

ARK Academies

Consolidated report and financial statements

31 August 2010

Company limited by guarantee
registration number 05112090 (England
and Wales)

Charity registration number 1111608

Contents

Reports

Reference and administrative information	1
Directors' report	2
Independent auditors' report	9

Financial statements

Consolidated statement of financial activities	11
Consolidated income and expenditure account	12
Consolidated statement of total recognised gains and losses	12
Balance sheets	13
Consolidated cash flow statement	14
Principal accounting policies	15
Notes to the financial statements	18

The following pages do not form part of the statutory financial statements:

Detailed income and expenditure accounts	31 - 36
------------------------------------------	---------

Reference and administrative information

Directors	Paul Dunning Stanley Fink Paul Marshall Ron Beller Anthony Williams Lucy Heller Gerard Griffin
Secretary	Simon Pink
Senior Management	Lucy Heller (Managing Director)
Registered office	65 Kingsway London WC2B 6TD
Company registration number	05112090 (England and Wales)
Charity registration number	1111608
Auditors	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC Private Bank (UK) Ltd 78 St James's Street London SW1A 1JB Barclays Bank plc 1 Churchill Place London E14 5HP
Solicitors	Lewis Silkin LLP 12 Gough Square London EC4A 3DW

REPORT OF THE DIRECTORS

From the 1st September 2010 ARK Academies changed its name to ARK Schools. The related entity previously named ARK Schools became ARK UK Programmes on the same date.

The directors of ARK Academies present their report and the audited financial statements of ARK Academies (the company) for the year to 31 August 2010 and its subsidiary company ARK Academies Projects Limited, together 'the group'.

The report has been prepared in accordance with Part VI of the Charities Act 1993 and it is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 18 to 20 and comply with the company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and principal activities

ARK Academies is a company limited by guarantee and a registered charity. The company's memorandum and articles of association are its primary governing documents.

The principal activity of the company is to provide excellent inner city schools through the Academies programme.

Members

The members of the company are the principal sponsor, Absolute Return for Kids (ARK), and an individual nominated by the Secretary of State for Education.

Each member of the company is liable to contribute a maximum of £10 to the company's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the company's debts and liabilities arising before he or she ceases to be a member.

Directors and trustees

The articles of association require the appointment of at least three directors. The directors of the company are also trustees of the charity. The directors delegate a number of functions to the local governing body ("LGB") of each academy.

The majority of directors are normally appointed by Absolute Return for Kids (ARK). In addition, the LGB chairs are represented on the board.

The term of office for ARK-appointed directors is four years. A director may be re-appointed or re-elected for two further consecutive periods of office.

Directors' report Year to 31 August 2010

The following directors were in office at 31 August 2010 and served throughout the year except as stated:

Director	Appointed/Resigned
Paul Dunning	
Stanley Fink	
Paul Marshall	
Ron Beller	
Paul Bernstein	
Anthony Williams	
Lucy Heller	Appointed 9 March 2010

Lucy Heller acts as Director as well as fulfilling her remunerated role as Managing Director. Following the year end Gerard Griffin was appointed as Director, as of the 1st September 2010 and Paul Bernstein resigned as from the 21st October 2010. During the year under review the Directors held five meetings.

Subsidiary company

ARK Academies Projects Limited (Company Registration Number 04101629) is a wholly-owned trading subsidiary of ARK Academies. The principal activity of the company is contractual design services and building works for a number of ARK Academies' schools. In the year under review, all expenditure related to work on Burlington Danes Academy, King Solomon Academy, Evelyn Grace Academy and Globe Academy.

Management

The majority of directors are appointed by Absolute Return for Kids (ARK). Each academy's Local Governing Body is represented on the board. The Board of directors of the company is responsible for setting general policy, adopting an annual plan and budget, and monitoring the company by use of budgets and making major decisions about the directors of the company, capital expenditure and senior staff appointments.

Each academy has its own Local Governing Body with responsibility for setting annual plans and budgets at the academy and recommending these to the company Board of directors.

The directors delegate the day to day responsibility of running the company to its Managing Director, Lucy Heller. The day to day running of individual Academies is delegated by each Local Governing Body to the senior management team, which includes the Principal.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Directors' report Year to 31 August 2010

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 company will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors confirm that

- ◆ so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- ◆ they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Risk management

The directors are responsible for identifying risks faced by the company, establishing procedures to mitigate these risks, and ensuring that employees are aware of these procedures and of the implications of failing to implement them. They are satisfied that these procedures are consistent with guidelines issued by the Charity Commission.

The directors have assessed the major risks to which ARK Academies is exposed, in particular those relating to the development of new buildings, the opening of academies, teaching, provision of facilities, and other operational areas of the academies and their finances. The directors have implemented a number of systems to assess risks that the group faces, especially in relation to new buildings, in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips), and the control of finance. They have introduced systems including operational procedures (e.g. vetting of new staff and visitors, supervision of academy grounds) and internal financial controls in order to minimize risk. Where significant financial risk still remains and it is practically possible, they have ensured that they have adequate insurance cover. ARK Academies has an effective system of internal financial controls and this is explained in more detail in the statement below.

Financial risk management objectives and policies

ARK Academies uses various financial instruments including cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The existence of these financial instruments exposes ARK Academies to a number of financial risks which are described in more detail below.

The main risks arising from the group's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk

The charity manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing. Surplus cash is invested so as to maximise interest income.

Interest rate risk

The company earns interest on cash deposits and with interest rates currently falling, the directors will take appropriate action to ensure they maximise the income from these deposits.

The group is exposed to price risk in terms of government funding levels but is content that these are in line with those in the sector, and budget accordingly. Credit risk is managed through regular contact with funders. Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

Directors' report Year to 31 August 2010

Statement on the system of internal finance control

The directors acknowledge they have overall responsibility for ensuring that each of the academies has an effective and appropriate system of control, financial and otherwise. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of individual academies and enable them to ensure the financial statements comply with the Companies Act. The directors also acknowledge responsibility for safeguarding the assets of each academy and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

- Each academy is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- The proper records are maintained and financial information used within each academy or for publication is reliable; and
- Each academy complies with relevant laws and regulations.

Each 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 Local Governing Body;
- regular reviews by the Finance, Staffing and Premises committee (or Local Governing Body where not in operation yet) 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; and
- identification and management of risks.

In addition, the directors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for ARK Academies 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:

Directors' report Year to 31 August 2010

- the type of risks ARK Academies faces;
 - the level of risks which they regard as acceptable;
 - the likelihood of the risks materialising;
 - the organisation's ability to reduce the incidence and impact on each academy's operations of risks that do materialise; and
 - the costs of operating particular controls relative to the benefits obtained.
- clarified the responsibility of the Management Team to implement ARK Academies' policies and to identify and evaluate risks for the directors' and 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 each 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 each 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 directors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the directors have appointed a Responsible Officer (RO) for each of their academies. The RO is a senior member of the central ARK Academies Finance Team, as agreed with the DfE. The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period. The RO function for the year has been fully delivered in line with the requirements of the Financial Handbook. No material issues were discovered during these visits, although recommendations for improvements in procedures were made and accepted.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their

Directors' report Year to 31 August 2010

employment with the group may continue.

It is the policy of ARK Academies that training, career development and promotion opportunities should be available to all employees.

Employee involvement

Regular meetings are held with staff in our academies to brief them on major issues and discuss local issues.

Each academy also ensures that all staff are kept fully briefed through a variety of mechanisms, including notice boards, newsletters and the school intranet. In addition, staff have the ability to access the ARK Academies website and intranet for more information.

All new staff joining ARK Academies are fully inducted.

All ARK Academies Heads meet on a regular basis to share knowledge and best practice.

OBJECTIVES AND PRINCIPAL ACTIVITIES

ARK Academies was set up to develop a network of schools providing high quality education in disadvantaged areas. Its aim is to raise attainment so that every pupil at an ARK academy does well enough by the age of 18 to go to university or pursue the career of their choice.

Public benefit

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the company's objectives and aims and in planning future activities for the year. The directors consider that the company's aims are demonstrably to the public benefit.

ACHIEVEMENTS AND PERFORMANCE

Burlington Danes Academy opened in September 2006 in Shepherds Bush, West London, and is educating 900 11-16 year old students. A sixth form opened in September 2009.

Walworth Academy opened in Southwark in September 2007 with a pupil roll of 1,000. At the same time King Solomon Academy opened in Westminster with an initial intake of 40 reception pupils. The secondary school element of King Solomon Academy opened in September 2009.

Directors' report Year to 31 August 2010

In September 2008 ARK Academies opened three new academies in Brixton, Wembley and Elephant and Castle. Globe Academy is an all-through academy for 3-18 year olds (the sixth form opens in 2012) replacing the previous primary and secondary school on the site. Evelyn Grace Academy is a new secondary academy - the first in Brixton – which admitted its first 180 Year 7 pupils in September 2008. Ark Academy in Wembley will be an all-through academy for 3-18 year olds. It opened its primary school in September 2008 with its first 60 reception pupils, and admitted its first secondary pupils in September 2010.

September 2009 saw two further ARK academies opening. St Alban's Academy opened in place of St Alban's CE Specialist Engineering College in Highgate, Birmingham. St Alban's Academy will be a four-form entry secondary school plus a sixth form with 200 places. It has specialist status in mathematics and engineering. Charter Academy replaced St Luke's CE School, in Portsmouth. The academy will grow into a four-form entry secondary school, plus a sixth form with approximately 200 places. It has mathematics and music/performing arts as specialist subject areas.

In 2009/10 ARK Academies secured a fourth year of improved GCSE performances across all its academies. ARK's five academies with GCSE results achieved an average rise of 12 percentage points over the previous year's results, making ARK the most successful academy group for GCSE improvement.

% of students passing five GCSEs at A* - C inc. English and maths	Opened	2008	2009	2010	% pt increase 2009 – 10	Average annual % pt increase since opening as an ARK academy
Burlington Danes	2006	41	50	67	17	9
Charter	2009	8*	21*	24	3	3
Globe	2008	26*	35	42	7	8
St Albans	2009	23*	31*	50	19	19
Walworth	2007	35	45	59	14	11
Average across ARK Academies					12	10

*Predecessor school

The improvement was most noticeable in mathematics, which is a specialism in all ARK schools.

- In Walworth Academy: 77% of pupils achieved grade A* - C in mathematics (2009, 59%).
- In St Alban's Academy 73% of pupils achieved grade A* – C in mathematics (2009, 53%).
- In Globe Academy, 52% of pupils achieved grade A* - C in mathematics (2009, 46%).

Directors' report Year to 31 August 2010

- In Charter Academy, 39% of pupils achieved grade A* - C in mathematics (2009, 28%).
- In Burlington Danes Academy, 76% of pupils achieved grade A* - C in mathematics (2009, 72%).

These five academies are those that had GCSE cohorts in 2009/10. The other three academies, King Solomon, Evelyn Grace and Ark, are new academies which do not yet have GCSE cohorts. Each of these, however, demonstrated excellent academic progress in year, above national averages. This was especially clear at Key Stage 1 for King Solomon and Ark, which are all-through academies (3-18) and where the primary phase opened first.

PLANS FOR FUTURE PERIODS

ARK Academies aims to have twelve academies open by 2012, educating 10,000 pupils.

At present the only other 'traditional' academy project is for a brand new academy in the London Borough of Redbridge. This will be called the Isaac Newton Academy and is scheduled to open in 2012.

ARK Academies has also been in discussions about opening new schools under the Government's Free Schools programme. It was announced after year end that initial approval had been granted for two primary academy projects in Westminster and Hammersmith & Fulham and one secondary academy project in Wandsworth through this initiative.

FINANCIAL REVIEW

Financial report for the year

The company's income and expenditure for the year includes capital income, depreciation and pension scheme adjustments which are accounting adjustments and are figures that are not included when operational budgets are agreed with the DfE. The operating surplus excluding capital items, depreciation and pension scheme adjustments for the year ended 31 August 2010 was £1.8m (2009: £3.6m).

Most of the company's income comes from the Department for Education (DfE) in the form of recurrent grants for particular purposes. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The company also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), these 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.

Directors' report Year to 31 August 2010

During the year ended 31 August 2010, total expenditure of £49.6m was more than covered by grant funding from the DfE and other income. The excess of income over expenditure for the year (excluding restricted fixed asset funds and before transfers and the pension scheme actuarial movement) was £1.3m. This figure does however include grants for our academies which are designed to be spent over more than one year.

At 31 August 2010 the net book value of fixed assets was £124.5m. £122.1m of this total relates to construction work on four academies, all (bar one building at Burlington Danes) of which were incomplete at the year end, but will come into use during 2010/11.

Grants from the DfE and other sources for individual academies are delegated to those academies in full. All academies are expected to manage their individual budgets themselves, and in 2009/10 all eight achieved a surplus position.

During 2010/11 ARK Academies will take possession of the new buildings at Walworth and Ark academies. These were built under the National Framework, which means that they are not recognised in our Balance Sheet until complete.

Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. This applies particularly to the funds earmarked for future capital projects. The level of reserves will be kept under review by the directors.

Financial position

ARK Academies held fund balances at 31 August 2010 of £135.7m, comprising £133.7m of restricted funds and £2.0m of unrestricted general funds. The restricted funds include a pension reserve deficit of £3.3m.

Also during the year £3m was paid into endowment funds for the benefit of our academies. The endowments are administered through ARK Schools (see note 19).

Approved by the directors and signed on their behalf by:



Paul Dunning

Director

Approved by the directors on: 23rd November 2010 and signed on their behalf on 18th February 2011

Independent Auditors' Report

Report of the independent auditors to the members of ARK Academies

We have audited the financial statements of the company and Group for the period ended 31 August 2010, which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated Statement of Total Recognised Gains and Losses, the company and Group Balance Sheets, the Consolidated Cash Flow Statement, the principal accounting policies and the related notes. These financial statements have been prepared under accounting policies set out therein.

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

Respective responsibilities of directors and auditors

The directors act as trustees for the charitable activities of ARK Academies and are also the directors of the company for the purposes of company law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of directors' responsibilities contained within the directors' report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you in our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the directors' report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Independent Auditors' Report

Basis of audit opinion

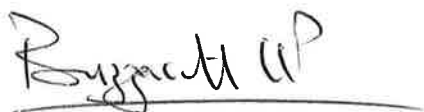
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the company's and Group's affairs as at 31 August 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006;
- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Young People's Learning Agency in respect of the relevant financial year;
- proper accounting records have been kept by the group throughout the financial year;
- grants made by the Young People's Learning Agency have been applied for the purposes intended; and
- the information given in the directors' report is consistent with the financial statements.



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

9 March 2011

Consolidated statement of financial activities Year to 31 August 2010

			Restricted funds			2010	2009
	Notes	General fund £'000	DfE £'000	Other £'000	Fixed assets £'000	Total Funds £'000	Total Funds £'000
Incoming resources							
Income from generated funds							
. Voluntary income	2	2,601	0	670	0	3,271	2,796
. Activities for generating funds	3	117	0	0	0	117	67
. Interest receivable		12	0	0	0	12	89
Income from charitable activities							
. Funding for ARK Academies educational operations	4	0	40,887	2,440	68,912	112,239	75,627
. Project management grants	5	0	103	0	0	103	672
Other incoming resources	6	1,723	0	0	0	1,723	1,779
Total incoming resources		4,453	40,990	3,110	68,912	117,465	81,030
Resources expended							
Charitable activities							
. ARK Academies' educational operations	7	3,402	40,316	1,088	2,383	47,189	31,016
. Development costs	8	163	2,023	0	0	2,186	2,889
Governance costs	9	225	16	0	0	241	195
Total resources expended		3,790	42,355	1,088	2,383	49,616	34,100
Net incoming/ (outgoing) resources before other recognised gains and losses							
		663	-1,365	2,022	66,529	67,849	46,930
Other recognised gains and losses							
Brought forward defined benefit pension scheme liability	17	0	-1,451	0	0	-1,451	82
Actuarial losses on defined benefit pension schemes	17	0	-122	0	0	-122	-1,566
Past service gain in respect of pension scheme	17	0	750	0	0	750	0
Net movement in funds		663	-2,188	2,022	66,529	67,026	45,446
Fund balances brought forward at 1 September 2009							
		1,295	3,049	607	63,714	68,665	23,219
Fund balances carried forward at 31 August 2010							
		1,958	861	2,629	130,243	135,691	68,665

All of the company's activities derived from continuing operations. There is no difference between the net movement in funds stated above and the historical cost equivalent.

Consolidated income and expenditure account Year to 31 August 2010

	Notes	2010 £'000	2009 £'000
Income			
General Annual Grant (GAG)	1	33,635	23,043
Other DfE revenue grants	4	7,252	7,689
DfE capital grants	4	64,073	40,735
ARK and other capital grants	4	4,839	3,000
DfE project management grants	5	103	672
Other grants	4	2,440	1,160
Private sponsorship and donations	2	3,271	2,796
Lettings income	3	117	67
Interest receivable		12	89
Other income	6	1,723	1,779
Total income		117,465	81,030
Expenditure			
General Annual Grant (GAG) related expenditure	1	33,634	22,945
Other expenditure		13,599	10,738
Depreciation	11	2,383	417
Total expenditure		49,616	34,100
Excess of income over expenditure		67,849	46,930

Consolidated statement of total recognised gains and losses Year to 31 August 2010

	Notes	2010 £'000	2,009 £'000
Excess of income over expenditure		67,849	46,930
Actuarial gains (losses) on defined benefit pension schemes	17	-122	-1,566
Past service gain in respect of pension scheme		750	0
Total recognised gains and losses for the year		68,477	45,364
Pension scheme liability brought forward at 1 September 2009	17	-1,451	82
Total recognised gains and losses since last report		67,026	45,446
Net movement to (from) funds			
Restricted funds		66,362	45,163
Unrestricted general fund		664	283
		67,026	45,446

The income and expenditure account and statement of total recognised gains and losses are derived from the statement of financial activities on page 14 which, together with notes to the financial statements on pages 21 to 35, provides full information on the net movements during the year on all funds of the company.

All of the company's activities derived from continuing operations during the above two financial periods.

Balance Sheet August 2010

	Notes	2010		2009	
		Group £'000	Academies £'000	Group £'000	Academies £'000
Fixed assets					
Tangible assets	11	124,487	124,487	60,739	60,739
Investments	12	0	0	0	0
		124,487	124,487	60,739	60,739
Current assets					
Debtors	13	19,886	20,037	18,600	18,435
Cash at bank and in hand		16,127	15,814	11,206	10,330
		36,013	35,851	29,806	28,765
Creditors: amounts falling due within one year	14	-21,542	-21,380	-19,883	-18,842
Net current assets		14,471	14,471	9,923	9,923
Net assets excluding pension liability		138,958	138,958	70,662	70,662
Pension scheme liability	17	-3,267	-3,267	-1,997	-1,997
Net assets including pension liability		135,691	135,691	68,665	68,665
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	15				
. Fixed assets		130,243	130,243	63,714	63,714
. DfE revenue funding		4,128	4,128	5,046	5,046
. Pension reserve		-3,267	-3,267	-1,997	-1,997
. Other restricted funds		2,629	2,629	607	607
		133,733	133,733	67,370	67,370
Unrestricted funds					
. General fund		1,958	1,958	1,295	1,295
		135,691	135,691	68,665	68,665

Approved by the directors on 23rd November 2010 and signed on their behalf by Paul Dunning on 18th February 2011:

Paul Dunning
Director

Company registration number: 05112090 (England and Wales)

Consolidated cash flow statement 31 August 2010

	Notes	2010 £000	2009 £000
Net cash inflow from operating activities	(a)	71,047	49,984
Returns on investments and servicing of finance			
Interest received		12	89
Interest payable		(3)	(40)
Capital expenditure and financial investment			
Purchase of fixed assets	11	(66,135)	(44,056)
Increase in cash		4,921	5,977

a) Reconciliation of net incoming resources to net cash inflow from operating activities.

	2010 £000	2009 £000
Net incoming resources	67,849	46,930
Pension costs less contributions payable	293	(1,484)
Depreciation	2,383	417
Interest received	(12)	(88)
Interest payable	558	40
(Increase)/Decrease in debtors	(1,283)	881
Increase/(Decrease) in creditors	1,259	3,288
Net cash inflow from operating activities	71,047	49,984

b) Analysis of changes in net debt Company

	At 1 September 2009 £'000	Cash flows £'000	At 31 August 2010 £'000
Cash at bank and in hand	10,330	5,484	15,814
Group			
	At 1 September 2009 £'000	Cash flows £'000	At 31 August 2010 £'000
Cash at bank and in hand	11,206	4,921	16,127

Accounting Policies

Format of financial statements

The standard format for the financial statements as required by the Part 15 Chapter 4 of the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP 2005') and reflects the activities of the company.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006. Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet consolidate the financial statements of the company and those of its subsidiary made up at the balance sheet date.

No separate statement of financial activities has been presented for ARK Academies alone, as permitted by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

Incoming resources

Grants receivable

Grants are included in the statement of financial activities on an accruals basis. The balance of income received for specific purposes but not matched to relevant expenditure during the year is shown in the restricted income fund on the balance sheet. For grants provided to fund fixed assets, this includes the net book value of assets acquired.

Sponsorship

Sponsorship provided to the company is recognised in the statement of financial activities in the period when receivable. Sponsorship that relates to future years is carried forward in deferred income.

Interest receivable

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

Resources expended

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

Allocation of costs

In accordance with the Charities' SORP, expenditure has been analysed between the group's

Accounting Policies

charitable activities and governance.

Governance costs

Governance costs include the costs attributable to the group's compliance with constitutional and statutory requirements, including audit, strategic management and directors' meetings and reimbursed expenses.

Tangible fixed assets

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is charged on a straight line basis beginning in the year in which the asset is brought into use at the following annual rates:

♦ Furniture and fittings	25% p.a.
♦ Computer equipment	50% p.a.
♦ Motor vehicles	25% p.a.
♦ Buildings	2% p.a.

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

The cost of buildings constructed under the UK Government's National Framework programme as funded through Local Authorities, are recognised in the statement of financial activities as voluntary income in the period in which the buildings are brought into use. No value is brought into the financial statements before this time.

Investments

The company's share holding in its wholly owned subsidiary is included in the company's balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Fund accounting

The unrestricted general fund represents monies which may be applied for any purpose within the company's objects.

Restricted funds are grants from the DfE and other donors which are to be used for specific purposes.

Accounting Policies

Leased assets

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

Taxation

ARK Academies is a registered charity and accordingly is exempt from taxation on its activities which fall within the scope of section 505(1) of the Taxes Act 1988 and section 256 of the Taxation of Chargeable Gains Act 1992. The cost of irrecoverable VAT incurred has been included in the statement of financial activities

Pensions

Some company staff are members of one of two multi-employer defined benefit pension schemes. More details of the schemes are given in note 17.

Defined Benefit Schemes

Teachers' Pension Scheme

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

Local Government Pension Scheme

Non teaching members of staff at individual ARK academies are offered membership of the Local Government Pension Scheme (LGPS), which is managed by the relevant local authority. The LGPS is a defined benefit pension scheme and is able to identify the company's share of assets and liabilities and requirements of the FRS 17, Retirement Benefits, have been followed.

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

Notes to the financial statements 31 August 2010

1 General Annual Grant (GAG)

	Burlington Danes Academy £'000	Walworth Academy £'000	King Solomon Academy £'000	Globe Academy £'000	Elvelyn Grace Academy £'000	Ark Academy £'000	St Albans Academy £'000	Charter Academy £'000	Total 2010 £'000	Total 2009 £'000
Results and carry forward for the year										
GAG brought forward from previous year	0	0	0	0	0	89	0	0	89	0
GAG allocation for current year										
. School budget share	5,251	5,371	1,619	5,410	2,319	834	2,485	2,834	26,123	17,198
. Local authority hold back	525	801	277	850	213	41	175	203	3,085	2,179
. School standards grant	254	320	123	278	250	85	307	197	1,814	1,382
. Specialist school grant	122	112	8	86	46	0	57	54	485	339
. Insurance	159	104	57	63	20	0	25	42	470	449
. VAT Grant	326	267	68	293	161	58	128	140	1,441	1,073
. Teachers' threshold	0	0	0	0	0	0	0	0	0	316
. School meals grant	16	15	4	16	7	1	9	6	74	53
. Other GAG	102	33	15	-36	10	4	15	0	143	54
	<u>6,755</u>	<u>7,023</u>	<u>2,171</u>	<u>6,960</u>	<u>3,026</u>	<u>1,023</u>	<u>3,201</u>	<u>3,476</u>	<u>33,635</u>	<u>23,043</u>
Total GAG available to spend	6,755	7,023	2,171	6,960	3,026	1,112	3,201	3,476	33,724	23,043
Recurrent expenditure from GAG	-6,755	-7,023	-2,171	-6,960	-3,026	-1,022	-3,201	-3,476	-33,634	-22,945
Fixed assets purchased from GAG	0	0	0	0	0	0	0	0	0	-9
GAG carried forward to next year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>90</u>	<u>0</u>	<u>0</u>	<u>90</u>	<u>89</u>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	-811	-843	-261	-835	-363	-123	-384	-417		-2,765
GAG to surrender to DfE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Of the GAG brought forward from the previous year by Ark Academy of £89,000, less than the maximum 2% of GAG was used for recurrent purposes. Recurrent expenditure from GAG in the current year for Ark Academy was £1,022,000, GAG allocation for the current year for Ark Academy was £1,023,000 and 2% of the GAG allocation for Ark Academy for the previous year was £15,000, resulting in a negative balance of £16,000 and therefore no breach.

Notes to the financial statements 31 August 2010

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	2010 Total funds £'000	2009 Total funds £'000
Sponsorship of core costs by ARK	2,601	0	2,601	2,639
Donations	0	670	670	157
	2,601	670	3,271	2,796

3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	2010 Total funds £'000	2009 Total funds £'000
Lettings income	117	0	117	67

4 Funding for ARK Academies' educational operations

	Unrestricted funds £'000	Restricted funds £'000	2010 Total funds £'000	2009 Total funds £'000
DfE capital grant				
. Devolved Formula Capital allocations	0	598	598	585
. Academy main building grants	0	63,475	63,475	40,150
ARK main building grant	0	1,750	1,750	3,000
Local Authority ICT capital grants	0	1,864	1,864	0
Aylesbury grant	0	1,225	1,225	0
	0	68,912	68,912	43,735
DfE revenue grants				
. General Annual Grant (GAG)	0	33,635	33,635	23,043
. Start Up A	0	631	631	2,432
. Start Up B	0	3,878	3,878	3,210
. DfE Lead in and implementation income	0	50	50	707
. Other DfE grants	0	478	478	0
. School Standards fund (DfE)	0	2,215	2,215	1,340
	0	40,887	40,887	30,732
Other grants				
. Local Authority funding (incl. School Standards fund)	0	1,078	1,078	550
. Extended Schools Programme	0	1,362	1,362	550
. Institute of Engineering	0	0	0	60
	0	2,440	2,440	1,160
	0	112,239	112,239	75,627

Notes to the financial statements 31 August 2010

5 Project management grants

	Unrestricted funds £'000	Restricted funds £'000	2010 Total funds £'000	2009 Total funds £'000
Academies programme	0	103	103	672
	0	103	103	672

Project management grants are received from the DfE in relation to activities in preparation for the opening of new academies and academy building projects.

6 Other income

	Unrestricted funds £'000	Restricted funds £'000	2010 Total funds £'000	2009 Total funds £'000
School meals income	236	0	236	81
Profit from subsidiary	1,012	0	1,012	868
Miscellaneous income	475	0	475	830
	1,723	0	1,723	1,779

Notes to the financial statements 31 August 2010

7 ARK Academies educational operations

	Unrestricted funds £'000	Restricted funds £'000	2010 Total funds £'000	2009 Total funds £'000
Direct costs				
Staff costs	2,618	17,618	20,236	14,823
Educational supplies	48	1,371	1,419	1,086
Depreciation	0	2,383	2,383	417
Exam fees	0	425	425	194
Transport	1	188	189	182
Other pupil support costs	0	445	445	389
	<u>2,667</u>	<u>22,430</u>	<u>25,097</u>	<u>17,091</u>
Extended schools programme	0	1,063	1,063	769
	<u>0</u>	<u>1,063</u>	<u>1,063</u>	<u>769</u>
Educational support costs				
Staff costs	172	12,359	12,531	7,566
Recruitment and other staff costs	412	349	761	683
Catering contract	8	1,248	1,256	808
Printing and stationery	49	199	248	142
Office overheads	0	213	213	167
Heat and light	0	681	681	418
Premises (including buildings insurance)	0	3,367	3,367	2,309
Technology costs	94	1,190	1,284	902
Other insurance costs	0	86	86	92
Finance costs and interest/charges payable	0	557	557	40
Other expenses	0	45	45	29
	<u>735</u>	<u>20,294</u>	<u>21,029</u>	<u>13,156</u>
	<u>3,402</u>	<u>43,787</u>	<u>47,189</u>	<u>31,016</u>

8 Development costs

	Unrestricted funds £'000	Restricted funds £'000	2010 Total funds £'000	2009 Total funds £'000
Staff costs	0	440	440	744
Project implementation	0	276	276	214
Education consultants	0	865	865	703
Set up and launch costs	23	251	274	608
Staff training and induction	73	4	77	288
Building costs	0	142	142	126
Research and marketing	67	40	107	190
Other expenses	0	5	5	16
	<u>163</u>	<u>2,023</u>	<u>2,186</u>	<u>2,889</u>

Development costs relate to the opening of new academies and new academy buildings.

Notes to the financial statements 31 August 2010

9 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	2010 Total funds £'000	2009 Total funds £'000
Legal and other professional fees	149	10	159	132
Auditors remuneration				
- Audit of group financial statements	56	6	62	50
- Non statutory audit	5	0	5	3
Governor training	0	0	0	1
Other expenses	15	0	15	9
	<u>225</u>	<u>16</u>	<u>241</u>	<u>195</u>

10 Staff costs

Staff costs during the period were as follows:

	Unrestricted funds £'000	Restricted funds £'000	2010 Total funds £'000	2009 Total funds £'000
Wages and salaries	2,200	24,378	26,578	18,736
Social security costs	219	1,940	2,159	1,588
Pension contributions	10	3,102	3,112	1,848
	<u>2,429</u>	<u>29,420</u>	<u>31,849</u>	<u>22,172</u>
Supply staff costs	360	998	1,358	961
	<u>2,789</u>	<u>30,418</u>	<u>33,207</u>	<u>23,133</u>

The number of full time equivalent employees during the period who earned over £60,000 in the year (including benefits) was as follows:

	2010	2009
£60,000 - £70,000	18	22
£70,001 - £80,000	16	7
£80,001 - £90,000	2	5
£90,001-£100,000	5	2
£100,001 - £110,000	0	1
£110,001 - £120,000	1	2
£120,001 - £130,000	1	2
£130,001- £140,000	2	2
£140,001 - £150,000	3	0
	<u>48</u>	<u>43</u>

Employer pension contributions to the Teacher's Pension Scheme, the Local Government Pension Scheme or the Pensions Trust relating to the above staff during the year amounted to £482,020 (2008/09 £286,238).

Notes to the financial statements 31 August 2010

10 Staff costs (continued)

The average full time equivalent number of persons employed by the company during the year ended 31 August 2010 was as follows:

	2010	2009
Activities		
Teachers	292	258
Education Support Staff	138	86
Administration Staff	196	122
Projects and Management Staff	35	39
	661	505

11 Tangible fixed assets

Group and Company	Assets under construction	Land and buildings	Furniture, fittings & equipment	Motor Vehicles	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2009	53,336	7,284	390	89	387	61,486
Additions	64,905	565	588	12	65	66,135
Disposals	0	0	-62	0	0	-62
Transfers	-33,726	30,767	1,113	0	1,846	0
At 31 August 2010	84,515	38,616	2,029	101	2,298	127,559
Depreciation						
At 1 September 2009	0	178	179	22	368	747
Charge for year	0	853	512	25	993	2,383
Disposals	0	0	-58	0	0	-58
At 31 August 2010	0	1,031	633	47	1,361	3,072
Net book values						
At 31 August 2010	84,515	37,585	1,396	54	937	124,487
At 31 August 2009	53,336	7,106	211	67	19	60,739

Tangible fixed assets have been funded from the following sources:

	Total £'000
Department for Education capital grants	116,382
Private sponsorship	6,410
Other grants and funds	4,767
Costs of fixed assets at 31 August 2010	127,559
Less: Accumulated depreciation	3,072
Net book value at fixed assets at 31 August 2010	124,487

At 31 August 2010, tangible fixed assets held had a net book value as follows:

	Total £'000
Department for Education	113,600
Private sponsorship	6,151
Other grants and funds	4,736
	124,487

Notes to the financial statements 31 August 2010

11 Tangible fixed assets (continued)

The land on which the individual academies are sited is leased at peppercorn rents. No value has been placed on this land in the financial statements due to restrictive covenants in the leases.

Assets under construction are the academy buildings that have been funded from DfE capital grants. The construction of the various new buildings for four academies has been contracted to ARK Academies Projects Limited, a wholly owned subsidiary of ARK Academies. These projects will reach completion in the next year.

Work has commenced on the new buildings for two further academies and these are due to be completed in 2010/11. The DfE has awarded the Local Authorities a budget of £58m to design and build the buildings, of which £4.0m relates to ICT equipment. The ICT equipment is capitalised as it is purchased, whilst no amount has yet been brought into the financial statements in respect of building costs. In the year of completion, the buildings will be transferred to the company on a long lease. The cost of the buildings will be capitalised in the year of completion.

Two academies opened in September 2009 in existing buildings. These are occupied rent free, and asset values have not been transferred from local authorities.

12 Investments

The issued share capital of ARK Academies Projects Limited was transferred to the company on 3 July 2007 and ARK Academies Projects Limited began trading on that date.

The following is a summary of the financial statements of ARK Academies Projects Limited for the year ending 31 August 2010, which have been included in the consolidated financial statements.

	2010 £'000	2009 £'000
Turnover	57,962	44,058
Cost of sales	-56,944	-43,187
Gross profit	1,018	871
Administrative expenses	-6	-3
Retained profit before charitable donation under Gift Aid at 31 August 2010	1,012	868
Charitable donation under Gift Aid	-1,012	-868
Retained profit after charitable donation after Gift Aid at 31 August 2010	0	0
Called up share capital	0	0
Net assets at 31 August 2010	0	0

The £1 issued share capital equalled the net assets of the company at 31 August 2010.

Notes to the financial statements 31 August 2010

13 Debtors

	Group 2010 £'000	Academies 2010 £'000	Group 2009 £'000	Academies 2009 £'000
Trade debtors	3,609	3,698	1,878	1,878
Amounts due from DfE	3,452	3,452	1,562	1,562
Sponsorship due from ARK	9,546	9,546	12,828	12,828
Other debtors	45	45	158	158
Prepayments and accrued income	838	838	226	226
Amounts due from subsidiary	0	2,172	0	1,119
Amounts due from ARK	286	286	0	0
VAT recoverable	2,110	0	1,948	664
	19,886	20,037	18,600	18,435

14 Creditors: amounts falling due within one year

	Group 2010 £'000	Academies 2010 £'000	Group 2009 £'000	Academies 2009 £'000
Trade creditors	4,840	992	6,420	937
Taxation and social security	4,664	4,665	601	561
Accruals	3,871	3,986	1,522	1,522
Deferred income	8,007	8,007	11,064	11,064
Other creditors	160	160	197	197
Amounts owed to subsidiary	0	3,570	0	4,482
Amounts owed to ARK	0	0	79	79
	21,542	21,380	19,883	18,842

Of the deferred income total, £4.25m relates to sponsor contributions to the development of Evelyn Grace Academy and for the establishment of endowment funds for Walworth, Ark and Isaac Newton Academies.

Notes to the financial statements 31 August 2010

15 Restricted funds

Group and Company	At 31 August 2009 £'000	Incoming resources £'000	Outgoing resources, transfers & other gains & losses £'000	At 31 August 2010 £'000
DfE revenue grant fund				
. General Annual Grant (GAG)	89	33,635	-33,634	90
. Start Up A	2,880	631	-1,000	2,511
. Start Up B	1,265	3,878	-4,490	653
. Other DfE	812	2,743	-2,681	874
. DfE project management grants	0	103	-103	0
	5,046	40,990	-41,908	4,128
Pension reserve	-1,997	0	-1,270	-3,267
	3,049	40,990	-43,178	861
Other				
Local Authority Grants	10	1,078	-1,088	0
Extended schools programme	441	1,362	0	1,803
Other donations	156	670	0	826
	607	3,110	-1,088	2,629
Fixed asset fund				
. DfE Fixed Assets Fund	56,224	64,073	-6,697	113,600
. ARK Sponsorship Fixed Assets Fund	4,515	0	1,636	6,151
. Other Sponsorship Fixed Assets Fund	0	3,089	1,647	4,736
. DfE Capital Grant Fund	2,975	0	2,781	5,756
. ARK Sponsorship Fund	0	1,750	-1,750	0
	63,714	68,912	-2,383	130,243
Total restricted funds	67,370	113,012	-46,649	133,733

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

DfE revenue grant fund and other restricted funds

These grants relate to the company's development and operational activities.

Fixed asset fund

These grants relate to funding received from DfE and sponsorship from Absolute Return for Kids (ARK) and other third parties to carry out capital works.

Pension Reserve

The pension reserve relates to the open academies share of the deficit of the Local Government Pension Schemes overseen by their respective Local Authorities.

Transfers between funds

Transfers between the ARK Sponsorship Fund and the DfE Capital Grant Fund and the respective Fixed Assets Funds relate to asset purchases from these funds.

Notes to the financial statements 31 August 2010

16 Analysis of net assets between funds

Group	Restricted funds					Total 2010
	General fund	DfE	Other	Fixed asset fund		
				Public funds	Private funds	
	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at						
31 August 2010 are represented by						
Tangible fixed assets	0	0	0	118,336	6,151	124,487
Current assets	1,958	21,420	2,629	5,756	4,250	36,013
Creditors: amounts falling due within one year	0	-17,292	0	0	-4,250	-21,542
Pension scheme liability	0	-3,267	0	0	0	-3,267
Total net assets	1,958	861	2,629	124,092	6,151	135,691

17 Pension commitments

Retirement benefits for employees are provided by three independently administered schemes, which are funded by contributions from the employers and employees.

The total pension cost to the group during the period ended 31 August 2010 was £3,112k (2008/09 - £1,848k) of which £1,982k (2008/09 - £1,379k) relates to the Teachers' Pension Scheme, £1,120k (2008/09 - £469k) to the LGPS and £10k (2008/09 - £0) to the Pensions Trust.

a) Teachers

Teaching staff are members of the Teachers' Pension Scheme.

INTRODUCTION

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers or lecturers and from 1 January 2007 automatic too for teachers or lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE TEACHERS' PENSION ACCOUNT

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

VALUATION OF THE TEACHERS' PENSION SCHEME

Not less than every four years, with a supporting interim valuation in between, the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

Contributions are assessed in two parts. First, a standard contribution is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions.

Notes to the financial statements 31 August 2010

17 Pension commitments (continued)

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%. The 2006 interim actuarial review, published in June 2007, did not recommend any changes to the SCR and concluded, as at 31 March 2006, and using the above assumptions, that the Scheme's total liabilities amounted to £176,600 millions.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been 19.75% plus a supplementary contribution rate of 0.75% (to balance assets and liabilities as required by the regulations within 15 years); a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost sharing agreement has also introduced – effective for the first time with effect from the 2008 valuation – a 14% cap on employer contributions payable.

A copy of the GA's 2004 valuation report and 2006 interim valuation report can be found on the TeacherNet website at: www.teachernet.gov.uk/pensions

b) Non-teachers

FRS 17

The Local Government Pension Scheme is a multi employer funded defined-benefit scheme, with the assets held in separate trustee-administered funds of which the charitable company is currently part of seven different funds. The agreed contribution rates for the year ended 31 August 2010 were between 13.5% and 14.1% for employers and between 6.0% and 6.4% for employees.

The funds that the charitable company is part of are: London Borough of Hammersmith and Fulham Pension Fund (Burlington Danes); City of Westminster Pension Fund (King Solomon); London Borough of Southwark Pension Fund (Walworth and Globe); London Borough of Lambeth Pension Fund (Evelyn Grace); London Borough of Brent Pension Fund (Ark); Portsmouth City Council Pension Fund (Charter) and West Midlands Pension Fund (St Albans). Data has not been collected from Lambeth and Brent due to the small size of current operations. These will be included in future years as the academies grow.

The major assumptions used on average by the actuary were:

	2010 %	2009 %
Rate of increase in salaries	4.9	5.1
Rate of increase in pension payments	2.7	3.6
Discount rate	4.9	5.2
Inflation assumptions	2.7	3.6

The current mortality assumptions included sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 averaged across the funds are:

	At 31 August 2010	At 31 August 2009
Retiring today		
Males	21.5	21.2
Females	24.1	23.8
Retiring in 20 years		
Males	23.7	23.5
Females	26.2	25.9

Notes to the financial statements 31 August 2010

17 Pension commitments (continued)

The estimated share of the assets in the schemes attributable to the company and the average expected rates of return across the schemes were:

	Expected return at 31 August 2010 %	Value at 31 August 2010 £'000	Expected return at 31 August 2009 %	Value at 31 August 2009 £'000
Equities	7.5	3,478	7.4	2,097
Bonds	3.7	780	4.0	377
Corporate Govt Bonds	4.4	463	5.3	380
Property	6.9	571	6.4	327
Cash	1.5	145	1.3	68
Other	7.5	425		0
Total market value of assets		5,862		3,249
Present value of scheme liabilities		-9,129		-5,246
Deficit in scheme		-3,267		-1,997

	Year ended 31 August 2010 £'000	Year ended 31 August 2009 £'000
Analysis of total operating charge		
Service cost	1,044	425
Past service cost*	0	0
Total operating charge	1,044	425
Analysis of net return on pension scheme		
Expected return on pension scheme assets	288	203
Interest on pension liabilities	-443	-229
Net return	-155	-26
Amount recognised in the statement of total recognised gains and losses (STRGL)		
Actuarial gains/(losses) on pension scheme assets	151	-437
Actuarial gains/(losses) on pension scheme liabilities	-273	-1,129
Past service gain *	750	0
Brought forward defined benefit pension schemes (see below)	-1,451	82
Actuarial loss recognised in the STRGL	-823	-1,484

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses is a loss of £1,758,000 (2009 – loss of £1,636,000).

Contributions

The total contributions made by the employer in the year have been £1,070,000 (2009 - £752,000). The level of contribution will be reviewed as a result of the triennial valuation of the scheme as at 31 March 2010.

The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 August 2010 is £1,195,000 (2009 - £817,000).

Notes to the financial statements 31 August 2010

17 Pension commitments (continued)

Movement in deficit during the year		
Deficit at 1 September 2009	-1,997	-481
Brought forward pension scheme asset	-1,451	82
Change in asset valuation	0	0
Current service cost	-1,044	-425
Past service gain	750	0
Employer contributions	752	419
Net return on assets	-155	-26
Actuarial loss	-122	-1,566
Deficit at 31 August 2010	-3,267	-1,997

* The past service gain of £750,000 relates to changes made by UK Government in using the Consumer Price Index instead of the Retail Price Index to determine future increases in pensions.

On 1 September 2009 Charter Academy and St Albans Academy became ARK Academies. The net pension liability acquired by the group at this time was £488,500 and £962,000 respectively (2009: £82,000 in respect of Globe Academy).

	Year ended 31 August 2010 £'000	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	Year ended 31 August 2007 £'000	Year ended 31 August 2006 £'000
Fair value of assets	5,862	3,249	1,896	572	217
Present value of scheme liabilities	-9,129	-5,246	-2,376	-765	-446
Deficit in scheme	-3,267	-1,997	-480	-193	-229
Experience gains on scheme assets	128	-437	-90	9	0
Experience gains on scheme liabilities	0	0	0	0	0

18 Lease commitments

At 31 August 2010, the company had annual commitments under non-cancellable operating leases as follows:

	2010 £'000	2009 £'000
Expiring in under one year	76	50
Expiring within two to five years	195	196
Expiring after five years	2	2

Notes to the financial statements 31 August 2010

19 Related Party Transactions

The schools operated by ARK Academies are sponsored by Absolute Return for Kids (ARK), which is also the principal member of ARK Academies. ARK is also a charitable company and has four directors in common with ARK Academies.

During the year, ARK Academies recorded £2.601m sponsorship from ARK.

ARK Academies central team shares offices with ARK. All central ARK Academies staff were on the ARK payroll and recharged to ARK Academies based on time spent on ARK Academies business. ARK has also made payments on behalf of ARK Academies including rent, service charges, general office overheads and consultancy costs. Where costs have been apportioned between ARK and ARK Academies, this has been done on the basis of actual usage where possible, and otherwise in proportion to the number of desk spaces occupied by each company's staff.

The amounts recharged by ARK to ARK Academies during the year were:

	2009/10	2008/09
	£000	£000
Staff costs	113	87
Rent and service charges	386	219
Other costs	131	35

ARK has a charitable subsidiary, ARK Schools, which carries out educational work in the UK, principally in relation to provision of extended school programmes at the schools operated by ARK Academies. ARK Schools staff are also now paid through the ARK Academies payroll and the relevant costs are recharged to ARK Schools.

ARK Schools staff are paid through the ARK Academies payroll and the relevant costs are recharged to ARK Schools.

The amounts donated and recharged by ARK Academies to ARK Schools during the year were:

	2009/10	2008/09
	£000	£000
Salaries recharged	839	496

ARK Schools administers the endowment funds for the benefit of the ARK academies. Each of the academies run by ARK Academies has been granted an endowment to support the academy in the future. For some of the academies this was a condition of the funding agreement, but for four this is in addition to the sponsor capital contribution stipulated in the funding agreement.

As at 31 August 2010 £3m had been paid over by ARK into the endowment pots in ARK Schools. As this happened at the year end no investment returns were achieved in the period.

Notes to the financial statements 31 August 2010

20 Directors' emoluments and expenses

The Managing Director became a director of the company on 9 March 2010. Her remuneration, including performance related bonus, in relation to her role in ARK Academies, for the year ended 31 August 2010, was £113,365 (2008/09 - £109,900). No other directors of the company received any payment or other emoluments from the company in the period.

The Managing Director received £3,790 during the year (2008/09 - £3,030) as reimbursement for travel and subsistence costs incurred directly in the course of her duties as Managing Director.

No other directors received any payment for reimbursement of travel and subsistence expenses incurred in the course of their duties in the period. No director had any beneficial interest in any contract with the company.

21 Taxation

ARK Academies 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 exemptions available to registered charities.

22 Capital commitments

At 31 August 2010 the group had the following capital commitments:

	2010 £m	2009 £m
Contracted	14.2	71.1
Committed but not contracted	0	0
	14.2	71.1

23 Contingent liabilities

In the event, during the period of the Academy Funding Agreement, of the sale or disposal by other means, of any asset for which a capital grant was received, the group shall if it does not reinvest the proceeds, 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 group serving notice, the group 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.

Detailed Income and Expenditure Accounts

BURLINGTON DANES ACADEMY DETAILED INCOME AND EXPENDITURE ACCOUNT Year ended 31 August 2010.

This page does not form part of the statutory accounts

	2010 GAG £'000	2010 Other DfE £'000	2010 Other £'000	2010 Total £'000	2009 Total £'000
INCOME					
General Annual Grant	6,755	0	0	6,755	5,823
DfE Start Up Grants	0	163	0	163	53
Other DfE Grants	0	568	0	568	505
Other Government Grants	0	0	204	204	69
DfE Capital Grants	0	108	0	108	179
Lettings Income	0	0	55	55	29
Other Income	0	0	593	593	581
TOTAL INCOME	6,755	839	852	8,446	7,239
EXPENDITURE					
Educational Operations Expenditure					
Direct costs					
Staff costs	2,817	731	328	3,876	3,703
Educational supplies	307	0	0	307	370
Depreciation	114	0	0	114	90
Exam fees	90	0	0	90	42
Transport	39	0	0	39	34
Other pupil support costs	1	0	0	1	40
Extended schools programme	118	0	0	118	128
	3,486	731	328	4,545	4,407
Educational support costs					
Staff costs	1,684	0	0	1,684	1,390
Recruitment and other staff costs	41	0	0	41	80
Catering contract	219	0	0	219	175
Printing and stationery	44	0	0	44	4
Office overheads	33	0	0	33	33
Heat and light	117	0	0	117	111
Premises (including buildings insurance)	429	108	0	537	493
Technology costs	249	0	0	249	41
Other insurance costs	3	0	0	3	1
Finance costs	17	0	0	17	15
ARK Support Costs	347	0	0	347	362
Miscellaneous expenses	9	0	0	9	5
	3,192	108	0	3,300	2,710
Development Expenditure					
Staff costs	0	0	0	0	0
Project implementation	0	0	0	0	0
Education consultants	11	0	0	11	10
Set up and launch costs	31	0	0	31	0
Staff training and induction	0	0	0	0	73
Building costs	35	0	0	35	0
Research and marketing	0	0	0	0	24
Miscellaneous expenses	0	0	0	0	2
	77	0	0	77	109
Governance costs					
Legal and other professional fees	0	0	0	0	3
Audit and accountancy	0	0	0	0	0
Governor training	0	0	0	0	0
Staff costs	0	0	0	0	0
Miscellaneous expenses	0	0	0	0	0
	0	0	0	0	3
TOTAL EXPENDITURE	6,755	839	328	7,922	7,229
Excess of Income over Expenditure	0	0	524	524	10

Detailed Income and Expenditure Accounts

WALWORTH ACADEMY

DETAILED INCOME AND EXPENDITURE ACCOUNT

Year ended 31 August 2010.

This page does not form part of the statutory accounts

	2010 GAG £'000	2010 Other DfE £'000	2010 Other £'000	2010 Total £'000	2009 Total £'000
INCOME					
General Annual Grant	7,023	0	0	7,023	7,192
DfE Start Up Grants	0	4	0	4	203
Other DfE Grants	0	586	0	586	556
Other Government Grants	0	0	99	99	3
DfE Capital Grants	0	93	0	93	170
Lettings Income	0	0	12	12	15
Other Income	0	0	1,562	1,562	399
TOTAL INCOME	7,023	683	1,673	9,379	8,538
EXPENDITURE					
Educational Operations Expenditure					
Direct costs					
Staff costs	2,969	590	524	4,083	4,196
Educational supplies	334	0	0	334	135
Depreciation	102	0	0	102	75
Exam fees	131	0	0	131	91
Transport	28	0	0	28	34
Other pupil support costs	92	0	0	92	38
Extended schools programme	139	0	0	139	270
	3,795	590	524	4,909	4,839
Educational support costs					
Staff costs	1,827	0	0	1,827	1,605
Recruitment and other staff costs	38	0	0	38	51
Catering contract	175	0	0	175	194
Printing and stationery	16	0	0	16	23
Office overheads	32	0	0	32	49
Heat and light	167	0	0	167	120
Premises (including buildings insurance)	308	93	0	401	410
Technology costs	59	0	0	59	84
Other insurance costs	0	0	0	0	0
Finance costs	39	0	0	39	16
ARK Support Costs	495	0	0	495	362
Miscellaneous expenses	12	0	0	12	4
	3,168	93	0	3,261	2,918
Development Expenditure					
Staff costs	0	0	0	0	0
Project implementation	0	0	0	0	0
Education consultants	2	0	0	2	3
Set up and launch costs	42	0	0	42	0
Staff training and induction	0	0	0	0	14
Building costs	16	0	0	16	0
Research and marketing	0	0	0	0	5
Miscellaneous expenses	0	0	0	0	0
	60	0	0	60	22
Governance costs					
Legal and other professional fees	0	0	0	0	0
Audit and accountancy	0	0	0	0	0
Governor training	0	0	0	0	0
Staff costs	0	0	0	0	0
Miscellaneous expenses	0	0	0	0	0
	0	0	0	0	0
TOTAL EXPENDITURE	7,023	684	524	8,230	7,779
Excess of income over Expenditure	0	0	1,149	1,149	759

Detailed Income and Expenditure Accounts

KING SOLOMON ACADEMY DETAILED INCOME AND EXPENDITURE ACCOUNT Year ended 31 August 2010.

This page does not form part of the statutory accounts

	2010 GAG £'000	2010 Other DfE £'000	2010 Other £'000	2010 Total £'000	2009 Total £'000
INCOME					
General Annual Grant	2,171	0	0	2,171	780
DfE Start Up Grants	0	421	0	421	635
Other DfE Grants	0	66	0	66	12
Other Government Grants	0	0	58	58	0
DfE Capital Grants	0	35	0	35	42
Lettings Income	0	0	9	9	0
Other Income	0	0	226	226	88
TOTAL INCOME	2,171	522	293	2,986	1,557
EXPENDITURE					
Educational Operations Expenditure					
Direct costs					
Staff costs	660	224	0	884	492
Educational supplies	171	0	0	171	44
Depreciation	13	0	0	13	8
Exam fees	0	0	0	0	0
Transport	19	0	0	19	9
Other pupil support costs	21	0	0	21	20
Extended schools programme	63	0	0	63	32
	947	224	0	1,171	605
Educational support costs					
Staff costs	682	0	0	682	241
Recruitment and other staff costs	20	0	0	20	38
Catering contract	71	0	0	71	39
Printing and stationery	12	0	0	12	9
Office overheads	17	0	0	17	5
Heat and light	47	0	0	47	9
Premises (including buildings insurance)	236	35	0	271	78
Technology costs	7	0	0	7	11
Other insurance costs	0	0	0	0	56
Finance costs	4	0	0	4	2
ARK Support Costs	104	0	0	104	47
Miscellaneous expenses	0	0	0	0	2
	1,200	35	0	1,235	537
Development Expenditure					
Staff costs	0	0	0	0	0
Project implementation	0	0	0	0	0
Education consultants	3	0	0	3	2
Set up and launch costs	14	0	0	14	0
Staff training and induction	0	0	0	0	5
Building costs	6	0	0	6	0
Research and marketing	1	0	0	1	9
Miscellaneous expenses	0	0	0	0	1
	24	0	0	24	17
Governance costs					
Legal and other professional fees	0	0	0	0	14
Audit and accountancy	0	0	0	0	0
Governor training	0	0	0	0	0
Staff costs	0	0	0	0	0
Miscellaneous expenses	0	0	0	0	0
	0	0	0	0	14
TOTAL EXPENDITURE	2,171	259	0	2,430	1,173
Excess of Income over Expenditure	0	263	293	556	384

Detailed Income and Expenditure Accounts

GLOBE ACADEMY

DETAILED INCOME AND EXPENDITURE ACCOUNT

Year ended 31 August 2010.

This page does not form part of the statutory accounts

	2010 GAG £'000	2010 Other DfE £'000	2010 Other £'000	2010 Total £'000	2009 Total £'000
INCOME					
General Annual Grant	6,960	0	0	6,960	6,850
DfE Start Up Grants	0	640	0	640	1,849
Other DfE Grants	0	620	0	620	205
Other Government Grants	0	0	75	75	469
DfE Capital Grants	0	120	0	120	93
Lettings Income	0	0	35	35	24
Other Income	0	0	510	510	358
TOTAL INCOME	6,960	1,380	620	8,960	9,848
EXPENDITURE					
Educational Operations Expenditure					
Direct costs					
Staff costs	2,453	1,260	500	4,213	4,914
Educational supplies	101	0	0	101	185
Depreciation	44	0	0	44	38
Exam fees	82	0	0	82	61
Transport	19	0	0	19	44
Other pupil support costs	136	0	0	136	219
Extended schools programme	164	0	0	164	167
	2,999	1,260	500	4,759	5,628
Educational support costs					
Staff costs	2,417	0	0	2,417	2,158
Recruitment and other staff costs	61	0	0	61	100
Catering contract	233	0	0	233	206
Printing and stationery	64	0	0	64	53
Office overheads	38	0	0	38	42
Heat and light	112	0	0	112	149
Premises (including buildings insurance)	372	120	0	492	567
Technology costs	34	0	0	34	251
Other insurance costs	64	0	0	64	13
Finance costs	21	0	0	21	1
ARK Support Costs	376	0	0	376	366
Miscellaneous expenses	6	0	0	6	5
	3,798	120	0	3,918	3,911
Development Expenditure					
Staff costs	0	0	0	0	0
Project implementation	0	0	0	0	7
Education consultants	80	0	0	80	107
Set up and launch costs	44	0	0	44	0
Staff training and induction	0	0	0	0	50
Building costs	19	0	0	19	97
Research and marketing	20	0	0	20	30
Miscellaneous expenses	0	0	0	0	10
	163	0	0	163	301
Governance costs					
Legal and other professional fees	0	0	0	0	0
Audit and accountancy	0	0	0	0	0
Governor training	0	0	0	0	0
Staff costs	0	0	0	0	0
Miscellaneous expenses	0	0	0	0	0
	0	0	0	0	0
TOTAL EXPENDITURE	6,960	1,380	500	8,840	9,840
Excess of Income over Expenditure	0	0	120	120	8

Detailed Income and Expenditure Accounts

EVELYN GRACE ACADEMY

DETAILED INCOME AND EXPENDITURE ACCOUNT

Year ended 31 August 2010.

This page does not form part of the statutory accounts

	2010 GAG £'000	2010 Other DfE £'000	2010 Other £'000	2010 Total £'000	2009 Total £'000
INCOME					
General Annual Grant	3,026	0	0	3,026	1,631
DfE Start Up Grants	0	1,158	0	1,158	1,737
Other DfE Grants	0	115	0	115	44
Other Government Grants	0	0	12	12	10
DfE Capital Grants	0	44	0	44	61
Lettings Income	0	0	0	0	0
Other Income	0	0	352	352	238
TOTAL INCOME	3,026	1,317	364	4,707	3,721
EXPENDITURE					
Educational Operations Expenditure					
Direct costs					
Staff costs	479	1,274	315	2,068	1,263
Educational supplies	145	0	0	145	258
Depreciation	22	0	0	22	21
Exam fees	2	0	0	2	0
Transport	67	0	0	67	60
Other pupil support costs	90	0	0	90	68
Extended schools programme	385	0	0	385	172
	1,190	1,274	315	2,779	1,842
Educational support costs					
Staff costs	806	0	0	806	435
Recruitment and other staff costs	56	0	0	56	72
Catering contract	286	0	0	286	173
Printing and stationery	5	0	0	5	17
Office overheads	22	0	0	22	13
Heat and light	63	0	0	63	24
Premises (including buildings insurance)	333	43	0	376	335
Technology costs	51	0	0	51	65
Other insurance costs	0	0	0	0	0
Finance costs	0	0	0	0	0
ARK Support Costs	159	0	0	159	53
Miscellaneous expenses	0	0	0	0	2
	1,781	43	0	1,824	1,189
Development Expenditure					
Staff costs	0	0	0	0	0
Project implementation	0	0	0	0	0
Education consultants	2	0	0	2	1
Set up and launch costs	29	0	0	29	0
Staff training and induction	1	0	0	1	42
Building costs	10	0	0	10	15
Research and marketing	13	0	0	13	23
Miscellaneous expenses	0	0	0	0	1
	55	0	0	55	82
Governance costs					
Legal and other professional fees	0	0	0	0	0
Audit and accountancy	0	0	0	0	0
Governor training	0	0	0	0	0
Staff costs	0	0	0	0	0
Miscellaneous expenses	0	0	0	0	0
	0	0	0	0	0
TOTAL EXPENDITURE	3,026	1,317	315	4,658	3,113
Excess of Income over Expenditure	0	0	49	49	608

Detailed Income and Expenditure Accounts

ARK ACADEMY

DETAILED INCOME AND EXPENDITURE ACCOUNT

Year ended 31 August 2010.

This page does not form part of the statutory accounts

	2010 GAG £'000	2010 Other DfE £'000	2010 Other £'000	2010 Total £'000	2009 Total £'000
INCOME					
General Annual Grant	1,023	0	0	1,023	767
DfE Start Up Grants	0	679	0	679	1,165
Other DfE Grants	0	17	0	17	17
Other Government Grants	0	0	3	3	0
DfE Capital Grants	0	41	0	41	39
Lettings Income	0	0	0	0	0
Other Income	0	0	116	116	31
TOTAL INCOME	1,023	737	119	1,879	2,019
EXPENDITURE					
Educational Operations Expenditure					
Direct costs					
Staff costs	240	433	0	673	157
Educational supplies	47	0	0	47	90
Depreciation	4	0	0	4	2
Exam fees	2	0	0	2	0
Transport	5	0	0	5	1
Other pupil support costs	62	0	0	62	4
Extended schools programme	12	0	0	12	0
	372	433	0	805	254
Educational support costs					
Staff costs	395	0	0	395	188
Recruitment and other staff costs	49	0	0	49	13
Catering contract	63	0	0	63	21
Printing and stationery	12	0	0	12	6
Office overheads	6	0	0	6	5
Heat and light	9	0	0	9	5
Premises (including buildings insurance)	15	40	0	55	135
Technology costs	3	0	0	3	9
Other insurance costs	0	0	0	0	6
Finance costs	0	0	0	0	0
ARK Support Costs	33	0	0	33	9
Miscellaneous expenses	3	0	0	3	4
	588	40	0	628	401
Development Expenditure					
Staff costs	0	0	0	0	0
Project implementation	3	0	0	3	0
Education consultants	10	0	0	10	0
Set up and launch costs	29	0	0	29	0
Staff training and induction	1	0	0	1	4
Building costs	18	0	0	18	0
Research and marketing	2	0	0	2	12
Miscellaneous expenses	0	0	0	0	0
	63	0	0	63	16
Governance costs					
Legal and other professional fees	0	0	0	0	0
Audit and accountancy	0	0	0	0	0
Governor training	0	0	0	0	0
Staff costs	0	0	0	0	0
Miscellaneous expenses	0	0	0	0	0
	0	0	0	0	0
TOTAL EXPENDITURE	1,023	473	0	1,496	671
Excess of Income over Expenditure	0	264	119	383	1,348

Detailed Income and Expenditure Accounts

ST ALBANS ACADEMY DETAILED INCOME AND EXPENDITURE ACCOUNT Year ended 31 August 2010.

This page does not form part of the statutory accounts

	2010 GAG £'000	2010 Other DfE £'000	2010 Other £'000	2010 Total £'000	2009 Total £'000
INCOME					
General Annual Grant	3,201	0	0	3,201	0
DfE Start Up Grants	0	681	0	681	0
Other DfE Grants	0	367	0	367	0
Other Government Grants	0	0	348	348	0
DfE Capital Grants	0	75	0	75	0
Lettings Income	0	0	0	0	0
Other Income	0	0	191	191	0
TOTAL INCOME	3,201	1,123	539	4,863	0
EXPENDITURE					
Educational Operations Expenditure					
Direct costs					
Staff costs	683	963	349	1,995	0
Educational supplies	145	0	0	145	0
Depreciation	31	0	0	31	0
Exam fees	53	0	0	53	0
Transport	4	0	0	4	0
Other pupil support costs	82	0	0	82	0
Extended schools programme	116	0	0	116	0
	1,114	963	349	2,426	0
Educational support costs					
Staff costs	1,287	0	0	1,287	0
Recruitment and other staff costs	36	0	0	36	0
Catering contract	119	0	0	119	0
Printing and stationery	10	0	0	10	0
Office overheads	16	0	0	16	0
Heat and light	82	0	0	82	0
Premises (including buildings insurance)	156	75	0	231	0
Technology costs	92	0	0	92	0
Other insurance costs	2	0	0	2	0
Finance costs	52	0	0	52	0
ARK Support Costs	140	0	0	140	0
Miscellaneous expenses	0	0	0	0	0
	1,992	75	0	2,067	0
Development Expenditure					
Staff costs	0	0	0	0	0
Project implementation	0	0	0	0	0
Education consultants	14	0	0	14	0
Set up and launch costs	47	0	0	47	0
Staff training and induction	1	0	0	1	0
Building costs	23	0	0	23	0
Research and marketing	0	0	0	0	0
Miscellaneous expenses	0	0	0	0	0
	85	0	0	85	0
Governance costs					
Legal and other professional fees	10	0	0	10	0
Audit and accountancy	0	0	0	0	0
Governor training	0	0	0	0	0
Staff costs	0	0	0	0	0
Miscellaneous expenses	0	0	0	0	0
	10	0	0	10	0
TOTAL EXPENDITURE	3,201	1,038	349	4,588	0
Excess of Income over Expenditure	0	85	190	275	0

Detailed Income and Expenditure Accounts

CHARTER ACADEMY

DETAILED INCOME AND EXPENDITURE ACCOUNT

Year ended 31 August 2010.

This page does not form part of the statutory accounts

	2010 GAG £'000	2010 Other DfE £'000	2010 Other £'000	2010 Total £'000	2009 Total £'000
INCOME					
General Annual Grant	3,476	0	0	3,476	0
DfE Start Up Grants	0	763	0	763	0
Other DfE Grants	0	354	0	354	0
Other Government Grants	0	0	279	279	0
DfE Capital Grants	0	82	0	82	0
Lettings Income	0	0	5	5	0
Other Income	0	0	445	445	0
TOTAL INCOME	3,476	1,199	729	5,404	0
EXPENDITURE					
Educational Operations Expenditure					
Direct costs					
Staff costs	728	1,117	295	2,140	0
Educational supplies	121	0	0	121	0
Depreciation	24	0	0	24	0
Exam fees	65	0	0	65	0
Transport	7	0	0	7	0
Other pupil support costs	49	0	0	49	0
Extended schools programme	67	0	0	67	0
	1,061	1,117	295	2,473	0
Educational support costs					
Staff costs	1,353	0	0	1,353	0
Recruitment and other staff costs	48	0	0	48	0
Catering contract	82	0	0	82	0
Printing and stationery	36	0	0	36	0
Office overheads	19	0	0	19	0
Heat and light	85	0	0	85	0
Premises (including buildings insurance)	264	82	0	346	0
Technology costs	128	0	0	128	0
Other insurance costs	1	0	0	1	0
Finance costs	23	0	0	23	0
ARK Support Costs	163	0	0	163	0
Miscellaneous expenses	2	0	0	2	0
	2,204	82	0	2,286	0
Development Expenditure					
Staff costs	0	0	0	0	0
Project implementation	0	0	0	0	0
Education consultants	174	0	0	174	0
Set up and launch costs	16	0	0	16	0
Staff training and induction	0	0	0	0	0
Building costs	17	0	0	17	0
Research and marketing	4	0	0	4	0
Miscellaneous expenses	0	0	0	0	0
	211	0	0	211	0
Governance costs					
Legal and other professional fees	0	0	0	0	0
Audit and accountancy	0	0	0	0	0
Governor training	0	0	0	0	0
Staff costs	0	0	0	0	0
Miscellaneous expenses	0	0	0	0	0
	0	0	0	0	0
TOTAL EXPENDITURE	3,476	1,199	295	4,970	0
Excess of Income over Expenditure	0	0	434	434	0