

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

TUESDAY



\*A25GNPP1\*

A20

02/04/2013

#19

COMPANIES HOUSE

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

---

**CONTENTS**

---

	Page
Reference and administrative details of the academy, its Trustees and advisers	1
Trustees' report	2 - 6
Governance statement	7 - 8
Statement on regularity, propriety and compliance	9
Trustees' responsibilities statement	10
Independent auditors' report	11 - 12
Independent reporting accountant's assurance report on regularity	13 - 14
Statement of financial activities	15
Balance sheet	16
Cash flow statement	17
Notes to the financial statements	18 - 39

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**Trustees**

S Burke (appointed 5 August 2011, resigned 27 February 2013)  
H Davies (appointed 5 August 2011, resigned 27 February 2013)  
W S Davis, Vice Chair (appointed 5 August 2011)  
S Dawson (appointed 5 August 2011)  
J Gharda (appointed 1 September 2012)  
J Griffiths (appointed 5 August 2011, resigned 27 February 2013)  
M Houston (appointed 5 August 2011, resigned 27 February 2013)  
E M Jackson (appointed 5 August 2011)  
D Prestridge (appointed 5 August 2011, resigned 27 February 2013)  
T F Sewell, Chair (appointed 5 August 2011)  
Sir Christopher Stone, Executive Headteacher (appointed 5 August 2011)  
J Stylianou (appointed 5 August 2011, resigned 27 February 2013)  
J Turner (appointed 5 August 2011, resigned 27 February 2013)  
N Turner\* (appointed 5 August 2011, resigned 27 February 2013)  
P Wadsworth\* (appointed 5 August 2011)  
A Wharton\* (appointed 5 August 2011)  
A S Wood\* (appointed 5 August 2011)

\*member of the Audit Committee

**Company registered  
number** 07730920

**Registered office** The Arthur Terry School  
Kittoe Road  
Four Oaks  
Sutton Coldfield  
West Midlands  
B74 4RZ

**Executive Headteacher  
and Accounting Officer** Sir Christopher Stone

**Auditors** Smith Cooper LLP  
Chartered Accountants  
Statutory Auditors  
Livery Place  
35 Livery Street  
Birmingham  
West Midlands  
B3 2PB

**Bankers** LloydsTSB Bank PLC  
Birmingham Road  
Sutton Coldfield

**Solicitors** Stone King Solicitors  
16 St John's Lane  
London  
EC1M 4BS

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

---

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Arthur Terry Learning Partnership (the academy) for the period ended 31 August 2012. The Trustees confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**Structure, governance and management**

**a CONSTITUTION**

The academy is a charitable company limited by guarantee and was incorporated on 5 August 2011 as The Arthur Terry and Stockland Green Federation. The name was changed on 27 July 2012.

The academy is constituted under a Memorandum and Articles of Association, originally dated 5 August 2011 but revised in July 2012. A further revision is taking place in 2013.

The principal activity of the charitable Company is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining and operating academies offering a broad and balanced curriculum.

**b MEMBERS**

During the period under review the Company had 7 members who were the subscribers to the Memorandum of Association.

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

The Articles of Association provide for the appointment and removal of members.

**c BOARD OF TRUSTEES**

The 2011 and 2012 Articles provide that

- the first directors are the members
- the members of the federated governing body at the date of conversion be appointed directors
- up to 6 chairmen of local governing bodies be directors
- the Executive Headteacher will be a director
- a minimum of 2 parent Directors for every 10 or fewer academies
- up to 2 staff directors

The ultimate management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The training and induction provided for new Trustees will depend on their existing experience. Where necessary an induction will provide training on educational, legal and financial matters. All new Trustees are given a tour of the academy and a chance to meet with staff and students. All Trustees are provided with access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and directors of the Charitable company. As there is normally expected to be only a small number of new Trustees each year, inductions tend to be informal and are tailored specifically to the individual. An annual event is held where all senior staff meet with the Trustees and undertake a joint training event.

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

---

The Academy Insurance indemnifies the Governors. This policy is available for inspection on request.

**d ORGANISATIONAL STRUCTURE**

The company has established a structure to enable its efficient running. The structure consists of 4 levels, the Board of Trustees and its committees, Local Governing Bodies and Leadership Groups. The Executive Headteacher is the Accounting Officer.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the company by the use of budgets, making major decisions about the strategic direction of the company, and senior staff appointments. The Trustees are responsible for the monitoring and performance of the Executive Headteacher on a regular basis.

The Local Governing Bodies are responsible for implementing the policies laid down by the Trustees and reporting back to them.

The Local Governing Bodies are a mix of parents, staff and co-opted members. At each academy there is a Headteacher and a Leadership Group. Each Local Governing Body appoints a Chair who will become a director of the company, the individuals at the date of this report are Messrs Wharton & Gharda and Mrs Dawson.

The Trustees have created an Audit Committee to be a committee of the Board. The Audit committee assists the Trust in fulfilling its oversight responsibilities with particular reference to financial reporting, internal control, risk management and external audit, all other matters are dealt with by the Trust Board.

Each Local Governing Body will appoint two committees to be responsible for Managing The Organisation and Leading, Learning & Teaching. Minutes from these committees are part of the regular reporting to the Board of Trustees.

**e RISK MANAGEMENT**

The Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances. They recognise that in the four months to 31 August 2012 the transition to an academy resulted in a period when new policies and procedures were being designed and implemented so although they are satisfied that systems and procedures were in place to mitigate the exposure to major risks they recognise that further developments are taking place in the year to 31 August 2013.

**Objectives and Activities**

**a OBJECTS AND AIMS**

The Company's objects are specifically restricted to the following:

- (a) Advancing for the public benefit education in the United Kingdom ("the area of benefit"), in particular but without prejudice to the generality of the foregoing by
  - i Establishing, maintaining, carrying on, managing and developing a school offering a broad and a balanced curriculum,
  - ii Providing childcare facilities and adult training to develop the capacity and skills of parents to be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of children,
- (b) Promoting in the area of benefit the physical, intellectual and social development of primarily but not exclusively children under five especially those who are socially and economically disadvantaged,
- (c) Developing the capacity and skills of those inhabitants of the area of benefit who are socially and

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

---

- economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society,
- (d) Relieving poverty among the inhabitants of the area of benefit,
  - (e) Relieving unemployment in the area of benefit for the benefit of the public in such ways as may be thought fit, including assistance to find employment,
  - (f) Advancing the health of the inhabitants of the area of benefit,
  - (g) Providing recreational and leisure time facilities in the interest of social welfare for the inhabitants of the area of benefit especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances,
  - (h) To promote for the benefit of the inhabitants of West Midlands and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The Academy's Development Plan describes our objectives and aims. Having consistently achieved excellent academic results for a number of years our plans focus upon ensuring The Arthur Terry Learning Partnership remains a centre for academic excellence at both GCSE and 'A' Level. Leaders and managers at all levels are encouraged to innovate in response to a continually changing educational climate and an absolute priority remains to ensure that all children feel safe in an environment where the discipline is firm but fair yet where student voice is heard. Best practice in teaching and learning is widely shared in order to ensure that all children thrive and succeed and make better than expected progress.

In setting the objectives, the Trustees have given careful consideration to the Academy's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

**c. ACTIVITIES FOR ACHIEVING OBJECTIVES**

The main objectives of the Trust are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all pupils
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To maintain close links with industry and commerce, and
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness

To ensure that standards are continually raised the Trust, The Local Governing Bodies and the Leadership Groups,

- Operate a robust quality assurance calendar which monitors the quality of teaching and learning and includes book trawls
- Is visited and scrutinised and supported by a School Improvement Partner
- Undertake a rigorous review of attainment using RAISEONLINE and FFTD live to measure the progress of students, paying particular regard to their achievement on entry and levels of progress secured

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

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Trust. The policy of the Trust is to support recruitment and retention of students and

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

---

employees with disabilities The Trust does this by adapting the physical environment by making support resources available and through training and career development

**Achievements and performance**

**a GOING CONCERN**

After making appropriate enquiries, the Trustees have a reasonable expectation that the academy 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

**b REVIEW OF ACTIVITIES**

The Trust has achieved a balanced budget and we do not project a budget deficit in the near future All academic targets have been surpassed and the students have exceeded their anticipated examination outcomes The Arthur Terry School achieved its best ever performances at both GCSE and A level The Trust has a nationally recognised Newly Qualified Teacher programme and is one of the first 100 Teaching Schools featuring a School Centered Initial Teacher Training programme

**c FACTORS RELEVANT TO ACHIEVE OBJECTIVES**

The Trust sets high standards for staff and students It seeks to employ outstanding teachers and support staff who are committed to help every student achieve the best possible educational outcomes

**Financial review**

**a FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Trustees charge each Local Governing Body to conduct an annual review of its Risk Register to consider whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the school's objectives

**b. PRINCIPAL RISKS AND UNCERTAINTIES**

- An unfavourable Ofsted Report
- Competition for same sources of income
- Breach of Data Protection
- Litigation and legislative changes
- Pension deficit funding

**c 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 The Trustees will keep the level of reserves under review

Reserves at the end of the period are £28,187,000 but £27,289,000 are represented by fixed assets and the Local Government Pension Scheme deficit

The restricted fund reserves will be used to fund current commitments, and future building projects as well as expenditure required to set up new courses and implement the Aims and Objectives of the Academy as outlined in the Development Plan The Trust does not hold any investments Overnight or 7 day deposits are considered when cashflow allows

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**d PRINCIPAL FUNDING**

Most of the Academy's income is obtained from the EFA in the form of recurrent grants. The Trust has made significant investment including, the purchase of laptops for new staff, the purchase of computers for the use by students.

**Plans for the future**

The Trust will be expanding to incorporate four primary schools. This will enable all schools to share best practice across the key stages.

The Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure all students are secure in their next steps on leaving school with regard to employment or continuing in training or formal education.

**Funds held as custodian**


Funds held as Custodian Trustee on behalf of others include, Sutton Coldfield Consortium, Toy Library, Cluster and Children's Centre.

**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the members of the Trust Board on 25 March 2013 and signed on its behalf by



**T F Sewell, Chair**  
Trustee



---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**GOVERNANCE STATEMENT**

---

**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that The Arthur Terry Learning Partnership 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 Trustees have delegated the day to day responsibility to the Executive Headteacher, 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 The Arthur Terry Learning Partnership and the Secretary of State for Education. He is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Trust Board formally meets once per term.

The Audit Committee is a sub-committee of the main Trust Board. Its purpose is to assist the Trust in fulfilling its oversight responsibilities with particular reference to financial reporting, internal control, risk management and external audit, all other matters are dealt with by the Trust Board.

**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 The Arthur Terry Learning Partnership for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements. As noted elsewhere, as a new entity the systems of internal control were under development in the period ended 31 August 2012.

**CAPACITY TO HANDLE RISK**

The Trust has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust.

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**GOVERNANCE STATEMENT (continued)**

---

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board,
- regular reviews by the Local Governing Bodies 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 Trustees have appointed Christopher Musgrove of Working with Schools Ltd as independent Internal Auditor. This role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the Internal Auditor reports to the Audit Committee on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

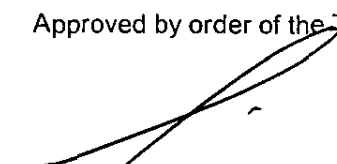
**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

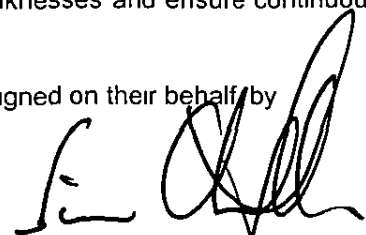
- the work of the Internal Auditor,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Trustees on 25 March 2013 and signed on their behalf by



**T F Sewell, Chair**  
Trustee



**Sir Christopher Stone, Executive Headteacher**  
Accounting Officer

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

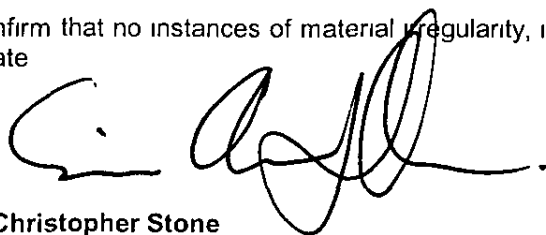
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of The Arthur Terry Learning Partnership I have considered my responsibility to notify the academy Trust Board and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy Trust Board are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

A handwritten signature in black ink, appearing to read 'C. Stone', with a stylized flourish at the end.

**Sir Christopher Stone**  
Accounting Officer

Date 25 March 2013

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2012**

---

The Trustees (who act as trustees for charitable activities of The Arthur Terry Learning Partnership and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Trustees 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 Trustees 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 EFA/DfE have been applied for the purposes intended.

The Trustees 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 Trustees on 25 March 2013 and signed on its behalf by



**T F Sewell, Chair**  
Trustee

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ARTHUR TERRY LEARNING PARTNERSHIP**

---

We have audited the financial statements of The Arthur Terry Learning Partnership for the period ended 31 August 2012 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material 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 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ARTHUR TERRY LEARNING PARTNERSHIP**

---

**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

*Smith Cooper LLP*

Adrian Jones (Senior statutory auditor)

for and on behalf of

**Smith Cooper LLP**

Chartered Accountants  
Statutory Auditors

Livery Place  
35 Livery Street  
Birmingham  
West Midlands  
B3 2PB

Date *27 March 2013*

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE ARTHUR TERRY  
LEARNING PARTNERSHIP AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 21 September 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Arthur Terry Learning Partnership during the period 1 May 2012 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to The Arthur Terry Learning Partnership and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Arthur Terry Learning Partnership and the EFA those matters we are required to state in a 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 Arthur Terry Learning Partnership and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE ARTHUR TERRY LEARNING PARTNERSHIP'S ACCOUNTING  
OFFICER AND THE AUDITORS**

The Accounting Officer is responsible, under the requirements of The Arthur Terry Learning Partnership's funding agreement with the Secretary of State for Education dated 2 May 2012, and the Academies Financial Handbook as published by DfES in 2011, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 May 2012 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE ARTHUR TERRY  
LEARNING PARTNERSHIP AND THE EDUCATION FUNDING AGENCY (continued)**

---

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 May 2012 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

*Smith Cooper LLP*

**Smith Cooper LLP**

Chartered Accountants  
Statutory Auditors

Livery Place  
35 Livery Street  
Birmingham  
West Midlands  
B3 2PB

Date *27 March 2013*



**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account and statement of recognised gains and losses)  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

	Note	Restricted funds 2012 £000	Restricted fixed asset funds 2012 £000	Total funds 2012 £000
<b>INCOMING RESOURCES</b>				
Incoming resources from generated funds				
Assets / (liabilities) transferred from predecessor school - see note 26	3	(1,518)	30,031	28,513
Incoming resources from charitable activities	4	4,754	-	4,754
<b>TOTAL INCOMING RESOURCES</b>		<b>3,236</b>	<b>30,031</b>	<b>33,267</b>
<b>RESOURCES EXPENDED</b>				
Charitable activities	10	4,422	264	4,686
Governance costs	6	61	-	61
<b>TOTAL RESOURCES EXPENDED</b>	9	<b>4,483</b>	<b>264</b>	<b>4,747</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>(1,247)</b>	<b>29,767</b>	<b>28,520</b>
Transfers between Funds	21	(115)	115	-
<b>NET INCOME FOR THE YEAR</b>		<b>(1,362)</b>	<b>29,882</b>	<b>28,520</b>
Actuarial gains and losses on defined benefit pension schemes		(333)	-	(333)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(1,695)</b>	<b>29,882</b>	<b>28,187</b>
<i>Total funds at 5 August 2011</i>		-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2012</b>		<b>(1,695)</b>	<b>29,882</b>	<b>28,187</b>

All of the Academy's activities derived from operations which commenced or were transferred (acquired) during the period ended 31 August 2012 and represent continuing operations

A Statement of Total Recognised Gains and Losses is not required as the Statement of Financial Activities includes all gains and losses recognised in the period

The notes on pages 18 to 39 form part of these financial statements

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)  
REGISTERED NUMBER 07730920

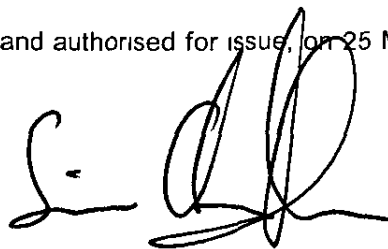
**BALANCE SHEET**  
**AS AT 31 AUGUST 2012**

	Note	£000	2012 £000
<b>FIXED ASSETS</b>			
Tangible assets	17		37,454
<b>CURRENT ASSETS</b>			
Debtors	18	438	
Cash at bank		1,490	
		<u>1,928</u>	
<b>CREDITORS</b> amounts falling due within one year	19	(1,215)	
<b>NET CURRENT ASSETS</b>			<u>713</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>38,167</u>
<b>CREDITORS</b> , amounts falling due after more than one year	20		(7,387)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>30,780</u>
Defined benefit pension scheme liability	28		(2,593)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>28,187</u>
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds			
Restricted funds	21	898	
Restricted fixed asset funds	21	29,882	
		<u>30,780</u>	
Restricted funds excluding pension liability			
Pension reserve		(2,593)	
		<u>28,187</u>	
<b>TOTAL FUNDS</b>			<u>28,187</u>

The financial statements were approved by the Trustees, and authorised for issue, on 25 March 2013 and are signed on their behalf, by



**T F Sewell, Chair**



**Sir Christopher Stone, Executive Headteacher**

The notes on pages 18 to 39 form part of these financial statements

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2012**

	Note	2012 £000
Net cash flow from operating activities	23	629
Capital expenditure and financial investment	24	(67)
Cash transferred on conversion to an academy trust		985
<b>CASH INFLOW BEFORE FINANCING</b>		<b>1,547</b>
Financing	24	(57)
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>1,490</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT  
FOR THE PERIOD ENDED 31 AUGUST 2012**

	2012 £000
Increase in cash in the period	1,490
Cash outflow from decrease in debt and lease financing	57
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>1,547</b>
New amounts due to Birmingham City Council	(7,620)
<b>MOVEMENT IN NET DEBT IN THE PERIOD</b>	<b>(6,073)</b>
<b>NET DEBT AT 31 AUGUST 2012</b>	<b>(6,073)</b>

The notes on pages 18 to 39 form part of these financial statements

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**1 ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction issued by the EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Company status**

The academy is a company limited by guarantee. The members of the company are the subscribers to the Memorandum. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

**1.3 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 subscribers to the Memorandum.

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

**1.4 Incoming resources**

All incoming resources are included in the Statement of financial activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

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 was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**1 ACCOUNTING POLICIES (continued)**

**1.5 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.

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the academy 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.

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

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 are 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.

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.

Tangible fixed assets are stated at fair value on conversion to an academy and subsequent additions at cost, less depreciation. Depreciation is not charged on long leasehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

L/ Term Leasehold Property	-	50 years from construction or lease period if shorter
Plant, machinery, fixtures & fittings	-	10% straight line
Motor vehicles	-	25% reducing balance
Computer equipment	-	30% straight line

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**1 ACCOUNTING POLICIES (continued)**

**1 8 Operating leases**

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

**1 9 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 10 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 28, 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 the 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 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.

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**1 ACCOUNTING POLICIES (continued)**

**1 11 Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for no consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from Arthur Terry School and Stockland Green School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Arthur Terry Learning Partnership. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**2 GENERAL ANNUAL GRANT (GAG)**

**The Arthur Terry School**

	2012 £000
<b>Result and Carry Forward for the Year</b>	
GAG Allocation for current year	2,710
<b>Total GAG Available to spend</b>	<u>2,710</u>
Recurrent expenditure from GAG	(2,627)
Fixed assets purchased from GAG	(67)
<b>GAG Carried forward to next year</b>	<u>16</u>
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(325)
<b>GAG to surrender to DfE</b>	<u>(309)</u>
(12% rule breached if result is positive)	<u>No breach</u>

**Stockland Green School**

	2012 £000
<b>Result and Carry Forward for the Year</b>	
GAG Allocation for current year	1,519
<b>Total GAG Available to spend</b>	<u>1,519</u>
Recurrent expenditure from GAG	(1,447)
<b>GAG Carried forward to next year</b>	<u>72</u>
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(182)
<b>GAG to surrender to DfE</b>	<u>(110)</u>
(12% rule breached if result is positive)	<u>No breach</u>

**3 VOLUNTARY INCOME**

	Restricted funds 2012 £000	Total funds 2012 £000
Assets / (liabilities) transferred from predecessor school - see note 26	<u>28,513</u>	<u>28,513</u>
Voluntary income	<u>28,513</u>	<u>28,513</u>



**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Restricted funds 2012 £000	Total funds 2012 £000
Academy's Educational Operations	4,705	4,705
Children's Centre	49	49
	<u>4,754</u>	<u>4,754</u>

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Restricted funds 2012 £000	Total funds 2012 £000
<b>DfE/EFA revenue grant</b>		
General Annual Grant (GAG)	4,173	4,173
Other grants	531	531
	<u>4,704</u>	<u>4,704</u>

**5 EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Restricted funds 2012 £000	Total funds 2012 £000
Academy's Educational Operations	4,655	4,655
Children's Centre	31	31
	<u>4,686</u>	<u>4,686</u>

**SUMMARY BY EXPENDITURE TYPE**

	Staff costs 2012 £000	Depreciation 2012 £000	Other costs 2012 £000	Total 2012 £000
Academy's Educational Operations	3,249	264	1,142	4,655
Children's Centre	25	-	6	31
	<u>3,274</u>	<u>264</u>	<u>1,148</u>	<u>4,686</u>

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**6 GOVERNANCE COSTS**

	Restricted funds 2012 £000	Total funds 2012 £000
Auditors' remuneration	10	10
Legal fees	50	50
Remuneration and expenses	1	1
	<u>61</u>	<u>61</u>

**7. DIRECT COSTS**

	Academy's Educational Operations £000	Children's Centre £000	Total 2012 £000
Educational expenses	222	-	222
Examination fees	173	-	173
Staff development	35	-	35
Other costs	48	6	54
Insurance	47	-	47
Bank interest and charges	102	-	102
Agency Staff	104	-	104
School development	7	-	7
Staff costs	2,665	25	2,690
Pension cost	109	-	109
	<u>3,512</u>	<u>31</u>	<u>3,543</u>

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**8 SUPPORT COSTS**

	Governance £000	Academy's Educational Operations £000	Total 2012 £000
Pension income	-	30	30
Maintenance of premises and equipment	-	120	120
Rent and rates	-	17	17
Heat and light	-	52	52
Travelling	-	16	16
Catering	-	38	38
Technology costs	-	83	83
Office expenses	-	48	48
Staff costs	1	475	476
Depreciation	-	264	264
	<u>1</u>	<u>1,143</u>	<u>1,144</u>

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

	Staff costs 2012 £000	Depreciation 2012 £000	Other costs 2012 £000	Total 2012 £000
Academy's Educational Operations	3,249	264	1,142	4,655
Children's Centre	25	-	6	31
<b>Charitable activities</b>	<u>3,274</u>	<u>264</u>	<u>1,148</u>	<u>4,686</u>
<b>Governance</b>	<u>1</u>	<u>-</u>	<u>60</u>	<u>61</u>
	<u>3,275</u>	<u>264</u>	<u>1,208</u>	<u>4,747</u>

**10 ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2012 £000	Support costs 2012 £000	Total 2012 £000
Academy's Educational Operations	3,512	1,143	4,655
Children's Centre	31	-	31
<b>Total</b>	<u>3,543</u>	<u>1,143</u>	<u>4,686</u>

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**11 NET INCOME / (EXPENDITURE)**

This is stated after charging

	<b>2012</b>
	<b>£000</b>
Depreciation of tangible fixed assets	
- owned by the charity	<b>264</b>
Governance Internal audit costs	<b>-</b>
	<hr/> <hr/>

During the period no Trustee received any remuneration, benefits in kind nor any reimbursement of expenses

**12 AUDITORS' REMUNERATION**

	<b>2012</b>
	<b>£000</b>
Fees payable to the academy's auditor for the audit of the academy's annual accounts	<b>10</b>
Fees payable to the academy's auditor and its associates in respect of	
Other services relating to taxation	<b>3</b>
All other services	<b>4</b>
	<hr/> <hr/>

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**13 STAFF COSTS**

Staff costs were as follows

	<b>2012</b>
	<b>£000</b>
Salaries (including employers NI £211,000 and TPS costs £261,000)	<b>3,166</b>
Other pension costs (Note 28)	<b>109</b>
	<hr/> <b>3,275</b> <hr/>

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

	<b>2012</b>
	<b>No</b>
Teachers	<b>89</b>
Non teaching staff	<b>97</b>
	<hr/> <b>186</b> <hr/>

The number of employees whose emoluments (on an annual basis excluding employers pension contributions) fell within the following bands was

	<b>2012</b>
	<b>No</b>
In the band £60,001 - £70,000	<b>4</b>
In the band £80,001 - £90,000	<b>1</b>
In the band £130,001 - £140,000	<b>1</b>
	<hr/> <b>6</b> <hr/>

The employees earning more than £60,000 per annum participated in one of the Trust's pension schemes. During the period pension contributions amounting to £19,000 were paid to the Teachers' Pension Scheme for five employees and £3,000 to the Local Government Pension Scheme for one employee.

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**14. TRUSTEES' REMUNERATION**

The Executive Headteacher only receives remuneration in respect of services he provides undertaking the role of Executive Headteacher and not in respect of services as trustee. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration in the period (including employers pension contributions) fell within the following bands

	<b>2012</b>
	<b>£000</b>
Sir Christopher Stone, Executive Headteacher	<b>45-50</b>

**15. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2Million on any one claim and the cost for the period ended 31 August 2012 was £194.

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

**16. OTHER FINANCE INCOME**

	<b>2012</b>
	<b>£000</b>
Expected return on pension scheme assets	<b>38</b>
Interest on pension scheme liabilities	<b>(68)</b>
	<hr/> <b>(30)</b> <hr/>

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**17 TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £000	Plant, machinery and motor vehicles £000	Computer equipment £000	Total £000
<b>Cost</b>				
Additions	37,500	51	167	37,718
At 31 August 2012	37,500	51	167	37,718
<b>Depreciation</b>				
Charge for the period	237	3	24	264
At 31 August 2012	237	3	24	264
<b>Net book value</b>				
At 31 August 2012	37,263	48	143	37,454

In accordance with FRS 15 (the Financial Reporting Standard for Fixed Assets), the initial carrying amount of tangible fixed assets received, as gifts or donations by charities, should be the current value of the assets at the date they are received

The fair valuation of the long leasehold properties on conversion was determined by reference to the carrying value in the accounts of Birmingham City Council. The Council advised that the properties had been the subject of a valuation in 2009/10 with appropriate depreciation adjustments in the following accounting periods. An estimate has been made to split the fair value between land and buildings, £4,125,000 has been attributed to land which is not depreciated. Depreciation on buildings continues to write the carrying value off over the remaining life of the 50 years.

The valuations have been used for the purposes of the opening balance sheet only, a policy of revaluation will not be adopted.

**18 DEBTORS**

	2012 £000
Other debtors	170
Prepayments and accrued income	268
	438

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**19 CREDITORS**

Amounts falling due within one year

	2012 £000
Amount due to Birmingham City Council (see note 20)	176
Trade creditors	649
Other creditors	130
Accruals and deferred income	260
	<u>1,215</u>

**20 CREDITORS**

Amounts falling due after more than one year

	2012 £000
Amount due to Birmingham City Council	<u>7,387</u>

Included within the above are amounts falling due as follows

	2012 £000
<b>Between two and five years</b>	
Amount due to Birmingham City Council	<u>895</u>
<b>Over five years</b>	
Amount due to Birmingham City Council	<u>6,492</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2012 £000
Repayable by instalments	<u>6,492</u>

As part of the conversion process The Arthur Terry Learning Partnership entered into agreements with Birmingham City Council. In return for 125 year leases over the existing school land and buildings at The Arthur Terry School and Stockland Green School and recognising the Council's obligations under PFI/BSF contracts the Trust agreed to pay the Council amounts for maintenance of the buildings and for capital and interest. The arrangements are for 24 and 27 years from conversion, repayments are monthly and an interest rate of 4% has been used to impute the capital amount due on conversion.



**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**21 STATEMENT OF FUNDS**

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	4,229	(4,026)	(115)	-	88
Children's Centre	-	49	(30)	-	-	19
Other Grants	-	475	(389)	-	-	86
Predecessor school	-	705	-	-	-	705
Pension reserve	-	(2,222)	(38)	-	(333)	(2,593)
	-	3,236	(4,483)	(115)	(333)	(1,695)
<b>Restricted fixed asset funds</b>						
Fixed Assets	-	37,651	(264)	67	-	37,454
Due to Local Authority	-	(7,620)	-	48	-	(7,572)
	-	30,031	(264)	115	-	29,882
Total restricted funds	-	33,267	(4,747)	-	(333)	28,187
Total of funds	-	33,267	(4,747)	-	(333)	28,187

**SUMMARY OF FUNDS**

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Restricted funds	-	3,236	(4,483)	(115)	(333)	(1,695)
Restricted fixed asset funds	-	30,031	(264)	115	-	29,882

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

The restricted fund includes grants receivable from the EFA, other grants, other income, amounts transferred from the predecessor school and the pension reserve, all funds to be used for the educational activities of the academy

The restricted fixed asset fund includes amounts receivable from the EFA and fixed assets and related loans transferred from the predecessor school in respect of tangible fixed assets held for the Academy use. Depreciation is charged against this fund together with fixed asset purchases and certain maintenance and replacement costs

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**22 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted funds 2012 £000	Restricted fixed asset funds 2012 £000	Total funds 2012 £000
Tangible fixed assets	-	37,454	37,454
Current assets	1,929	-	1,929
Creditors due within one year	(1,031)	(185)	(1,216)
Creditors due in more than one year	-	(7,387)	(7,387)
Pension liability	(2,593)	-	(2,593)
	<u>(1,695)</u>	<u>29,882</u>	<u>28,187</u>

**23 NET CASH FLOW FROM OPERATING ACTIVITIES**

	2012 £000
Net incoming resources before revaluations	28,520
Assets transferred from predecessor school	(28,513)
Depreciation of tangible fixed assets	264
Increase in debtors	(426)
Increase in creditors	746
FRS 17 adjustments	38
<b>Net cash inflow from operations</b>	<u><u>629</u></u>

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**24 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2012 £000
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(67)
	<u>(67)</u>
	2012 £000
<b>Financing</b>	
Repayment of loans	(57)
	<u>(57)</u>

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

	5 August 2011 £000	Cash flow £000	Acquisition £000	Other non-cash changes £000	31 August 2012 £000
Cash at bank and in hand	-	1,490	-	-	1,490
<b>Debt</b>					
Debts due within one year	-	-	-	(176)	(176)
Debts falling due after more than one year	-	57	(7,620)	176	(7,387)
<b>Net debt</b>	<u>-</u>	<u>1,547</u>	<u>(7,620)</u>	<u>-</u>	<u>(6,073)</u>

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**26 CONVERSION TO AN ACADEMY TRUST**

On 1 May 2012 Arthur Terry School and Stockland Green School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Arthur Terry Learning Partnership from Birmingham City Council for no consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities

	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Fixed assets	-	37,651	37,651
Debtors	12	-	12
Cash at bank	985	-	985
Creditors	(293)	-	(293)
LGPS pension surplus/(deficit)	(2,222)	-	(2,222)
Amounts due to Birmingham City Council - see below	-	(7,620)	(7,620)
Net assets/(liabilities)	<u>(1,518)</u>	<u>30,031</u>	<u>28,513</u>

The Arthur Terry Learning Partnership entered into 125 year leases over the existing school land and buildings at The Arthur Terry School and Stockland Green School and recognising the Council's obligations under PFI/BSF contracts the Trust agreed to pay the Council amounts for maintenance of the buildings and for capital & interest. An interest rate of 4% has been used to impute the capital amount due to Birmingham City Council.

**27 POST BALANCE SHEET EVENTS**

On 1 September 2012 Slade Primary School became the third school to join the Trust. Negotiations are taking place for a further three primary schools to become part of the Learning Partnership in 2013.

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**28 PENSION COMMITMENTS**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

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 Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been 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.

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ('SCR') 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. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

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%.

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years).

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**28 PENSION COMMITMENTS (continued)**

This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS17) 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 FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £140,000, of which employer's contributions totalled £101,000. The agreed contribution rate for future years are 16.2% for employers and from 5.5% to 7.5% for employees.

As described in note 26 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	<b>2012 £000</b>
Present value of funded obligations	<b>(4,587)</b>
Fair value of scheme assets	<b>1,994</b>
	<hr/>
Net liability	<b>(2,593)</b>
	<hr/>

---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**28 PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities are as follows

	2012 £000
Current service cost	(109)
Interest on obligation	(68)
Expected return on scheme assets	38
	<hr/>
Total	(139)
	<hr/>
Actual return on scheme assets	54
	<hr/>

Movements in the present value of the defined benefit obligation were as follows

	2012 £000
Current service cost	109
Interest cost	68
Contributions by scheme participants	39
Actuarial Losses	349
Liabilities assumed in a business combination	4,022
	<hr/>
Closing defined benefit obligation	4,587
	<hr/>

Movements in the fair value of the academy's share of scheme assets

	2012 £000
Expected return on assets	38
Actuarial gains and (losses)	16
Contributions by employer	101
Contributions by employees	39
Assets acquired in a business combination	1,800
	<hr/>
	1,994
	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £333,000

The academy expects to contribute £302,000 to its defined benefit pension scheme in 2013

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**28 PENSION COMMITMENTS (continued)**

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

	<b>2012</b>
Equities	54.40 %
Government bonds	9.20 %
Other bonds	9.90 %
Property	10.10 %
Cash	1.60 %
Other	14.80 %

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

	<b>2012</b>
Discount rate for scheme liabilities	4.50 %
Expected return on scheme assets at 31 August	5.89 %
Rate of increase in salaries	4.05 %
Rate of increase for pensions in payment / inflation	2.30 %
Inflation assumption (CPI)	2.30 %
Commutation of pensions to lump sums	50.00 %

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

	<b>2012</b>
Retiring today	
Males	22
Females	24.7
Retiring in 20 years	
Males	23.8
Females	26.6

Amounts for the current period are as follows

Defined benefit pension schemes

	<b>2012</b>
	<b>£000</b>
Defined benefit obligation	(4,587)
Scheme assets	1,994
Deficit	(2,593)
Experience adjustments on scheme liabilities	(349)
Experience adjustments on scheme assets	16



---

**THE ARTHUR TERRY LEARNING PARTNERSHIP**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

---

**28 PENSION COMMITMENTS (continued)**

Sensitivity analysis, an indication of the impact of changes to certain assumptions is provided below

	Approximate % increase to employers liability	Approximate monetary amount £000
Change in assumptions at 31 August 2012		
0.1% increase in Discount Rate	(4 %)	(100)
1 year increase in member life expectancy	3.1 %	81
0.1% increase in the Inflation Rate	4 %	103