manner or is inadequate
	Financial Systems	Failure to meet audit legislative requirements	1	4	Treat	Annual	Annual	Documentation produced on time
	Income	Not sufficient to cover planned expenditure and liabilities	1	4	Treat	Annual	Annual	Adjust expenditure
	Student Recruitment	Year 7 and/or Year 12 entry below planned numbers	2	5	Treat	Annual	Annual	Adjust staffing and courses
Staffing	Staff recruitment and absence	Cannot cover curriculum needs	2	4	Treat	Ongoing	Ongoing	Curriculum delivered or adjusted
Buildings	Damage, especially catastrophic damage	Cannot deliver curriculum in part of school premises	1	5	Treat	Ongoing	Ongoing	Find alternative premises

**Reserves Policy**

Restricted Reserves will be held at a level commensurate with the identified need going forward but be no greater than 12% of the GAG as laid down by the YPLA.

**GOVERNORS' REPORTS (continued)  
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Unrestricted reserves will be at a level necessary to:-

- Allow future planned expenditure that cannot be met from the annual budget.
- Allow the creation and maintenance of a "sinking fund" for the replacement of large capital and infrastructure items.
- Create and maintain capacity to deal with unknown items of expenditure that cannot be expected to be funded from annual budgets.

This policy is currently being reviewed.

**Investment Policy**

The Academy will, normally where possible, use its income in the financial and academic years it is acquired: with the exception of that designated as Reserves. Investment therefore means placing that income in a low risk environment so as to be available when needed, but also maximising returns by making use of appropriate savings and other investment accounts. To expedite this, the Business Manager is authorised to move funds among the Academy's accounts.

**Plans for Future Periods**

Through an ongoing analysis and evaluation of feedback from staff training days, line management meetings, departmental and pastoral reviews, as well as Leadership and Governor Meetings and Development Days, the following have been identified as the key areas for development the coming year 2011/12:

1. Continued development of saltash.net as a thriving and successful Academy. To include the creation of a 3-5 year strategic plan involving all stakeholders, including our partner primary schools. This priority will include ensuring that the upward trend in results is maintained.
2. Continued focus on "the basics", including AFL, feedback and marking, use of planners, behaviour management, rewards and praise, safeguarding.
3. The implementation of a revised Q.A. policy/cycle leading to an unrelenting focus on standards and achievement and securing outstanding lessons and progress.
4. The development of the Special Needs provision at saltash.net, to include:
  - Support for the new SENCO
  - The development of the Intervention policy
  - The Area Resource Base
  - Gifted and Talented provision across Key stages 2-5
5. In response to the student and parent Kirkland Rowell surveys, continued emphasis on improving the school's premises, facilities and resources, to include:
  - The overall management of whole school projects
  - Community use and income generation
  - ICT strategic plans
6. Regular Curriculum review and evaluation, especially of the newly launched Integrated Learning, 14-19 provision and the EBac. Capitalising on the new build at St Mellion International, in terms of what it can offer student and staff learners at saltash.net, will also be a priority.
7. The strengthening of parental links and parental engagement
8. Addressing the implications of the Raising of the School Leaving Age through a review of Post 16 provision and appropriateness of courses offered.
9. Ensuring that the Continuing Professional Development programme offered at saltash.net remains

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cutting edge' and meets equally the needs of NQTs and newer staff with those of more established staff.

10. Further development of 'Student Voice' opportunities including the expansion of Community links and involvement to be led by the Head Student Team and School Council.

**Funds held as Custodian Trustee on behalf of others**

Neither the Academy Trust nor its Governors are acting as custodian trustees.

**Auditor**

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;

and

- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the Governing Body on 5th December 2011 and signed on its behalf by:



**Kate Waghorn  
Chair of Governors**

## **STATEMENT OF INTERNAL CONTROL**

### **Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Saltash.net Academy Trust 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 Saltash.net Academy Trust 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 Saltash.net Academy Trust for the 5 months 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 5 months 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 (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed David Landers, a governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of

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checks on the Academy Trust's financial systems. At the end of the financial year 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.

The R O function has been fully delivered in line with the YLA's requirements and no material control issues were found to exist within the period.

**Review of Effectiveness**

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Business and Finance Team 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 5th December 2011 and signed on its behalf by:



**Kate Waghorn  
Chair of Governors**



**Isobel Bryce  
Accounting Officer**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The governors (who act as trustees for charitable activities of Saltash.net Academy Trust Ltd and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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.

Approved by order of the members of the Governing Body on 5th December 2011 and signed on its behalf by:



**Kate Waghorn  
Chair of Governors**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SALTASH.NET ACADEMY TRUST**

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We have audited the financial statements of Saltash.Net Academy Trust for the period ended 31 August 2011 which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2010/11 issued by the Young People's Learning Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy'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 AUDITOR**

As explained more fully in the Statement of Governors' Responsibilities set out on page 12, 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 (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 ; 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' Annual Report for the financial period 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.

**SALTASH.NET ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SALTASH.NET ACADEMY TRUST**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Pamela Tuckett FCA (Senior Statutory Auditor)  
for and on behalf of  
**BISHOP FLEMING**  
Chartered Accountants  
Statutory Auditors  
50 The Terrace  
Torquay  
Devon  
TQ1 1DD

Date: 15/12/11



**SALTASH.NET ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE PERIOD ENDED 31 AUGUST 2011**

	Note	Fixed asset funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	3	-	10,124	11,176	21,300
Activities for generating funds	4	-	-	6,839	6,839
Investment income	5	-	-	2,388	2,388
Incoming resources from charitable activities	6	117,119	3,033,318	65,961	3,216,398
<b>TOTAL INCOMING RESOURCES</b>		<b>117,119</b>	<b>3,043,442</b>	<b>86,364</b>	<b>3,246,925</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	7	573,772	2,901,356	60,597	3,535,725
Governance costs	10	-	8,850	-	8,850
<b>TOTAL RESOURCES EXPENDED</b>	11	<b>573,772</b>	<b>2,910,206</b>	<b>60,597</b>	<b>3,544,575</b>
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS</b>		<b>(456,653)</b>	<b>133,236</b>	<b>25,767</b>	<b>(297,650)</b>
Transfers between Funds	20	131,981	(131,981)	-	-
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS</b>		<b>(324,672)</b>	<b>1,255</b>	<b>25,767</b>	<b>(297,650)</b>
Actuarial gain/ (loss) on defined benefit pension scheme		-	4,000	-	4,000
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(324,672)</b>	<b>5,255</b>	<b>25,767</b>	<b>(293,650)</b>
Funds transferred from Local Authority on conversion		33,006,560	(365,000)	308,956	32,950,516
<b>TOTAL FUNDS AT 31 AUGUST 2011</b>		<b>32,681,888</b>	<b>(359,745)</b>	<b>334,723</b>	<b>32,656,866</b>

All activities relate to continuing operations.

The notes on pages 18 to 35 form part of these financial statements.

**SALTASH.NET ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
REGISTERED NUMBER: 07542166**

**BALANCE SHEET  
AS AT 31 AUGUST 2011**

	Note	£	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	16		32,634,045
<b>CURRENT ASSETS</b>			
Stocks	17	19,417	
Debtors	18	225,120	
Cash at bank and in hand		612,621	
		<u>857,158</u>	
<b>CREDITORS:</b> amounts falling due within one year	19	<u>(473,337)</u>	
<b>NET CURRENT ASSETS</b>			<u>383,821</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>33,017,866</u>
Defined benefit pension scheme liability	26		<u>(361,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)</b>			<u><u>32,656,866</u></u>
<b>CHARITY FUNDS</b>			
Fixed asset funds	20		32,681,888
Restricted funds	20		(359,745)
Unrestricted funds	20		334,723
			<u><u>32,656,866</u></u>

The financial statements were approved by the Governors on 5 December 2011 and signed on their behalf, by:

Kate Waghorn



Chair of Governors

Isobel Bryce



Principal

The notes on pages 18 to 35 form part of these financial statements.

**SALTASH.NET ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2011**

	Note	2011 £
Net cash flow from operating activities	22	535,280
Returns on investments and servicing of finance	23	826
Capital expenditure and financial investment	23	(222,371)
Acquisitions and disposals	23	298,886
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>612,621</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE PERIOD ENDED 31 AUGUST 2011**

	2011 £
Increase in cash in the period	612,621
<b>MOVEMENT IN NET DEBT IN THE PERIOD</b>	<b>612,621</b>
<b>NET FUNDS AT 31 AUGUST 2011</b>	<b>612,621</b>

The notes on pages 18 to 35 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**

	Fixed asset funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Net movement in funds for the year	(324,671)	5,255	25,766	(293,650)
<b>NET MOVEMENT IN FUNDS AVAILABLE FOR FUTURE ACTIVITIES</b>	<b>(324,671)</b>	<b>5,255</b>	<b>25,766</b>	<b>(293,650)</b>

The notes on pages 18 to 35 form part of these financial statements.

**SALTASH.NET ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2011**

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**1. ACCOUNTING POLICIES**

**1.1 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.

**1.2 INCOMING RESOURCES**

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

**GRANTS RECEIVABLE**

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

**SPONSORSHIP INCOME**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the 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.

**DONATED SERVICES AND GIFTS IN KIND**

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

**1. ACCOUNTING POLICIES (continued)**

**1.3 RESOURCES EXPENDED**

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

**COSTS OF GENERATING FUNDS**

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

**CHARITABLE ACTIVITIES**

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

**GOVERNANCE COSTS**

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

All resources expended are inclusive of irrecoverable VAT.

**1.4 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'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 over their expected useful lives, as follows:

Leasehold buildings	4% straight line
Motor vehicles	25% reducing balance
Fixtures, fittings and equipment	20% straight line
Computer equipment	33% straight line

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2011**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 LEASED ASSETS**

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

**1.6 STOCK**

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

**1.7 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.

**1.8 PENSION BENEFITS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, 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 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.

**1.9 FUND ACCOUNTING**

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

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

Restricted general funds comprise all other restricted funds received.

**SALTASH.NET ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2011**

**2. GENERAL ANNUAL GRANT (GAG)**

	2011 £
<b>RESULTS AND CARRY FORWARD FOR THE YEAR</b>	
GAG brought forward from previous year	-
GAG allocation for current year	2,924,636
<b>Total GAG available to spend</b>	<u>2,924,636</u>
Recurrent expenditure from GAG	(2,796,593)
Fixed assets purchased from GAG	(131,981)
<b>GAG carried forward to next year</b>	<u>(3,938)</u>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u>(350,956)</u>
<b>GAG to surrender to DfE</b>	<u>(354,894)</u>
(12% rule breached if result is positive)	<u>no breach</u>

**3. VOLUNTARY INCOME**

	Fixed asset funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Donations	-	10,124	11,176	21,300
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**4. FUNDRAISING INCOME**

	Fixed asset funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Lettings income	-	-	6,839	6,839
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**5. INVESTMENT INCOME**

	Fixed asset funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Investment income	-	-	2,388	2,388
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**SALTASH.NET ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2011**

**6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Fixed asset fund £	Restricted funds £	Unrestricted funds £	2011 £
<b>DfE/YPLA capital grant</b>				
Academy main building grants	90,389	-	-	90,389
	<u>90,389</u>	<u>-</u>	<u>-</u>	<u>90,389</u>
<b>DfE/YPLA revenue grant</b>				
General Annual Grant (GAG)	-	2,924,636	-	2,924,636
Start Up Grants	-	25,000	-	25,000
Pupil Premium	-	23,696	-	23,696
	<u>-</u>	<u>2,973,332</u>	<u>-</u>	<u>2,973,332</u>
<b>Other Government grants</b>				
School Standards Funds	-	2,924	-	2,924
Special Educational Needs	-	57,062	-	57,062
Devolved Capital	26,730	-	-	26,730
	<u>26,730</u>	<u>59,986</u>	<u>-</u>	<u>86,716</u>
<b>Other Academy Income</b>				
Internal catering income	-	-	42,805	42,805
Income for hosting trainee teachers	-	-	23,156	23,156
	<u>-</u>	<u>-</u>	<u>65,961</u>	<u>65,961</u>
<b>Total</b>	<u><u>117,119</u></u>	<u><u>3,033,318</u></u>	<u><u>65,961</u></u>	<u><u>3,216,398</u></u>

**7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2011 £	Support costs 2011 £	Total 2011 £
Academy	2,994,608	541,117	3,535,725
	<u><u>2,994,608</u></u>	<u><u>541,117</u></u>	<u><u>3,535,725</u></u>



**SALTASH.NET ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2011**

**8. DIRECT COSTS**

	2011 £
Pension finance costs - see note 26	1,000
Educational supplies	102,123
Examination fees	88,769
Staff development	8,717
Other costs	35,153
Wages and salaries	1,832,803
National insurance	181,091
Pension cost	222,819
Depreciation	522,133
	<u>2,994,608</u>

**9. SUPPORT COSTS**

	2011 £
Other costs	20,351
Recruitment and other staff costs	6,199
Maintenance of premises and equipment	70,377
Cleaning	2,444
Rent and rates	8,359
Heat and light	21,101
Insurance	29,604
Security and transport	4,183
Technology costs	56,024
Office overheads	8,212
Legal and professional	17,082
Bank interest and charges	1,562
Wages and salaries	199,431
National insurance	9,588
Pension cost	34,961
Depreciation	51,639
	<u>541,117</u>

**10. GOVERNANCE COSTS**

	Fixed asset funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Auditors' remuneration	-	4,975	-	4,975
Auditors' non audit costs	-	250	-	250
Other Governance costs	-	3,625	-	3,625
	<u>-</u>	<u>8,850</u>	<u>-</u>	<u>8,850</u>

**SALTASH.NET ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2011**

**11. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2011 £	Depreciation 2011 £	Other costs 2011 £	Total 2011 £
Academy	2,480,693	573,772	481,260	3,535,725
Governance	-	-	8,850	8,850
	<u>2,480,693</u>	<u>573,772</u>	<u>490,110</u>	<u>3,544,575</u>

**12. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging:

	2011 £
Depreciation of tangible fixed assets:	
- owned by the charity	573,772
Auditors' remuneration	4,975
Other auditors fees	2,510
	<u>581,257</u>

**SALTASH.NET ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2011**

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**13. STAFF COSTS**

Staff costs were as follows:

	2011 £
Wages and salaries	2,032,234
Social security costs	190,679
Other pension costs (Note 26)	257,780
	<hr/>
	<b>2,480,693</b>
	<hr/> <hr/>

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

	2011 No.
Teachers	90
Administration and support	109
	<hr/>
	<b>199</b>
	<hr/> <hr/>

The number of higher paid employees was:

	2011 No.
In the band £60,001 - £70,000	2
In the band £80,001 - £90,000	1
	<hr/>
	<b>3</b>
	<hr/> <hr/>

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2011, pension contributions for these staff amounted to £12,925.

**14. GOVERNORS' REMUNERATION AND EXPENSES**

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of the Principal's remuneration during the period was £42,076 (including pension contributions). The value of staff governors' remuneration was £43,712 (including pension contributions).

During the period ended 31 August 2011, expenses totalling £ 85 were reimbursed to 1 governor.

Related party transactions involving the Governors are set out in note 29.

During the period retirement benefits were accruing to 3 Governors in respect of defined contribution pension schemes

**SALTASH.NET ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2011**

**15. 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 £1,000,000 on any one claim and the cost for the period ended 31 August 2011 was £176 (2011: £NIL).

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

**16. TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £	Computer equipment £	Assets under construction £	Total £
<b>COST</b>				
Additions	20,615	111,367	90,389	222,371
Transferred in on conversion	32,918,335	67,111	-	32,985,446
At 31 August 2011	<u>32,938,950</u>	<u>178,478</u>	<u>90,389</u>	<u>33,207,817</u>
<b>DEPRECIATION</b>				
Charge for the period	548,983	24,789	-	573,772
At 31 August 2011	<u>548,983</u>	<u>24,789</u>	<u>-</u>	<u>573,772</u>
<b>NET BOOK VALUE</b>				
At 31 August 2011	<u><u>32,389,967</u></u>	<u><u>153,689</u></u>	<u><u>90,389</u></u>	<u><u>32,634,045</u></u>

**17. STOCKS**

	2011 £
Catering provisions and other consumables	<u>19,417</u>

**18. DEBTORS**

	2011 £
Trade debtors	9,682
Other debtors	62,854
Prepayments and accrued income	19,732
Grants Receivable	132,852
	<u>225,120</u>

**SALTASH.NET ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2011**

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**19. CREDITORS:**  
**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £
Trade creditors	121,377
Social security and other taxes	177,139
Other creditors	17,056
Accruals and deferred income	157,765
	<hr/>
	<b>473,337</b>
	<hr/> <hr/>

**DEFERRED INCOME**

	2011 £
Deferred income at 24 February 2011	-
Resources deferred in the year	13,289
Amounts released from previous years	-
	<hr/>
Deferred income at 31 August 2011	<b>13,289</b>
	<hr/> <hr/>

Deferred income consists of YPLA funding received in relation to the 2011/12 academic year.

**SALTASH.NET ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2011**

**20. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	308,956	86,364	(60,598)	-	-	334,722
<b>FIXED ASSET FUNDS</b>						
Fixed assets b/fwd from predecessor school	33,006,560	-	(558,132)	-	-	32,448,428
Capital grants received	-	117,119	-	-	-	117,119
Capital assets purchased from GAG/ surplus b/fwd	-	-	(15,639)	131,981	-	116,342
	<u>33,006,560</u>	<u>117,119</u>	<u>(573,771)</u>	<u>131,981</u>	<u>-</u>	<u>32,681,889</u>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	-	2,924,636	(2,796,593)	(131,981)	-	(3,938)
Pupil Premium	-	23,696	(23,696)	-	-	-
Start up grant	-	25,000	(25,000)	-	-	-
SEN Funding	-	57,062	(57,062)	-	-	-
Other restricted education income	-	2,924	(2,924)	-	-	-
Restricted voluntary income	-	10,124	(4,931)	-	-	5,193
Defined benefit pension funds (GAG)	(365,000)	-	-	-	4,000	(361,000)
	<u>(365,000)</u>	<u>3,043,442</u>	<u>(2,910,206)</u>	<u>(131,981)</u>	<u>4,000</u>	<u>(359,745)</u>
Total of funds	<u><u>32,950,516</u></u>	<u><u>3,246,925</u></u>	<u><u>(3,544,575)</u></u>	<u><u>-</u></u>	<u><u>4,000</u></u>	<u><u>32,656,866</u></u>

**SALTASH.NET ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2011**

**20. STATEMENT OF FUNDS**

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	308,956	86,364	(60,597)	-	-	334,723
Fixed asset funds	33,006,560	117,119	(573,772)	131,981	-	32,681,888
Restricted funds	(365,000)	3,043,442	(2,910,206)	(131,981)	4,000	(359,745)
	<u>32,950,516</u>	<u>3,246,925</u>	<u>(3,544,575)</u>	<u>-</u>	<u>4,000</u>	<u>32,656,866</u>

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

General funds - Unrestricted income from the unspent monies from the Academy and other donations

General Annual Grant - Income from the YPLA which is to be use for the normal running costs of the Academy, including education and support costs .

Start up Grant - One off Grant from YPLA which will be used to help towards the costs associated with running a larger Academy and to cover the economies of scale, as well as to cover start up costs.

Other Government grants - Grants income from the Local Authority to help with education of pupils with learning difficulties or disabilities.

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Fixed asset funds 2011 £	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £
Tangible fixed assets	32,634,045	-	-	32,634,045
Current assets	138,232	67,145	651,781	857,158
Creditors due within one year	(90,389)	(65,890)	(317,058)	(473,337)
Provisions for liabilities and charges	-	(361,000)	-	(361,000)
	<u>32,681,888</u>	<u>(359,745)</u>	<u>334,723</u>	<u>32,656,866</u>

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**22. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2011 £
Net incoming resources before revaluations	(297,650)
Returns on investments and servicing of finance	(826)
Depreciation of tangible fixed assets	573,772
Increase in stocks	(9,347)
Increase in debtors	(225,120)
Increase in creditors	494,451
<b>NET CASH INFLOW FROM OPERATIONS</b>	<b>535,280</b>

**23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2011 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	
Interest received	2,388
Interest paid	(1,562)
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>826</b>

	2011 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	
Purchase of tangible fixed assets	(222,371)

	2011 £
<b>ACQUISITIONS AND DISPOSALS</b>	
Cash transferred from Local Authority on conversion	298,886

**24. ANALYSIS OF CHANGES IN NET DEBT**

	24 February 2011 £	Cash flow £	Other non-cash changes £	31 August 2011 £
Cash at bank and in hand:	-	612,621	-	612,621
<b>NET FUNDS</b>	<b>-</b>	<b>612,621</b>	<b>-</b>	<b>612,621</b>



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**25. CAPITAL COMMITMENTS**

At 31 August 2011 the Academy had capital commitments as follows:

	2011 £
Contracted for but not provided in these financial statements	546,289

This amount is fully funded by Partnerships for Schools Academies capital maintenance fund.

**26. 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 Cornwall Council. 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 August 2011.

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

**LOCAL GOVERNMENT PENSION SCHEME**

The company operates a defined benefit 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 £93,013, of which employer's contributions totalled £70,816 and employees' contributions totalled £22,197. The agreed contribution rates for future years are 18.6 per cent for employers and between 5.5 to 7.5 per cent for employees.

The amounts recognised in the Balance Sheet are as follows:

	2011 £
Present value of funded obligations	(1,667,000)
Fair value of scheme assets	1,306,000
Net liability	(361,000)

The amounts recognised in surplus or deficit are as follows:

	2011 £
Current service cost	(70,000)
Interest on obligation	(38,000)
Expected return on scheme assets	37,000
Total	(71,000)

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**26. PENSION COMMITMENTS (continued)**

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

	2011 £
Current service cost	70,000
Interest cost	38,000
Contributions by scheme participants	22,000
Actuarial (gain)/ loss	(104,000)
Fair value of scheme assets on conversion	1,276,000
Opening liability	365,000
	-
	<u>1,667,000</u>

Changes in the fair value of scheme assets are as follows:

	2011 £
Expected return	37,000
Contributions by scheme participants	22,000
Contributions by employer	71,000
Actuarial gain / (loss)	(100,000)
Opening fair value of scheme assets	1,276,000
	<u>1,306,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £4,000.

The company expects to contribute £161,000 to its defined benefit pension scheme in 2012.

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

	2011
Equities	68.00 %
Government bonds	16.00 %
Property	7.00 %
Cash	9.00 %

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**26. PENSION COMMITMENTS (continued)**

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

	<b>2011</b>
Discount rate at 31 August	<b>5.40 %</b>
Expected return on scheme assets at 31 August	<b>6.10 %</b>
Future salary increases	<b>4.90 %</b>
Future pension increases	<b>2.60 %</b>
The assumed life expectations on retirement age 65 are:	
Retiring today:	
- Males	<b>21.3</b>
- Females	<b>23.4</b>
Retiring in 20 years:	
- Males	<b>23.2</b>
- Females	<b>25.6</b>

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

Amounts for the current period are as follows:

Defined benefit pension schemes

	<b>2011</b>
	<b>£</b>
Defined benefit obligation	<b>(1,667,000)</b>
Scheme assets	<b>1,306,000</b>
Deficit	<b>(361,000)</b>

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**26. PENSION COMMITMENTS (continued)**

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

	<b>2011</b>
Discount rate at 31 August	<b>5.40 %</b>
Expected return on scheme assets at 31 August	<b>6.10 %</b>
Future salary increases	<b>4.90 %</b>
Future pension increases	<b>2.60 %</b>
The assumed life expectations on retirement age 65 are:	
Retiring today:	
- Males	<b>21.3</b>
- Females	<b>23.4</b>
Retiring in 20 years:	
- Males	<b>23.2</b>
- Females	<b>25.6</b>

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

Amounts for the current period are as follows:

Defined benefit pension schemes

	<b>2011</b>
	<b>£</b>
Defined benefit obligation	<b>(1,667,000)</b>
Scheme assets	<b>1,306,000</b>
	<hr/>
Deficit	<b>(361,000)</b> <hr/> <hr/>

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

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investments 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 member's 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 levels of employer contributions. For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1%. The employee rate was 6.4% for the same period.

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

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

**27. OPERATING LEASE COMMITMENTS**

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

	<b>Land and buildings</b>	<b>Other</b>
	<b>2011</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>EXPIRY DATE:</b>		
Within 1 year	-	1,485
Between 2 and 5 years	-	20,072
	<u>          </u>	<u>          </u>

**28. 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.

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**29. RELATED PARTY TRANSACTIONS**

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.