

**WOODARD ACADEMIES TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**



**An exempt Charity**  
**Company Registration No. 6415729 (England and Wales)**

**CONTENTS**

	<b>Page</b>
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	10
Statement of Regularity, Propriety and Compliance	12
Statement of Trustees' Responsibilities	13
Independent Auditor's Report on the Financial Statements	14
Independent Auditor's Report on Regularity	16
Statement of Financial Activities incorporating Income & Expenditure Account	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements, incorporating	
Statement of Accounting Policies	20
Notes to the Financial Statements	23

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees**

Mrs J Richardson (Chairman)  
The Revd Canon G Lowson (vice Chairman)  
The Revd H Bishop  
Mr L Gray (appointed February 2013)  
Mr W Harvey  
Mr I D Henham (appointed November 2012)  
Mr C Hopkins (resigned November 2013)  
Mrs J Mark  
Mr I Rouse  
Mrs I Taylor  
Mr G Toole-Mackson

**Senior Management Team:**

**Chief Executive**

Canon D Bilton

**Academies Chief Officer**

Ms B Goulding-Parr

**Company Secretary and Finance Director**

Mr R Gough (appointed July 2013)

**Principals:**

Mr P Midwinter (Sir Robert Woodard Academy)  
(appointed April 2013)  
Mr S Jewell (The Littlehampton Academy)  
Mr J Feldwick (St Augustine Academy)  
(appointed April 2013)  
Mr J Burns (St Peter's Academy)

**Company Registration Number**

6415729

**Registered Office**

1 The Sanctuary  
Westminster  
London SW1P 3JT

**Independent Auditor**

Grant Thornton UK LLP  
Grant Thornton House,  
Melton Street,  
Euston Square  
London NW1 2EP

**Bankers**

Lloyds Bank  
Pride Hill  
Shrewsbury  
PO Box 1000  
BX1 1LT

**Solicitors**

Lee Bolton Monier-Williams  
1 The Sanctuary  
Westminster  
London SW1P 3JT

**Insurers**

Zurich Insurance Company  
The Zurich Centre  
3000 Parkway, Whiteley  
Fareham, Hants PO15 7JZ

### **TRUSTEES' REPORT**

The Trustees present their report and financial statements for the year ended 31st August 2013 and confirm they comply with the requirements of the Charities SORP 2005

#### **Constitution**

The Woodard Academies Trust ('the Trust') was formed in November 2007 and is now an exempt charity. The Trust is a company limited by guarantee. The Woodard Corporation (charity number 1096270) exerts a dominant influence over the Trust as the Memorandum and Articles of the Trust allow The Woodard Corporation to appoint and remove the majority of the Trustees (the 'sponsor directors') and the two companies follow a common strategy. The Trust was established by the Woodard Corporation to deliver its vision of operating academies across the UK, in line with the vision of our founder Nathaniel Woodard.

Schools and academies associated with the Woodard Corporation strive for the best all round education of every aspect of each individual, they ensure high standards of religious education, and they see themselves as communities working together for the benefit of all members, and of the Church and the nation. They have strong Christian foundations which adhere to catholic belief as found in the Church of England, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community through the ministry of the Chaplain.

The joint sponsors of the first two Woodard Academies, which opened on 1 September 2009, are the Woodard Corporation and West Sussex County Council. The Woodard Corporation and the Lichfield Diocesan Board of Education are joint sponsors of the St Peter's Academy in Stoke which opened on 1 September 2011. St Augustine Academy Maidstone, which also opened on 1 September 2011, is sponsored by the Woodard Corporation. The Department for Education (DfE) is the primary funding body for all four academies, via the Education Funding Agency (EFA).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The Trust is governed by Memorandum and Articles of Association dated 1 November 2007 and updated most recently on 7 September 2011. The Memorandum and Articles of Association of the Trust forbid the distribution of any income, which is to be applied solely towards the promotion of the charitable objects of the company.

The Trustees are the directors of the company and comprise the individuals listed on page 1 who are appointed to hold office for periods of three years.

The Trust board comprises individuals nominated by the Woodard Corporation as sponsor as well as one individual nominated by the co-sponsor of St Peter's Academy, the Lichfield Diocesan Board of Education. The Trust looks to ensure a mix of skills and selects new Trustees on the basis of background, experience, specialist skills and support for the Woodard Christian ethos. Potential new trustees are identified by the Nominations Committee and interviewed by them. The candidates are then considered by the Board who make a recommendation to the Woodard Corporation Board who confirm the appointment as the sponsor of the Trust. New trustees meet with members of the SMT as well as the chairman of the Board for an induction and familiarisation.

Where possible the Trust aims to include the following skills and experiences:

- A member with a legal background
- A member with a financial/accounting background
- A member with education experience
- A member with senior managerial or business experience
- A member with estates experience
- At least one female and at least one male representative

One Member may have one or more of these skills

## Woodard Academies Trust

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The Trust appoints the senior staff to be employed by the Trust, as well as the Principals of the academies

During the year there were five Trust meetings held and attendance was as follows

Jan Richardson	5 out of 5
Geoff Lowson	5/5
Huw Bishop	5/5
Lindsay Gray	3/3
Bill Harvey	5/5
Ian Henham	3/4
Colin Hopkins	4/5
Janet Mark	5/5
Ian Rouse	4/5
Imogen Taylor	5/5
Graham Toole-Mackson	4/5

### Board committees

During 2011/12 a governance review was conducted and as a result the following governance changes were implemented with effect from September 2012

- An extended Trust subcommittee structure, including separate Education, Finance, Audit, Development and Estates, Remuneration and Personnel, and Nominations subcommittees. These subcommittees are responsible for directing the Trust in setting strategy and reviewing performance,
- Academy Governing Bodies being replaced by Academy Councils, responsible for supporting Principals in driving academy improvements and widening the academies' position in the local community,
- Principals' managerial reporting line being into the Academies Chief Officer

The Trust Board determines the overall policies of the Trust, with the support of the appropriate subcommittee, and the day to day management of each academy is delegated to the Principal, working closely with the local Academy Council, overseeing educational, pastoral and administrative functions in consultation with the senior staff

### Risk Management

The Trustees are responsible for the identification and management of risks for the Trust as a whole. A formal review of risks and the risk management processes is undertaken periodically

The key controls used by the Trust include

- formal agendas and minutes for all meetings of the Trust and its committees,
- terms of reference for all committees,
- comprehensive strategic planning, financial forecasting, budgeting and management accounting,
- established and identifiable organisational structures and reporting lines,
- clear authorisation limits,
- "responsible officer" reviews at each academy checking controls and processes independently,
- the maintenance of a risk register

### Academy Councils

From September 2012 individual academies are supported by their Academy Councils which operate as sub-committees of the Trust. The Councils in some cases are supported by a number of sub-committees. During 2012/13 the Academy Councils and their sub-committees met regularly

Councillors are recruited on the basis of nominations from the Trust, from community academy contacts including

## **Woodard Academies Trust**

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parents and staff, and from co-sponsors as well as by advertisement. Councillors and Clerks are provided with induction training and a wider programme of training events is organised according to needs. In recruiting Councillors, a similar mixture of skills and experience is sought as with the Trust as shown above.

### **Organisational Management**

The day to day administration is undertaken within the strategy, policies and procedures set by the Trust, which provide for significant personnel and expenditure decisions and major capital projects to be referred to the Trust for prior approval. These policies and procedures are based on guidance from the DfE. Whilst every effort is made to retain consistency across academies on key elements, local variation according to local circumstances is allowed on matters of relative detail.

The Principals oversee the recruitment of all academy staff, supported by the appropriate Trust Executive for senior appointments.

### **OBJECTS**

The Trust's objects, as set out in the Memorandum of Association, are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the "Academies") offering a broad curriculum with a strong emphasis, but in no way limited to one or a combination of the specialisms specified in the funding agreements entered into with the Secretary of State for Education ("Secretary of State") relating to each of the academies. The objects are to be conducted in accordance with the principles of the Church of England.

### **AIMS, OBJECTIVES AND ACTIVITIES**

#### **Aims and Intended Impact**

Within the objects, our academies aim to create an environment to nurture children, to help them to get the best from themselves and to allow them to develop to fulfil their potential. We aim to provide students with a first class education and a wide range of opportunities. This is done in a way which is consistent with the Woodard ethos that every child will be valued, respected and cared for, to provide the best learning experience for all. We welcome students and families from all faiths or none.

The objective is to provide education for students of all abilities. All children who apply are admitted (up to the capacity of the academy), with no selection (apart from reaching the necessary standard for A level study).

Consistent with other academies in the United Kingdom we aim to raise the educational outcomes from the levels inherited from the predecessor schools, and to increase student numbers. The Trust is excited to be able to play a part in the UK academies initiative, and has aspirations to open further academies in 2014 and beyond. The Department for Education considers the Trust to be a proven sponsor, giving strong leadership to its academies.

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

#### **Objectives for the Year**

Our overall objective for the year was to continue the development and progress of the Trust, taking it from the initial start-up phase into a strong and robust organisation. Specifically this involved

- continuing to drive performance at all academies, as measured through examination results. Particular focus remained on improving the quality of teaching and learning in English, Mathematics and Science. In the GCSE Level examinations in the summer of 2013 the performance of the academies as a whole across the Trust has risen by 2.5 percentage points this year compared to 2012 and the improvement across the Trust's academies since the opening of each academy is 7.75 percentage points,
- continuing to develop an appropriate educational resource infrastructure to support all the academies with their development. This was done through a specialist Research, Review and Development team which identified specific areas for improvement. We have a Quality Framework to assess the quality of leadership and teaching at all academies, and provided skilled resources to address areas that needed improvement,

## Woodard Academies Trust

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- continuing to build a central infrastructure appropriate to a growing Trust. In 2012/13 this involved developing a strong in-house Human Resources capability with the recruitment of an HR director and Operational HR manager and further strengthening the educational support team through the appointment of an Educational Development Director. The Finance team was strengthened by the appointment of a Group Accountant,
- ensuring the new building at St Peter's was successfully completed to be ready for a September 2013 opening, and initiating the new building at St Augustine's (which is due to be completed in the spring of 2014),
- continuing to build the Woodard ethos across all academies, to create a distinctive sense of family,
- driving new academy opportunities. We opened the new Kings Priory School in Tynemouth in September 2013 after a challenging conversion process to combine a previously independent fee-paying all through school with a state primary school. This was a pathfinder project which had not been undertaken before,
- developing a primary age strategy with a view to opening feeder primaries into our secondary academies in future years.

### Operational Performance of the Academies

#### Sir Robert Woodard Academy

During the year the academy educated approximately 1065 students between the ages of 11-19. In September 2013 the academy was inspected by Ofsted and came out of Special Measures. This followed the Ofsted inspection in November 2011 when the academy was judged as not providing a satisfactory education for the students in its care and was placed in Special Measures. Consequently there followed a rigorous adherence to a clearly focused development plan. The Sponsors' Statement of Action ended in December 2012 with all aspects of intent achieved or exceeded. The Interim Academy Board monitoring has since been replaced and achieved by using the detailed Academy Improvement Plan.

In April 2013 permanent leadership was established in the academy when the Principal of one of the Trust's other academies was appointed Principal. The academy has settled into a positive and welcoming environment. The Chapter structure was reorganised into vertical tutor groups, as part of the vision of the Trust to ensure all students are known and cared for, and very clear leadership introduced based on well understood systems and principles. The Ofsted monitoring visits continued in this period up to and including May 2013 shortly after the Principal took up post. In all the visits the Trust was commended for the support it provided to help the academy to improve based on a clear grasp of priorities.

The academy examination results in summer 2013 demonstrated significant achievement. There was a 5% increase to 56% in the key benchmark indicator at GCSE Level of 5+ grades at A\*-C including English and mathematics. There has been a 20% rise overall by this measure since the academy's first results in 2010. Students' results at A Level in grades A\*-B have more than doubled. At A Level the academy pass rate was 100%. The percentage of grades at A\*-B were 36%. Both these figures continued the upward trend of the last three years. AS results included 47% grades A\*-B which represented a very significant increase on the previous two years. The pass rate percentage of those achieving grades A\*-E at 84% was in line with the previous year and continued to be much higher than two years ago. At GCSE Level the percentage of students achieving 5+A\*-C grades including English and mathematics was 56% continuing the upward trajectory of the past three years and increasing the percentage of students in receipt of the Pupil Premium achieving this measure. In English the percentage achieving grades A\*-C was 70% continuing the increasing percentage over the last three years and was higher than the national figure. The percentage in mathematics achieving this level at 66% also continued the increase over the last three years and was higher than the national figure. There has also been significant improvement in science.

The academy offers a broad curriculum and educates students across the full ability range. In Key Stage 4 a more vocationally focused programme for an identified cohort of Year 10 students began in September 2012. This year the data system used in all the academies has been fully embedded in the academy at every level and senior and middle leaders trained intensively in its use to aid the tracking of students and to support them to achieve their full potential and drive improvement.

The academy has two specialisms, Performing Arts and Mathematics. Performing Arts has been a long standing strength in the predecessor school and in the academy. The profile of the Mathematics specialism is being

## Woodard Academies Trust

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developed significantly through its link with Ricardo, a leading global engineering company and the link is contributing to raising standards

The number on roll has fallen slightly due in part to being placed in Special Measures but in the main due to the reduced numbers in the four feeder primary schools. Closer links and a comprehensive programme of activities with the feeder schools is aimed to ensure that the maximum number of Year 6 students make the academy their first choice. Effort is also underway to attract students to the academy's Sixth Form whose numbers currently stand at 131.

The academy has a holistic approach to the education of the young people in its care. It aims to support young people to reach their potential in all aspects of school life. Opportunities are provided for young people to excel in academic subjects, but also to experience success in sport, drama, art, music or dance. The focus is on creating well rounded individuals who are able to make a positive contribution to their local and wider community. The appointment of the new Chaplain in July 2012 was part of the process of reenergising the Christian characteristic of the academy.

### The Littlehampton Academy

During the year the academy educated approximately 1680 children between the ages of 11 and 19.

Examination results in summer 2013 at A Level were in line with the academy's positive predictions. However the GCSE Level results declined. After a three year significant upward trajectory in its results at GCSE Level in summer 2013 the academy experienced a drop of 8% in the key indicator of 5 A\*-C grades including English and Mathematics. The percentage of students who achieved 5 A\*-C passes including English and Mathematics was 43%. The results in English at grades A\*-C were 55% which was lower than the last three years and for the first time dropped below national figures. The results in Mathematics were 56% which were in line with national figures and represent an increase on three years ago. Despite this year's lower results in English overall there has been an increase of 8% in the key indicator of 5 grades A\*-C including English and Mathematics since the academy opened. This year there were improved results in Science. The value added to students in these results compared with their attainment on entry is below what could be expected. Positively there was an improvement in Science and all the core subjects for the first time exceeded 50% pass rate at A\* - C grades in GCSE.

At A Level the academy achieved examination results of a 100% pass rate which was a first and continued the trend of earlier years. The percentage of students achieving grades A\*-B at 42% was slightly lower than the previous year but remained higher than two years ago. The percentage of students achieving A\*-B at AS Level was 24% which was slightly lower than the previous year. The pass rate of students achieving grades A\*-E at 85% was in line with the previous year. Of the 41 students taking up university places, 15 will be attending prestigious institutions with demanding entry qualifications.

The academy offers a broad curriculum and educates children with a wide range of ability. The academy runs a 12 person facility for students on the autistic spectrum. These students have a statement of Special Educational Need. The academy has received the 'Autism Aware Award'.

The academy has two specialisms. The Business & Enterprise specialism ensures a focus on Enterprise and the community liaison manager ensures the academy takes a lead in many projects with local primary and secondary schools and other community groups. The English specialism has focused on reading and contributed to the rapid increase in reading by students. The academy now includes the system used in the Trust's other academies to track students' progress to ensure they achieve their full potential. The concerns about the progress of particular groups of students are being addressed by the introduction of the system which ensures a sharper focus on their progress.

The sixth form had 220 students in 2012/13 and for 2013/14 the number now exceeds 280 students, due in part to the increased attainment but also due to the wider range of appropriate courses on offer.

The academy aims to support young people in reaching their potential in all areas of school life. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance, with the aim of producing well rounded individuals who are able to make a positive contribution to society. Steel Bands are a particular strength of the academy, performing locally, nationally and abroad at the highest level. The Chaplain coordinates a Charities Committee and, in addition to fund raising, students have volunteered on community projects locally and overseas.



## **Woodard Academies Trust**

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The £32m investment in buildings and ICT was fully completed and the academy moved into the new buildings in September 2012

### **St Peter's Academy**

During the year the academy educated approximately 1000 children between the ages of 11 and 16. The academy was inspected by Ofsted in June 2013. The overall judgement of the inspection was that the academy Requires Improvement. The continuing progress of the academy will be subject to Ofsted monitoring. The strengths noted were that the senior leaders and managers were working hard to improve the academy, a challenging merger had been managed effectively, there are many good and outstanding teachers, there is good care and support for vulnerable pupils and those with Special Educational Needs, most students' behaviour is good and that the Christian ethos which welcomes those of other faiths and none is beginning to have an impact on the work of the academy.

Areas to improve are the overall quality of teaching, ensuring all students make the expected progress and raising attendance. The academy has received extensive support from the Trust through its Research, Review and Development Team and this will continue. The academy now has in place the system for comprehensive data tracking of students' progress used in the Trust's other academies to ensure all students are assisted to achieve their full potential. There are a range of collaborative networks across the Trust where leaders in different areas come together to share good practice and ensure the academies can develop by learning from each other. St Peter's Academy leads the collaborative network on data and its use in student assessment.

Examination results at GCSE Level in August 2013 at 50% achieving 5+ grades A\*-C including English and Mathematics represented a 2% rise on the previous year. The percentage achieving grade A\*-C in English was 51%, which was slightly lower than the previous year and lower than the national figure. The percentage in Mathematics was 65% which was an increase on the previous year and above the national figure.

The academy has a specialism in communication. It has well established sporting and other activities, and there is a growing interest in dance and drama.

The academy works closely with primary schools locally and across the city of Stoke on Trent so that as many young people as possible choose to attend the academy. The Year 7 intake was fully subscribed for September 2013.

The academy moved into its new building in August 2013. The move to the academy's new building has enabled the academy to reorganise students in the Chapters into vertical tutor groups which is a key part of the Trust's vision to ensure all students are known and have the highest quality of care. The move to the single site and a purpose built learning environment will offer opportunities to enhance pedagogy and develop curricular organisation.

### **St Augustine Academy**

During the year the academy educated approximately 600 children between the ages of 11 and 19, including a sixth form of approximately 80 students. The academy was inspected by Ofsted in December 2012 when overall it was judged to Require Improvement. The behaviour of students was judged to be good. The leadership and management of the academy were judged to be good and therefore the academy will not be subject to further monitoring by Ofsted before its next inspection. The strengths of the academy are that it is an improving academy where senior leaders have high expectations of what students can achieve and that it is a welcoming community. The Trust governance and that of the Academy Council were commended for driving continuous improvement through accurate and regular checking of the academy's work. The thorough annual review of the work of the academy provided by the Trust and the expert practitioners from the Trust working alongside staff in the academy was commended in its contribution in aiding improvement. This provision of review and expert support is part of the Trust's Quality Framework which underpins the improvement support to all its academies.

The Principal, at the request of the Trust, moved from the academy in April 2013 to become the Principal of Sir Robert Woodard Academy to bring permanent leadership to that academy. He was replaced as Principal by an experienced Vice Principal from St Augustine, ensuring continuity.

In what is their second year the academy had significant achievement in its examination results in summer 2013. The academy achieved an 11% rise in the key GCSE benchmark of 5+A\*-C grades including English and Mathematics. The percentage of students achieving this benchmark rose to 48%. This represented an outstanding

## **Woodard Academies Trust**

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achievement The A\*-C rate rose significantly in all core subjects, at 69% in English this was an increase of 21%, at 59 % in Mathematics this was an increase of 11% and it rose by 10% in Science The percentage achieved in English was higher than the national figure in the selective setting where the academy is located The figure in Mathematics was also above the national figure

The academy has many vulnerable students and the gap in performance for them compared with other students has narrowed significantly at GCSE Level measured by 5+grades at A\*-C including English and Mathematics from 17% last year to 6% There have also been significantly improved A Level results The percentage of students achieving A\*-B grades at A Level was 48% which represented a very significant increase on the previous year The pass rate of students achieving grades A\*- E at 97% was higher than the previous year At AS Level the percentage achieving A\*-B grades at 5% was in line with the previous year and the percentage achieving A\*-E at 55% was lower than the previous year There were good BTEC results where there was a 100% pass rate and a significant number of students achieving the equivalent of A\*-A grades

The academy has a holistic approach to a student's education It aims to support young people in reaching their potential in all areas of school life This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance, with the aim of producing well rounded individuals who are able to make a positive contribution to society This year a weekly enrichment afternoon was introduced which gives all students and all staff the opportunity to experience a wide range of activities which are both different and enriching The activities are many and various ranging from astronomy to horse riding Students can involve themselves in a chosen activity for several weeks and then make a change or stay with the same activity for the year The academy specialisms are Business and Enterprise The Chaplain plays a key role within the academy through facilitating whole school assemblies to providing a more personal dialogue with students and staff alike through her counselling and restorative justice She has also been highly creative in her work with local churches and church groups and their workers

### **Employee Consultation**

The Trust consults with its staff through formal and informal methods including staff consultation committees and regular staff meetings

### **Disabled Employees**

Full and fair consideration is given to applications for employment from registered disabled persons, with due regard to their aptitudes and abilities Disabled employees are accorded equal opportunities for training, career development and promotion Sympathetic consideration is given to the retention of a newly disabled employee allowing, if necessary, for a period of rehabilitation and training

## **FINANCIAL REVIEW**

### **Income and Expenditure**

Income for the year was £27.1m (2012 £94.8m) and was primarily provided by the Department for Education (DfE) via the Education Funding Agency (EFA) by means of standard grants to cover operational and capital costs at each academy 2012's income was £67.7m higher than 2013 as it included £67.1m relating to leasehold properties and assets under construction, which were donated to the Trust Additional funds were received from our sponsor, the Woodard Corporation, from letting facilities to third parties, from bank interest and from sales to students for meals, uniform and equipment All academies actively rent out facilities to community organisations It is expected that these opportunities will increase as a result of our moves into new buildings and with new sports facilities

Expenditure for the year was £29.1m (2012 £27.8m) of which the largest element was staff costs of £20.5m (2012 £20.9m) Net expenditure for the year was £2.0m (2012 net income £67.0m) after a depreciation charge of £2.0m

### **Assets and reserves**

Net assets of £66m (2012 £67.5m) have been carried forward into 2013/14, consisting primarily of fixed assets of £66.7m and cash of £4.5m There are three restricted funds a fixed asset fund of £66.7m, a general fund of £1m and a pension reserve with a deficit of £3.4m The Trustees have considered a target range for the unrestricted general fund, that represents the amount deemed to be necessary to deal with unexpected emergencies, respond

## Woodard Academies Trust

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to un-planned opportunities and invest in capital expenditure (alongside the restricted general fund) The Trustees have assessed this as between 3 and 5% of annual expenditure The level of the unrestricted general fund at 31 August 2013 was £1 7m which represented 5 7% of annual expenditure

### Principal Risk and Uncertainties

In common with every academy in the country, funding is dependent on government policy, and the Trust will be impacted by the Government's proposals to change the funding methodology for state funded schools The deficit on the Local Government Pension Scheme reduced slightly to £3 4m compared with last year However there is continuing uncertainty in any final salary scheme of this type

### Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future For this reason it continues to adopt the going concern basis in preparing the financial statements

### Investment Policy

Our investment policy is low risk with a primary focus on capital security and liquidity Funds are only deposited with organisations with a good credit rating Fixed term deposits are only taken out where funds are not expected to be required during the duration of the term

### OBJECTIVES FOR 2013/14

Our objectives for the year ahead are to continue the development of the Trust and its academies Specifically this means

- continuing to drive forward the performance at all academies, as measured through examination results Particular focus remains on improving the quality of teaching and learning in English, Mathematics and Science,
- continuing to ensure that the Trust maintains an appropriate educational resource infrastructure to support all academies with their development This is being done through a specialist Research, Review and Development team which identifies specific areas for improvement,
- continuing to build a central infrastructure appropriate to a growing Trust
- successfully integrating the two predecessor schools in Tynemouth as Kings Priory School,
- successfully increasing the number of students at the existing academies,
- successfully taking over the new building at St Augustine's in April 2014 and overseeing various building projects at Kings Priory School over the course of the next two years,
- continuing to build the Woodard ethos across all academies, to create a distinctive sense of family, and
- driving new academy opportunities

### AUDITOR

So far as the Trustees are aware

- (a) there is no relevant audit information of which the Trust's auditors are unaware, and
- (b) the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the charitable company receives notice under section 488(1) of the Companies Act 2006

Approved by order of the Trustees of the Woodard Academies Trust on 18 December 2013 and signed on their behalf



Mrs J Richardson  
Chairman

## GOVERNANCE STATEMENT

### Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that the academies have effective and appropriate systems of control, financial and otherwise. However such systems are 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 misstatements or loss.

Each academy has delegated day to day responsibility to its Principals 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 Trust and the Secretary of State for Education. Each Principal is responsible for reporting to the Trust 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 Statement of Trustees responsibilities. The full Trustee Board has formally met five times during the year. Attendance at the meetings is shown in the Trustees Report. There are the following sub-committees of the main board:

- The Education Committee's purpose is to oversee the quality and development of the education provided by the academies.
- The Finance Committee's purpose is to agree the financial strategy and policies, to oversee each academy's finances ensuring that the academy operates within academy financial regulations, and to ensure value for money is achieved.
- The Development and Estates Committee's purpose is to oversee the maintenance and development of the academy sites and premises, and to consider further academic projects.
- The Remuneration and Personnel Committee's purpose is to oversee the adoption and implementation of staffing policies and procedures, ensuring that all principles of good and fair employment practice are adhered to, that staff and trade unions are consulted and legal requirements fulfilled.
- The Audit Committee's purpose is to oversee audit and risk matters at the Trust.
- The Nominations Committee's purpose is to oversee the appointment of suitable people to the board, the sub-committees of the board and the academy councils.

Committee	Members	Attendance
Education	Huw Bishop	5/5
	Janet Mark	3/5
	Jan Richardson	5/5
Finance	Huw Bishop	4/5
	Bill Harvey	2/5
	Ian Rouse	4/5
	Imogen Taylor	5/5
Development and Estates	Bill Harvey	4/4
	Ian Henham	3/4
	Colin Hopkins	4/4
	Ian Rouse	4/4
	Graham Toole-Mackson	3/4
Remuneration and Personnel	Jan Richardson	4/4
	Geoff Lowson	4/4
	Janet Mark	4/4
Audit	Stephen Brooker	2/2
	Huw Bishop	1/2
	Ian Henham	2/2
	Graham Toole-Mackson	0/1
Nominations	Jan Richardson	5/5
	Geoff Lowson	5/5
	Graham Toole-Mackson	4/5

### 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 the Trust's 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 Trust for the period ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

### CAPACITY TO HANDLE RISK

The Trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is reviewed by the Trustees.

### THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed and agreed by the Trust,
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing guidelines,
- delegation of authority and, where possible, segregation of duties, and
- identification and management of risks.

During the year a range of "responsible officer" reviews were carried out at each of the academies. The reviews included giving advice on financial matters and performing a range of checks on the Trust's financial systems.

The value of having a specific internal audit function has been considered and from September 2013 it has been decided to appoint a single firm, to carry out a consistent range of responsible officer checks and reviews at each of the academies, which will improve the quality and consistency of the reports.

### REVIEW OF EFFECTIVENESS

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

- the work of the "responsible officer" reviews,
- the work of the external auditor,
- the financial management and governance self-assessment process, and
- the work of the Senior Management Team within the Trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the Trustees on 18 December 2013 and signed on their behalf by



Canon D Bilton  
Accounting Officer



Mrs J Richardson  
Chairman

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Woodard Academies Trust I have considered my responsibility to notify the 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 Trust 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 Trust Board are able to identify any material or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook.

Note 10 refers to payments made to the Chair. The Trustees approved payments on the basis they were in accordance with the requirements of the Trust's constitution and charity legislation. However following legal advice, the Trustees are concerned that they may not have had authority to make these payments, and they have sought permission from the Charity Commission for such payments, and this is still pending.

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



Canon D Bilton  
Accounting Officer  
18 December 2013

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for the charitable activities of the Trust and are also the Directors of the Charitable Company for the purposes of company law. They are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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 Trust and of the incoming resources and application of resources, including the income and expenditure, of the Trust 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 in 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust 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 Trust applies financial and other controls, which conform to 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 Trust'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 18 December 2013 and signed on their behalf by



Mrs J Richardson  
Chairman

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WOODARD ACADEMIES TRUST**

We have audited the financial statements of Woodard Academies Trust for the year ended 31 August 2013 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency and applicable law.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency.

**Opinion on other matters prescribed by the Companies Act 2006**

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



## Woodard Academies Trust

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### Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

David Barnes

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

20th December 2013

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO  
WOODARD ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 30 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Woodard Academies Trust during the period 1 September 2012 to 31 August 2013 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 Woodard Academies Trust and the EFA in accordance with the terms of our engagement letter dated 9 October 2013. Our review work has been undertaken so that we might state to Woodard Academies Trust and the EFA those matters we are required to state to them 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 Woodard Academies Trust and the EFA, for our review work, for this report, or for the conclusion we have formed

**Respective responsibilities of Woodard Academies Trust's Accounting Officer and the reporting auditor**

The accounting officer is responsible, under the requirements of the individual funding agreements between Woodard Academies Trust and the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. 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 September 2012 to 31 August 2013 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 2013 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 trust's income and expenditure.

**Conclusion**

In the course of our work, except for matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

As disclosed in note 10 of the financial statements, the Trustees approved honorarium payments of £10,000 (2012: £10,000) to the Chair of the Trust for providing services to Woodard Academies Trust in their capacity as Chair, on the basis that they were in compliance with the Woodard Academies Trust's constitution at the time that the payments were made. The Academies Financial Handbook, section 2.5.2, states that payments should not be made to trustees for their services as a trustee, unless permitted by the Articles or approval has been sought from the Charity Commission. However, on reflection, the Trustees did not have the authority to approve these payments under the Trust's Articles and approval had not been sought from the Charity Commission. Accordingly, the payments are in breach of the Financial Handbook and do not conform to the authorities which govern them.

*Grant Thornton UK LLP*

Grant Thornton UK LLP  
Chartered Accountants, London

*20th December 2013*

# Woodard Academies Trust

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2013 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted General Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2013 £ 000	Total 2012 £ 000
<b>Incoming resources</b>						
<i>Incoming resources from generated funds</i>						
Voluntary income	2	506	-	-	506	66,887
Activities for generating funds	3	788	168	-	956	1,134
Investment income	4	48	-	-	48	35
<i>Incoming resources from charitable activities</i>						
Funding for the academy trust's educational operations	5	-	25,210	384	25,594	26,705
<b>Total incoming resources</b>		<b>1,342</b>	<b>25,378</b>	<b>384</b>	<b>27,104</b>	<b>94,761</b>
<b>Resources expended</b>						
<i>Cost of generating funds</i>						
<i>Costs of generating voluntary</i>						
<i>Income</i>						
		-	-	-	-	-
<i>Charitable activities</i>						
Academy trust educational operations	7	462	26,558	1,991	29,011	27,628
Governance costs	8	-	80	-	80	130
<b>Total resources expended</b>	6	<b>462</b>	<b>26,638</b>	<b>1,991</b>	<b>29,091</b>	<b>27,758</b>
<b>Net (outgoing) / incoming resources before transfer</b>		<b>880</b>	<b>(1,260)</b>	<b>(1,607)</b>	<b>(1,987)</b>	<b>67,003</b>
Gross transfer between funds	16	-	(179)	179	-	-
<b>Net (expenditure) / income for the year</b>		<b>880</b>	<b>(1,439)</b>	<b>(1,428)</b>	<b>(1,987)</b>	<b>67,003</b>
<b>Actuarial gains / (losses) on defined benefit pension scheme</b>		-	<b>513</b>	-	<b>513</b>	<b>(2,796)</b>
Net movement in funds	20	<b>880</b>	<b>(926)</b>	<b>(1,428)</b>	<b>(1,474)</b>	<b>64,207</b>
<b>Reconciliation of funds</b>						
Total funds b/fwd at 1/9/12	16	786	(1,453)	68,136	67,469	3,262
<b>Funds c/fwd at 31/8/13</b>	16	<b>1,666</b>	<b>(2,379)</b>	<b>66,708</b>	<b>65,995</b>	<b>67,469</b>

All of the Trust's activities derive from continuing operations during the above two financial periods. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

# Woodard Academies Trust


## BALANCE SHEET AS AT 31 AUGUST 2013

	Note	2013 £ 000	2013 £ 000	2012 £ 000	2012 £ 000
<b>Fixed assets</b>					
Tangible assets	12		<u>66,708</u>		<u>68,136</u>
<b>Current assets</b>					
Stock	13	21		28	
Debtors	14	1,262		1,807	
Cash at bank and in hand		<u>4,531</u>		<u>4,556</u>	
		5,814		6,391	
<b>Current liabilities</b>					
Creditors Amounts falling due within one year	15	(3,152)		(3,516)	
<b>Net current assets</b>			<u>2,662</u>		<u>2,875</u>
<b>Total assets less current liabilities</b>			<b>69,370</b>		<b>71,011</b>
Pension scheme liability	20		<u>(3,375)</u>		<u>(3,542)</u>
<b>Net assets including pension liability</b>			<u><b>65,995</b></u>		<u><b>67,469</b></u>
<b>Funds of the academy trust:</b>					
<b>Restricted income funds</b>					
Fixed asset fund(s)	16	66,708		68,136	
General fund(s)	16	996		2,089	
Pension reserve	20	(3,375)		(3,542)	
			<u>64,329</u>		<u>66,683</u>
<b>Unrestricted income funds</b>					
General fund	16		<u>1,666</u>		<u>786</u>
<b>Total funds</b>			<u><b>65,995</b></u>		<u><b>67,469</b></u>

The financial statements on pages 17 to 34 were approved by the Trustees, and authorised for issue on 18 December 2013 and are signed on their behalf by



Canon D Bilton  
Accounting Officer



Mrs J Richardson  
Chairman

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013**

	<b>2013</b>	<b>2012</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Operating activities</b>		
Net (expenditure)/income	<b>(1,987)</b>	67,003
Depreciation (note 12)	<b>1,991</b>	832
Donated assets	-	(66,486)
Capital grants from DfE and other capital income (note 5)	-	-
Interest receivable (note 4)	<b>(48)</b>	(35)
FRS 17 pension cost less contributions payable (note 20)	<b>285</b>	(623)
FRS 17 pension finance income (note 20)	<b>61</b>	83
Voluntary Income exc LA & other Funds	-	-
Decrease in stock	<b>7</b>	11
(Increase)/decrease in debtors	<b>545</b>	(611)
Increase/(decrease) in creditors	<b>(364)</b>	1,844
<b>Net cash inflow from operating activities</b>	<b>490</b>	2,018
<b>Returns on investments and servicing of finance</b>		
Interest received	<b>48</b>	35
	<b>48</b>	35
<b>Capital (expenditure)/income</b>		
Purchase of tangible fixed assets	<b>(563)</b>	(641)
Capital grants from DfE/EFA	-	-
Receipts from sale of tangible fixed assets	-	-
	<b>(563)</b>	(641)
<b>(Decrease) / Increase in cash</b>	<b>(25)</b>	1,412
<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2013</b>	2012
	<b>£ 000</b>	£ 000
(Decrease) increase in cash	<b>(25)</b>	1,412
Net funds at 1 September 2012	<b>4,556</b>	3,144
<b>Net funds at 31 August 2013</b>	<b>4,531</b>	4,556

**NOTE TO THE CASHFLOW STATEMENT**  
**Analysis of changes in net funds**

	<b>At 1</b>	<b>Cash</b>	<b>At 31</b>
	<b>September</b>	<b>flows</b>	<b>August</b>
	<b>2012</b>		<b>2013</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Cash in hand and at bank	4,556	(25)	4,531

## **Woodard Academies Trust**

### **Notes to the Financial Statements for the year ended 31 August 2013**

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#### **Basis of Preparation**

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

#### **Going Concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### **Incoming resources**

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

- **Grants receivable**

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

- **Donations**

Donations are included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

- **Interest receivable**

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

- **Other income**

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

- **Donated services and gifts in kind**

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

#### **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.

- **Cost of generating funds**

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

- **Charitable activities**

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

- **Allocation of costs**

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Trust's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

## **Woodard Academies Trust**

### **Notes to the Financial Statements for the year ended 31 August 2013**

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#### **• Governance costs**

These include the costs attributable to the Trust to ensure compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses

#### **Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the donor 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 Education Funding Agency

#### **Tangible fixed assets**

Tangible fixed assets acquired since the academies were established are included in the accounts at cost

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the balance sheet. The 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 Trust's depreciation policy.

Assets costing less than £10,000 are written off in the year of acquisition. All other assets are capitalised.

#### **Depreciation**

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

▪ Leasehold buildings	Nil
▪ Furniture, fittings and equipment	5-25 years
▪ Computer equipment and software	4 years

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

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

#### **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.

#### **Stock**

Unsold uniforms and catering stock are valued at the lower of cost or net realisable value.

#### **Taxation**

The Trust 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 Trust is potentially exempt from taxation in respect of income and 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.

## **Woodard Academies Trust**

### **Notes to the Financial Statements for the year ended 31 August 2013**

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#### **Pensions**

The majority of Academy staff are members of one of two pension schemes, both of which are defined benefit schemes and are contracted out of the State Earnings-Related Pension Scheme ('SERPS'). Staff at Head Office receive employer contributions into their own personal pension plans. The assets are held separately from those of the Trust. More details of the schemes are given in note 20.

#### **Defined Benefit Schemes**

- **Teachers' Pension Scheme**

Full-time and part-time teaching staff who are employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

- **Local Government Pension Scheme**

Non-teaching members of staff who are academy based, are offered membership of the Local Government Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Trust's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

The Trust's share of the LGPS 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 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. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.



# Woodard Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2013

### 1 General Annual Grant

Under the funding agreement with the Secretary of State the Trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2013.

### 2 Voluntary Income

	Unrestricted Funds £ 000	Restricted Funds £ 000	Total 2013 £ 000	Total 2012 £ 000
Private sponsorship	450	-	450	300
Other donations	56	-	56	66,587
	<u>506</u>	<u>-</u>	<u>506</u>	<u>66,887</u>

### 3 Activities for Generating Funds

	Unrestricted Funds £ 000	Restricted Funds £ 000	Total 2013 £ 000	Total 2012 £ 000
Hire of facilities	105	-	105	92
Catering income	404	-	404	283
Miscellaneous income	279	168	447	759
	<u>788</u>	<u>168</u>	<u>956</u>	<u>1134</u>

### 4 Investment Income

	Unrestricted Funds £ 000	Restricted Funds £ 000	Total 2013 £ 000	Total 2012 £ 000
Bank Interest	48	-	48	35
	<u>48</u>	<u>-</u>	<u>48</u>	<u>35</u>

### 5 Funding for the Academies' Educational Operations

	Unrestricted Funds £ 000	Restricted Funds £ 000	Total 2013 £ 000	Total 2012 £ 000
<b>DfE/ EFA revenue grants</b>				
General Annual Grant (GAG)(Note 1)	-	23,234	23,234	24,604
Start-up grants	-	399	399	967
Capital grants	-	-	-	-
Other DfE/ EFA grants	-	1,173	1,173	400
	<u>-</u>	<u>24,806</u>	<u>24,806</u>	<u>25,971</u>
<b>Other Government grants</b>				
LA Standard Funds	-	-	-	-
LA-SEN Government Grant	-	192	192	60
LA Capital Grants	-	146	146	61
Other Government Grants	-	450	450	613
	<u>-</u>	<u>788</u>	<u>788</u>	<u>734</u>
<b>Total</b>	<u>-</u>	<u>25,594</u>	<u>25,594</u>	<u>26,705</u>

# Woodard Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2013

### 6 Resources Expended

	Staff Costs £ 000	Non-Pay Depreciation £ 000	Expenditure Other Costs £ 000	Total 2013 £ 000	Total 2012 £ 000
Costs of generating voluntary income	-	-	-	-	-
Costs of activities for generating funds					
Academies' educational operations					
- Direct costs	14,779	-	2,085	16,864	17,291
- Allocated support costs	5,760	1,991	4,396	12,147	10,337
	20,539	1,991	6,481	29,011	27,628
Governance costs including allocated support costs	-	-	80	80	130
	-	-	80	80	130
	20,539	1,991	6,561	29,091	27,758

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

	2013 £ 000	2012 £ 000
Operating leases	3	4
Fees payable to auditor - audit	26	17
- other services	5	2

### 7 Charitable Activities- Academies' Educational Operations

	Unrestricted Funds £ 000	Restricted Funds £ 000	Total 2013 £ 000	Total 2012 £ 000
<b>Direct Costs</b>				
Teaching and educational support staff costs	-	14,779	14,779	15,710
Books, apparatus and stationery	-	599	599	573
Advertising and recruitment	-	133	133	87
Examination fees	-	449	449	610
Other direct costs	-	904	904	311
	-	16,864	16,864	17,291
<b>Allocated Support Costs</b>				
Support staff costs	-	5,760	5,760	5,296
Recruitment and support	-	113	113	-
Maintenance of premises and equipment	-	690	690	1,097
Occupancy costs	-	866	866	756
Postage, stationery, printing and consumables	-	118	118	146
Telephone	-	61	61	64
Catering	432	3	435	344
Cleaning	-	166	166	176
Transport, travel and subsistence	-	421	421	122
Insurance	-	188	188	174

# Woodard Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2013

Technology costs	-	370	<b>370</b>	364
Implementation & project management	-	423	<b>423</b>	98
Staff training and development	-	11	<b>11</b>	22
Other support costs	30	504	<b>534</b>	846
<b>Total Costs before Depreciation</b>	<b>462</b>	<b>9,694</b>	<b>10,156</b>	<b>9,505</b>
Depreciation	-	1,991	<b>1,991</b>	832
<b>Total Costs after Depreciation</b>	<b>462</b>	<b>11,685</b>	<b>12,147</b>	<b>10,337</b>
	<b>462</b>	<b>28,549</b>	<b>29,011</b>	<b>27,628</b>

### 8 Governance Costs

	<b>Unrestricted Funds £ 000</b>	<b>Restricted Funds £ 000</b>	<b>2013 £ 000</b>	<b>2012 £ 000</b>
Trustees' reimbursed expenses	-	22	<b>22</b>	19
Fees payable to auditor – audit	-	26	<b>26</b>	17
Fees payable to auditor – other services	-	5	<b>5</b>	2
Legal & professional fees	-	27	<b>27</b>	27
Support costs	-	-	-	65
	-	80	<b>80</b>	<b>130</b>

### 9 Staff Costs

	<b>2013 £ 000</b>	<b>2012 £ 000</b>
Staff costs during the period were		
Wages and salaries	<b>16,338</b>	16,747
Social security costs	<b>1,277</b>	1,296
Pension costs	<b>2,483</b>	2,256
	<b>20,098</b>	20,299
Supply teacher and other staff costs	<b>441</b>	600
<b>Total staff costs</b>	<b>20,539</b>	<b>20,899</b>

The average number of persons employed by the Trust during the period ended 31 August 2013 expressed as full time equivalents was as follows

	<b>2013 No.</b>	<b>2012 No.</b>
<b>Charitable Activities</b>		
Teachers	<b>302</b>	296
Administration and support	<b>239</b>	267
Management	<b>4</b>	4
	<b>545</b>	<b>567</b>

The number of employees whose emoluments fell within the following bands was

	<b>2013 No.</b>	<b>2012 No.</b>
£60,001 - £70,000	<b>6</b>	4
£70,001 - £80,000	<b>3</b>	3

## Woodard Academies Trust

### Notes to the Financial Statements for the year ended 31 August 2013

£80,001 - £90,000	3	1
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
£110,001 - £120,000	1	2
£120,001 - £130,000	1	1
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1
£160,001 - £170,000	1	-
	<b>18</b>	<b>14</b>

Of the above employees earning more than £60,000 per annum, 11 participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £115,859 (2012 £110,534). Seven employees had individual pension plans. Pension contributions for these staff amounted to £49,361 (2012 £34,671).

#### 10 Related Party Transactions- Trustees' Remuneration and Expenses

The Trustees do not receive any payment from the Trust other than the reimbursement of travel and subsistence expenses incurred in the course of their duties, with the exception of the Chairman who was granted a £10,000 honorarium (2012 £10,000). The Trustees approved honorarium payments to the Chair of the Trust on the basis that they were in accordance with the requirements of the constitution and charity legislation. Following legal advice, the Trustees are concerned that they may not have had authority to make these payments, and they have therefore sought permission from the Charity Commission for such payments. At the time of signing the accounts the Trustees are still waiting for approval.

During the year ended 31 August 2013, travel and subsistence expenses totalling £21,645 (2012 £17,958) were reimbursed to 11 Trustees (2012 10). Other related party transactions involving the trustees are set out in note 21.

#### 11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the Trust 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £2,343 (2012 £1,685). The cost of this insurance is included in the total insurance cost.

#### 12 Tangible Fixed Assets

	Leasehold Land and buildings £ 000	Assets under Construction £ 000	Furniture & equipment £ 000	Computer equipment & software £ 000	Motor Vehicles £ 000	Total £ 000
<b>Cost</b>						
At 1 September 2012	62,975	2,452	602	3,670	53	<b>69,752</b>
Transfer on conversion	-	(2,452)	-	2,452	-	-
Additions	275	-	216	59	13	<b>563</b>
Disposals/ written off	-	-	-	-	-	-
At 31 August 2013	<b>63,250</b>	-	<b>818</b>	<b>6,181</b>	<b>66</b>	<b>70,315</b>
<b>Depreciation</b>						
At 1 September 2012	-	-	332	1,255	29	<b>1,616</b>
Charged in year	-	-	92	1,888	11	<b>1,991</b>
Disposals/ written off	-	-	-	-	-	-
At 31 August 2013	-	-	<b>424</b>	<b>3,143</b>	<b>40</b>	<b>3,607</b>
<b>Net book values</b>						
At 31 August 2013	<b>63,250</b>	-	<b>394</b>	<b>3,038</b>	<b>26</b>	<b>66,708</b>
At 31 August 2012	62,975	2,452	270	2,415	24	68,136

# Woodard Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2013

### 13 Stock

	2013 £ 000	2012 £ 000
Uniforms and catering stock	<u>21</u>	<u>28</u>

### 14 Debtors

	2013 £ 000	2012 £ 000
Trade debtors	119	123
Other debtors	598	123
VAT debtor	321	864
Prepayments and accrued income	<u>224</u>	<u>697</u>
	<u>1,262</u>	<u>1,807</u>

### 15 Creditors: Amounts Falling Due within One Year

	2013 £ 000	2012 £ 000
Trade creditors	382	551
Other creditors	966	1,576
Accruals and deferred income	1,392	1,174
Taxation and social security	<u>412</u>	<u>215</u>
	<u>3,152</u>	<u>3,516</u>

	£ 000
Deferred income at 1 September 2012	204
Resources deferred in the year	221
Amounts released from previous years	<u>(204)</u>
Deferred income at 31 August 2013	<u>221</u>

The deferred income represents educational grants for year 2013/14 received in advance by Sir Robert Woodard Academy and St Peter's Academy

### 16 Funds

	Balance at 1 September 2012 £ 000	Incoming resources £ 000	Resources Expended £ 000	Gains, Losses & Transfers £ 000	Balance at 31 August 2013 £ 000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	713	23,234	(24,062)	(179)	(294)
Start-up Grant	-	399	(399)	-	-
Other DfE/ EFA grants	1,376	789	(875)	-	1,290
Items on Conversion	-	-	-	-	-
Other Incoming Resources	-	956	(956)	-	-
Pension Reserve	(3,542)	-	(346)	513	(3,375)
	<u>(1,453)</u>	<u>25,378</u>	<u>(26,638)</u>	<u>334</u>	<u>(2,379)</u>

## Woodard Academies Trust

### Notes to the Financial Statements for the year ended 31 August 2013

#### Restricted fixed asset funds

Other DfE/ EFA grants	1,929	238	(59)	-	1,929
Capital expenditure from GAG	(450)	146	(1,932)	179	(2,057)
Donated assets	66,657	-	-	-	66,836
	68,136	384	(1,991)	179	66,708

#### Total restricted funds

66,683	25,762	(28,629)	513	64,329
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#### Unrestricted funds

Unrestricted funds	786	1,342	(462)	-	1,666
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#### Total unrestricted funds

786	1,342	(462)	-	1,666
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#### Total funds

67,469	27,104	(29,091)	513	65,995
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The specific purposes for which the funds are to be applied are as follows

**General Annual Grant** This fund is for the purpose of running the academies in accordance with the Funding Agreement with the Secretary of State and along guidelines as set out in the Academies Financial Handbook. Under the Funding Agreement with the Secretary of State, they were subject to a limit on the amount of GAG they could carry forward at 31 August 2013. Note 1 discloses whether the limit was exceeded.

**Other DfE/EFA Grants** This fund has also arisen from funding received for the furtherance of the academies' activities that are not funded through the General Annual Grant.

**Other incoming resources** This restricted fund has arisen from non grant related income that the Trust has received. The monies have to be used for the benefit of the academies, but there are no restrictions on when these monies can be spent.

**Pension Reserve** This liability has largely arisen from the Local Government Pension Scheme which was inherited by the Trust upon conversion. See Note 20 for further details on this liability.

**Restricted fixed asset funds** These have arisen from fixed assets inherited upon conversion, fixed assets given to the Trust and from the subsequent purchases of new assets for use by the Trust. All assets held are specifically for the use of the Trust.

**Unrestricted funds:** These have arisen from activities carried out by the Trust for raising funds and are unrelated to any form of Government assistance and therefore the Trust can choose to spend it however it chooses.

#### Analysis of Academies by Fund Balance

Fund balances at 31 August 2013 were allocated as follows

	Total £ 000
Sir Robert Woodard Academy	334
The Littlehampton Academy	1,654
St Augustine Academy	299
St Peter's Academy	353
Central services	22
	<u>2,662</u>
Restricted fixed assets fund	66,708
Pension reserve	<u>(3,375)</u>
<b>Total</b>	<u>65,995</u>

# Woodard Academies Trust

Notes to the Financial Statements for the year ended 31 August 2013

## Analysis of Cost by Academy

	Teaching Staff Costs £ 000	Other Staff Costs £ 000	Educational Supplies £ 000	Other Costs (ex depn) £ 000	Total £ 000
Sir Robert Woodard Academy	3,731	1,214	161	1,082	6,188
The Littlehampton Academy	5,473	1,561	249	1,392	8,675
St Augustine Academy	2,025	790	137	591	3,543
St Peter's Academy	3,318	1,215	43	1,552	6,128
Central services	232	635	8	1,345	2,220
	<u>14,779</u>	<u>5,415</u>	<u>598</u>	<u>5,962</u>	<u>26,754</u>

## 17 Analysis of Net Assets by Funds

Fund balances at 31 August 2013 are represented by

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total Funds £ 000
Tangible fixed assets	-	-	66,708	66,708
Current assets	-	1,283	-	1,283
Cash and bank	1,666	2,865	-	4,531
Current liabilities	-	(3,152)	-	(3,152)
Pension scheme liability	-	(3,375)	-	(3,375)
	<u>1,666</u>	<u>(2,379)</u>	<u>66,708</u>	<u>65,995</u>

## 18 Capital Commitments

	2013 £ 000	2012 £ 000
Contracted for, but not provided in the financial statements	Nil	Nil
Authorised by Trustees, but not yet provided	-	150

## 19 Financial Commitments

### Operating leases

At 31 August 2013 the academy trust had annual commitments under non-cancellable operating leases as follows

	2013 £ 000	2012 £ 000
Operating leases which expire		
Within one year	-	3
Within two to five years	<u>3</u>	<u>1</u>

## 20 Pension and Similar Obligations

The Trust's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2010

- **Woodard Academies Trust**
  - **Notes to the Financial Statements for the year ended 31 August 2013**
- 

## **Teachers' Pension Scheme**

### **Introduction**

The Teachers Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and 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 Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972), and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay-as-you-go' basis. These contributions along with those made by employers 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, 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**

At the last valuation, the contribution rate to be paid in to the TPS was assessed in two parts. First, a standard contribution rate (SCR) was 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 defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, 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 Government Actuary's report of October 2006 revealed that the total liabilities of the scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return was 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 was 6.5%. From 1 January 2007, 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). 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pension Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

### **Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on a career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be



## Woodard Academies Trust

### Notes to the Financial Statements for the year ended 31 August 2013

fully protected

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no changes to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding local government pension scheme liability would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £803,403 of which employer's contributions totalled £606,462 and employees' contributions totalled £196,941. The agreed contribution rates for future years are 18.6% for employers and between 5.5% and 7.5% per cent for employees.

Principal Actuarial Assumptions	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	4.95%	4.40%
Rate of increase for pensions in payment / inflation	2.68%	2.13%
Discount rate for scheme liabilities	4.48%	4.05%
Inflation Assumption (CPI)	5.65%	4.98%
Commutation of pension lump sums	50.00%	50.00%

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

	At 31 August 2013	At 31 August 2012
<i>Retiring today</i>		
Males	21.65 years	21.65 years
Females	23.95 years	23.95 years

<i>Retiring in 20 years</i>		
Males	23.48 years	23.48 years
Females	26.08 years	26.08 years

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

	Approximate % increase to Employer liability	Approximate monetary amount (£'000)
Change in assumptions at 31 August 2013		
0.5% decrease in Real Discount Rate	13%	423
1 year increase in member life expectancy	3%	95
0.5% increase in the Salary Increase Rate	7%	207
0.5% increase in the Pension Increase Rate	6%	204

# Woodard Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2013

The Trust's share of the assets and liabilities in the scheme and the expected rates of return were

	<b>Expected return at 31 August 2013 %</b>	<b>Fair value at 31 August 2013 £000</b>	<b>Expected return at 31 August 2012 %</b>	<b>Fair value at 31 August 2012 £000</b>
Equities	6.45%	5,656	5.50%	4,071
Bonds	3.99%	1,002	2.80%	889
Property	4.63%	597	3.70%	504
Cash/Liquidity	2.73%	203	2.80%	87
<b>Total market value of assets</b>		<b>7,458</b>		<b>5,551</b>
Present value of scheme liabilities				
- Funded & Unfunded		(10,833)		(9,093)
<b>(Deficit) in the scheme</b>		<b>(3,375)</b>		<b>(3,542)</b>

None of the fair values of the assets shown above include any of the Trust's own financial instruments or any property occupied by, or other assets used by, the Trust

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (i.e. As at 1 September 2012 for the period to 31 August 2013). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

The actual return on the scheme assets was £292,000 (2012 £309,000)

### Amounts recognised in the Statement of Financial Activities

	<b>2013 £000</b>	<b>2012 £000</b>
Current service cost (net of employee contributions)	148	(623)
Past service cost	137	-
Total operating charge	<b>285</b>	<b>(623)</b>
<b>Analysis of pension finance costs</b>		
Expected return on pension scheme assets	(292)	(309)
Interest on pension liabilities	353	392
<b>Pension finance costs</b>	<b>61</b>	<b>83</b>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £3,375,000 loss (2012 £3,542,000 loss)

# Woodard Academies Trust

Notes to the Financial Statements for the year ended 31 August 2013

## Movements in the present value of defined benefit obligations were as follows:

	2013 £ 000	2012 £ 000
<b>At 1 September</b>	<b>(9,093)</b>	<b>(4,132)</b>
Pension deficit introduced from transferred academies	-	(2,850)
Current service cost	(729)	(623)
Interest cost	(391)	(392)
Employee contributions	(207)	(209)
Actuarial gain/(loss)	(314)	(915)
Past Service cost	(137)	28
Curtailments and settlements	38	-
<b>At 31 August</b>	<b><u>(10,833)</u></b>	<b><u>(9,093)</u></b>

## Movements in the fair value of the Trust's share of scheme assets:

	2013 £000	2012 £000
<b>At 1 September</b>	<b>5,551</b>	<b>3,472</b>
Fair value introduced from transferred academies	-	991
Expected return on assets	292	309
Actuarial gains / (losses)	827	(22)
Employer contributions	655	622
Employee contributions	207	209
Benefits paid	(74)	(30)
<b>At 31 August</b>	<b><u>7,458</u></b>	<b><u>5,551</u></b>

## The four-year history of adjustments is as follows:

	2013 £000	2012 £000	2011 £000	2010 £000
Defined benefit obligation at end of year	(10,833)	(9,093)	(4,132)	(3,723)
Fair value of plan assets at end of year	7,458	5,551	3,472	2,600
Deficit	<u>(3,375)</u>	<u>(3,542)</u>	<u>(660)</u>	<u>(1,123)</u>

## Experience adjustments on share of scheme assets:

Amount £'000	827	(22)	216	141
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## Experience adjustments on scheme liabilities:

Amount £'000	5	(1)	247	200
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## 21 Related Party Transactions

During the year the Trust received a donation of £450,000 (2012 - £300,000) from the Woodard Corporation, a registered charity, the managing entity for companies in the Woodard Group. At year end the amount owed to the Woodard Group was £nil (2012 - £nil).

## 22 Member's Liability

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

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**Woodard Academies Trust**

**Notes to the Financial Statements for the year ended 31 August 2013**

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**23 Post Balance Sheet Event**

The fifth academy in the Trust, the Kings Priory School, was opened on 2 September 2013 in Tynemouth