

Company no 7035327

APPROVAL  
COPY

## **SARUM ACADEMY**

(A Company Limited By Guarantee)

### **REPORT OF THE DIRECTORS AND THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2013**

TUESDAY



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**SARUM ACADEMY**

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**FOR THE YEAR ENDED 31 AUGUST 2013**

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# SARUM ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2013

<b>Status</b>	The organisation is a company limited by guarantee, incorporated on 30 September 2009		
<b>Company number</b>	7035327		
<b>Registered and principal office</b>	Sarum Academy Westwood Road Salisbury SP2 9HS		
<b>Company secretary</b>	Jean Campbell		
<b>Trustees</b>	Canon Edward Probert	Representative of The Church of England	
	Chris Shepperd	Representative of Diocesan Board of Education	
	Nick Glass	Representative of Wiltshire Council	
	Neil Boulton	Representative of Bryanston School	
	Catherine Simon	Representative of Bath Spa University	
<b>Governors and Directors</b>	Canon Edward Probert	+	Chairperson
	The Revd Maggie Guillebaud	*	
	Neil Boulton	*#	Vice Chairperson
	Tiff Nield	#	
	Sarah Thomas		
	Catherine Simon	#	
	Rosie Stiven	*	
	Jenny Hill-Parker		Staff Governor
	Mark Manterfield	*	
	Ruth Johnson	+*	Principal and accounting officer
<b>Principal and Accounting Officer</b>	Ruth Johnson	*	
	*	Member of the Finance and General Purposes Committee	
	+	Member of the Design Group	
	#	Member of the Curriculum and Standards Committee	
<b>Management team</b>	P Friskney-Adams	Deputy Principal - Resigned August 2013	
	S Parkes	Deputy Principal - Resigned August 2013	
	J Moore	Deputy Principal	
	L Henderson	Assistant Principal	
	B Burley	Assistant Principal	
	D Higgins	Director of Business and Finance	

**SARUM ACADEMY**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**FOR THE YEAR ENDED 31 AUGUST 2013**

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<b>Bankers</b>	Lloyds TSB Bank plc 38 Blue Boar Row Salisbury SP1 1DB
<b>Solicitors</b>	Schofield Sweeney Solicitors Springfield House 76 Wellington Street Leeds LS1 2AY  Stone King 13 Queens Square Bath BA1 2HJ
<b>Auditors</b>	Fawcetts Chartered Accountants and Statutory Auditors Windover House St Ann Street Salisbury SP1 2DR

**SARUM ACADEMY**  
**REPORT OF THE TRUSTEES AND DIRECTORS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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The trustees and directors present their annual report together with the financial statements for the year ended 31 August

Legal and administrative information set out on page 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005)

**REFERENCE AND ADMINISTRATIVE DETAILS**

Sarum Academy is a company limited by guarantee and an exempt charity

Sarum Academy was incorporated as a company limited by guarantee on 30 September 2009

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The charitable company's memorandum and articles of association are the primary governing documents of the Academy

**The Trustees and Directors**

The trustees are responsible under charity law and the directors under company law. Details of the trustees and directors who served throughout the year are noted in the Legal and Administrative Details above

The directors who served during the year and up to the date of this report were as follows

Canon Edward Probert	
The Revd Maggie Guillebaud	
Neil Boulton	
Councillor Chris Cochrane	resigned March 2013
Tiff Nield	
Sarah Thomas	
Catherine Simon	
Mark Manterfield	appointed February 2013
John Bruce	resigned May 2013
Jenny Hill-Parker	
Rosie Stiven	appointed July 2013
Angela Siggs	appointed October 2013
Ruth Johnson	

The trustees who served during the year and up to the date of this report were as follows

Canon Edward Probert  
Chris Shepperd  
Nick Glass  
Neil Boulton  
Catherine Simon

**Members' Liability**

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

**Indemnities**

Professional indemnity insurance covering the Academy (including governors, trustees, teaching and administration staff) is in place through Marsh Educational Practice. Policy number 015CC9152313

**Principal Activities**

The purpose of the Academy is to advance public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing an Academy offering a broad curriculum with a strong emphasis on, but in no way limited to, mathematics and the arts

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**SARUM ACADEMY**  
**REPORT OF THE TRUSTEES AND DIRECTORS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**Method of Recruitment and Appointment or Election of Trustees**

The directors are appointed by the sponsoring bodies who also appoint trustees

**Policies and Procedures Adopted for the Induction and Training of Trustees**

Policies and procedures have been adopted for the induction and training of governors. In the first instance a meeting with a member of the Governing body, normally the Chair of Governors and Principal. This is followed by a visit to the Academy, including a one to one induction meeting with the Principal and tour, meeting members of the senior team.

Other individual training is arranged as appropriate and the new trustee will join any general development arranged for

**Organisational Structure**

The Academy Senior Leadership structure consists of three levels: the Governors, The Executive Leadership Team and the Academy Leadership Team.

The aim of this structure is to devolve responsibility and encourage involvement in decision making at all levels.

Decision making is in line with the Scheme of Delegation and the Financial Operating Procedures, which were agreed at the Governors' meeting of 15 July 2010.

**Governors**

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. They have appointed the Principal and have delegated such powers and functions as they consider appropriate to the Principal for the internal organisation, management and control of the Academy, including the implementation of all policies approved by the Governors and for the teaching and curriculum.

**Executive Leadership Team**

The Executive Leadership Team consists of the Principal, Deputy Principals, Assistant Principals and the Director of Business and Finance.

These leaders control the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. As a group the Executive Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Some spending control is devolved to members of the Academy Leadership Team, with limits above which a Senior Leader must countersign.

The Academy Leadership Team includes the Executive Leadership, Facilities Manager, Heads of School, Curriculum Team Managers, Director of Learning Needs, Director of Sixth Form, Director of Specialisms and Director of Safeguarding. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities.

**Risk Management**

A risk management document was produced to identify major risks to which the Academy is exposed. It was reviewed in May 2011 and ratified by Governors on 15 September 2011 for the 2011/13 academic years. A new assessment was due to be carried out for the new Academy building after handover in June 2013, however delays in completion of the building have caused this review to be delayed. The review has started and will be completed once the building is fully handed over.

This document assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy and its finances. The governors have implemented a number of systems to assess the risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and Academy visits) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. bullying policy, supervision of Academy grounds and premises) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

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**SARUM ACADEMY**  
**REPORT OF THE TRUSTEES AND DIRECTORS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**Connected Organisations including Related Party Relationships**

The Academy enjoys a good relationship with the sponsors, Bryanston School, Bath Spa University and the Diocese of Salisbury and Wiltshire Council. However these arrangements are not financial.

The Academy also has a relationship with the Wessex Partnership, a local forum of secondary heads. A mini bus belonging to the partnership is kept at the Academy and maintained by the facilities team.

**OBJECTIVES AND ACTIVITIES**

Sarum Academy is a Church of England Academy founded by a partnership between the Church of England, Bryanston School, Wiltshire Council and Bath Spa University.

At the heart of its community and grounded in Christian values, Sarum Academy has the learning and care of all young people at its heart. It sees all learners as individuals with gifts and needs and is committed to transforming the outcomes of education for all children and the communities from which they come.

**Objectives and Aims**

The objective of the Academy is to advance public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing an Academy offering a broad curriculum with a strong emphasis on, but in no way limited to, mathematics and the arts.

The Academy aims to

- Drive up standards of achievement for each young person, offer closer individual support and enable access to broader learning opportunities
- Build a strong inclusive community which works collaboratively to build confidence and promote greater resilience amongst individuals, families and communities
- Transform aspirations and expectations of success and significantly widen career progression

**Strategic Intentions**

- 1 Provide a thriving community hub which delivers provision to local community
- 2 Establish the confidence of the local community within the context of the sponsors' ethos, Christian values and the specialisms of the Arts and Mathematics, through strong and effective leadership and management
- 3 Develop high quality teaching and learning to that of the best which meets national professional standards through structured systems of accountability
- 4 Promote effective academic mentoring and home learning to develop high aspirations and raise standards of
- 5 Develop a climate of staff learning that fosters growth, personal development and reflective practice and leads to raised standards
- 6 Foster an inclusive environment through the 5 schools in which all pupils are valued, respected and given every opportunity to succeed
- 7 Provide a curriculum that engages, enriches and meets the needs of every pupil to create independent and resilient
- 8 Engage pupils in the Academy development process, fostering social responsibility and creating a culture of service
- 9 Encourage pupil's personal development by embracing the core values of Respect, Aspiration, Excellence, Tenacity, Partnership and Service throughout the Academy

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**SARUM ACADEMY**  
**REPORT OF THE TRUSTEES AND DIRECTORS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**Public benefit**

The Academy has undertaken to provide educational facilities and services to pupils of all ages and to the wider community for the public benefit

These have included

- Community Choir performances both internal and external
- Making sports facilities available to members of the local community and sports groups
- Holding Community Information Fairs
- Holding a Fun Day for the local community
- Provide teacher support into local primary schools
- Supporting a luncheon club for senior residents

The Governors give a wide meaning to education and do not limit it to education in a classroom environment. The Academy under their guidance has aimed to promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise for the public benefit

**Achievements and Performance**

In 2012-13, further progress was made in raising the expectations of staff and pupils with improved attendance and

	2013 Result	2012 Result	2011 Result
5A*-C	89%	82%	64%
A*-C English	63%	43%	50%
A*-C Maths	59%	53%	46%
5A*-CEM	51%	40%	36%
English Progress	66%	39%	57%
Maths Progress	64%	58%	47%
5A*-G	96%	90%	94%
5A*-GEM	90%	88%	89%
Two Sciences	90%	81%	23%
3A/A*	20%	21%	7%
Total Point score	474	463	358
Capped Point score	313	314	290

**Results Commentary 2013**

**All Pupils**

**Positives**

All headline measures showed improvement from 2011/12. Pupil outcomes for 5A\*-CEM rose to 51% and the 5A\*-C figure increased 9% to 89%. For this to occur Maths and English converted a greater proportion of pupils at higher grades, with Maths A\*-C up 6% to 59% with an increase of 10% to 64% making 3 levels progress. English recovering from the National impact of grade boundaries rose 17% to 64% A-C, with a large increase of pupils making 3 levels progress to 66% (up 28%).

Science continued a second successive year of improvement with 90% of pupils achieving 2 C grades or higher.

Point Scores moving from 463 to 475 and capped point scores to 313.

English progress was at the top of the 55-67 FFT range at 66% and only 1% off target. Capped point score has remained steady from 314.

**Issues**

Academic GCSE subjects not matching FFT targets, with too many pupils not matching 3 levels progress. This data is presented separately.

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**SARUM ACADEMY**  
**REPORT OF THE TRUSTEES AND DIRECTORS**  
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KS2 entry point	English % Pupils Making Expected Progress	English Expected progress National	Maths % Pupils Making Expected Progress	Maths Expected progress National
Above Level 4 on entry	71	79	70	81
At Level 4 on entry	64	74	69	77
Below Level 4 - Level 3	10	40	44	44

**Girls**

Girls performed very well. They outperformed boys in nearly every headline measure except attainment in maths where they achieved 56% C or higher in maths compared to 58% of boys. However, girls expected progress in maths is higher than boys and reflects the gap that still exists in the motivation and success of boys. Girls expected progress in English has risen rapidly from 2011/12 to 85%, far higher than boys at 59%.

Girls point scores are very high. Girls 3A/A\* dropped marginally from 32% to 28% from 2011/12.

**Boys**

Boys attainment in maths is marginally higher than girls but has lower expected progress than girls.

Boys expected progress in English is far lower than girls and as a result the matched boys for maths and English is below 'All' pupils at 48%. Boys 5A\*-CEM and 5A\*-C is below girls (5 and 9% respectively). Boys attained 86% for 2 Sciences from 80% in 2012. Boys were significantly below the girls but did have larger membership of the SEN and FSM groups which may account for some of the differences.

**FSM**

The group performed below 'All pupils' for 5A\*-CEM by 9% but demonstrated the potential to match it by exceeding All in English by 1% at 65%. 53% of this group achieved Maths compared to 59% for All.

The number of pupils in this group making 4 Levels progress in English and Maths is very low in comparison to the 'All' cohort. FSM pupils outperformed the number of All pupils getting 5A\*-C (94%) and 5A\*-GEM (94%).

The total and capped points for these pupils are almost in line with 'All pupils'.

**School Action**

This group of pupils have not performed well in either their attainment or progress in English and Maths. 40% of these pupils had complex needs and interventions to support their progress have not narrowed the gap.

The engagement of the rest of their curriculum has been more successful with 80% achieving 5A\*-C. Pupils achieving 2 sciences has risen from 61% to 90% from 2011/12.

**School Action Plus**

The group have improved considerably on last year in a number of headline measures, 5A\*-C from 53 - 83%, 2 Sciences from 47-100%, point scores from 240 -290.

They did not perform as well in maths and English for both attainment and progress.

**Matched Pupils**

The high on entry pupils (30 plus APS) gained 92% 5A\*-CEM (down 2% from last year) with high point scores and 100% expected progress in maths. Two pupils failed to get a C in English but were predicted to do so and the English progress was below. One of these pupils was supported through satellite support and the other was a key intervention pupil who did not achieve the C.

The mid on entry pupils (24-29 APS) did not perform as well as 2012 moving from 74 to 50 % 5A\*-CEM. The pupils did exceed Maths and English progress for 'All' pupils. Pupils also exceeded the attainment of 'All' pupils in English by achieving 71% C grade or higher. They achieved 92% 5A\*-C and their point score was marginally higher than 'All pupils'.

The low on entry pupils (23 or less APS) demonstrated better progress and attainment in English than maths, with 33% of the cohort achieving their C grade in English. Only 11% achieved the C in maths identifying a wide gap between the 2 subjects. Only 1 pupil out of 18 in this group had an entry of a Level 4 in maths, so although 68% of this group achieved expected progress in maths (higher than 'All' pupils) it was not enough to convert to a C.

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**SARUM ACADEMY**  
**REPORT OF THE TRUSTEES AND DIRECTORS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**Pupil Premium**

This group exceeded 5A\*-C for 'All' and exceeded it for the 5A\*-G figures, five pupils even gained 3A/A\* grades

The attainment and progress was lower than the 'All group' but different trends are identified by gender. Pupil premium girls exceed 'All' pupils in achieving English grade C and expected progress. Their maths progress was 11% lower than 'All' and significantly less than all that achieved a C in maths at 29%. Their points score is only exceeded by 'All girls' and 'High on entry' pupils.

Pupil premium boys exceed the attainment of 'All' pupils in maths at 62%, 3% higher than 'All'. Only 48% get a C in maths, therefore resulting in 48% 5A\*-CEM for this male group. Expected progress was 50%, impacting on the group's results. The point score for the boy's pupil premium is lower than most others with the exception of low on entry and SA.

**Targets from 2011/12 analysis**

- Boys attainment
- English attainment and progress
- Consolidating the English attainment and progress
- SA+ pupils

The most dramatic improvement was in English. Boys did show improvement but there was a skill gap between the genders and School Action.

School Action Plus improved in their 5A-C but further work is needed to track individual progress expected.

Pupil premium pupils need to be identified at class teacher level and all groups of pupils need to be monitored for progress and attainment in data capture analysis.

**Going Concern**

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

**Key Financial Performance Indicators**

The Academy ended 2012/13 with an in year deficit of £706,529.

**Income**

Income was higher than budget in 2012/13, £150k was received from the EFA for redundancy costs.

**Expenditure**

There was a £569k overspend, mostly in connection with the relocation to the new building. £519.5k was offset by extra income and further reclaims are anticipated in 2013/14.

- There was a £41k overspend on salaries costs due to long term sickness of 3 staff members.
- Staff redundancies and severance costs were £148.5k over target however this was offset by a previously agreed payment of £150k from the EFA for this purpose.
- Building costs were slightly over budget (£3.8k) due to relocation expenses.
- Other costs were £19.7k overspent due primarily to extraordinary legal costs over a trademarking issue, new contracts and new build tenders. The windup of the previous catering provision also added to the overspend.

There were also underspends in several areas detailed below.

- Transport underspent on fuel and running costs by £5.6k.
- Admin reduced costs in all areas to save £10,346.
- ICT made £48,034 savings in equipment leasing and licencing.
- Curriculum spend was £10,340 less than budgeted due to review of suppliers.

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**SARUM ACADEMY**  
**REPORT OF THE TRUSTEES AND DIRECTORS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**FINANCIAL REVIEW**

The overall financial position of the Academy at the end of 2012/13 is considered to be acceptable

There were a number of overspends during the year, mainly related to relocation to the new premises but most was offset by additional income and further reclaims are being negotiated and will be received during 2013/14

During 2012/13 the Academy has benefited by a maintaining a stable finance team for the first full year since opening. In addition to this the financial system, PS Financials, is operating with very few issues

**Financial and Risk Management Objectives and Policies**

There are no immediate financial risks facing the Academy in 2013/14. The bank balance shows a comfortable credit and cash flow reports indicate no cash flow or liquidity issues however there are concerns about the viability going forward

**Principal Risks and Uncertainties**

In Salisbury the availability of new pupils has been decreasing for the last few years and 2013/14 was predicted by the local authorities to be the bottom of the dip for year 7 pupil numbers, which then start to rise very slowly. In addition to this these pupils are replacing large year 11 groups leaving, resulting in reduced pupil numbers and, therefore, reduced funding. This reduction has been offset in part by the increase in post 16 pupils that the Academy has recruited but over the next 3 years increased provision for these pupils will exacerbate the problem.

Going forward Sarum Academy is first choice for more pupils in 2014/15 than in the past 2 years. This is due to a number of factors including

- New building with state of the art facilities
- Improved exam results year on year since the Academy opened
- Better local image due to work with press, local radio social media, etc
- Transition co-ordinator on the Executive Leadership Team driving pupil numbers
- Improved working relationships with feeder school Heads
- Work with year 5 and 6's from feeder schools including maths and science days at the Academy, music teachers and sports leaders going into the primary schools
- Visiting other primary schools, not traditional feeders, to improve their knowledge of the Academy and remove historic prejudices
- Positive Ofsted and SIAS reports

As forecast in last year's Annual report, 2012/13 retained a modest in year surplus and the 2013/14 forecast is currently showing an in year loss of just under £200k, less than the £250k predicted. The Academy will then be using the reserves, which are predicted to make up the shortfall for 2013/14 but will not cover the forecasted deficit for 2014/15.

A new residential estate is due to be built next door to the Academy and should start in 2014 alongside a new road which will bypass the estate creating more direct access from the villages. In addition to this there are plans to redeploy armed forces back to the Salisbury area from 2015. This is expected to substantially increase pupil numbers however there are serious concerns over finances between 2015 and 2017.

The Academy Governors, Sponsors and Executive Leadership Team are currently working together to draw up plans to deal with this shortfall and form a recovery plan which will be presented to the EFA in late January.

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**SARUM ACADEMY**  
**REPORT OF THE TRUSTEES AND DIRECTORS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**Reserves**

The Academy has free reserves of £212,060 at the year end. Its restricted reserves are restricted for use in providing educational services to pupils enrolled within the Academy. These include £144,722 of the General Annual Grant received from the Education Funding Agency. The reserves carried forward are to be set against anticipated future costs.

**Investment Policy**

The Academy invested £450k with Lloyds TSB since February 2012. This was undertaken by investing £75k a week for 6 weeks and this was then returned to the account and then reinvested. This money can be recalled at £75k a week with no penalties on one week's notice. This very low risk investment resulted in additional income of about £1.2k this year.

**Plans for Future Periods**

The £15.5million new build is now partially occupied. Although some areas are not completed due to the discovery of more asbestos than anticipated, the Academy's successful move to the new premises during the summer of 2013. Final handover date has not yet been confirmed. Demolition of the old buildings and completion of ground works is anticipated in May 2014.

The Academy continues to carry out its strategic intentions outlined under the Objectives, Strategies and Activities section.

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

Funds for Extended Schools are still held by the Academy to enable closer contact with our feeder Schools and allow the Academy to take the lead in any projects.

The monies are kept in a separate bank account to ensure segregation.

**TRUSTEES' AND DIRECTORS' RESPONSIBILITIES**

The Trustees and Directors of Sarum Academy are responsible for preparing the Trustees' and Directors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2012/13 issued by the Education Funding Agency.

Company law requires the directors 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 academy and of its incoming resources and application of resources, including the income and expenditure, of the academy for the year. In preparing these financial statements, the directors are required to

- a) select suitable accounting policies and then apply them consistently,
- b) observe the methods and principles in the Charities Statement of Recommended Practice,
- c) make judgements and estimates that are reasonable and prudent,
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in operation.

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**SARUM ACADEMY**  
**REPORT OF THE TRUSTEES AND DIRECTORS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**TRUSTEES' AND DIRECTORS' RESPONSIBILITIES (continued)**

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

The trustees and directors are responsible for ensuring that in its conduct and operation the academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency / Department for Education have been applied for the purposes intended.

In so far as the governors are aware

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

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

**AUDITORS**

Fawcetts have expressed their willingness to continue as auditors.

Approved by the directors on

16/12/13

and signed on their behalf by



Canon Edward Probert  
Chairperson

**SARUM ACADEMY**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Sarum Academy has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sarum Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the directors' Report and in the Statement of Trustees' responsibilities. The governing body has formally met 6 times during the year. Attendance during the year at meetings of the governing body was as follows:

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Canon Edward Probert	6	6
The Revd Maggie Guillebaud	5	6
Neil Boulton	5	6
Tiff Nield	6	6
Sarah Thomas	3	6
Catherine Simon	4	6
Jenny Hill-Parker	4	6
Ruth Johnson	6	6
Mark Manterfield	3	3
Rosie Stiven	1	1
Councillor Chris Cochrane	1	3
John Bruce	3	4
Chris Martin	0	0

The Finance and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to review the financial position of the Academy and the system of internal controls.

During the year Chris Martin resigned as a Governor and Mark Manterfield who is the Deputy Principal and Bursar at Sarum College and Rosie Skivens who was formerly a school Bursar joined the committee.

Attendance at meetings in the year was as follows:

<b>Director - Governor F&amp;GP</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
The Revd Maggie Guillebaud	5	6
Neil Boulton	6	6
Mark Manterfield	3	3
Ruth Johnson	6	6
Chris Martin	0	0

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**SARUM ACADEMY**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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There was one Trustees' meeting, which all Trustees attended

Trustee	Meetings attended	Out of a possible
Canon Edward Probert	1	1
Chris Shepperd	1	1
Nick Glass	1	1
Neil Boulton	1	1
Catherine Simon	1	1

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sarum Academy Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Directors and Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period between 1st September 2012 and 31st August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**The Risk and Control Framework**

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

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

**Responsible Officer**

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor however the Governors have appointed an external auditor Clifford Fry & Co to undertake the Responsible Officer checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Twice yearly the Responsible Officer reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

No issues have been identified during 2012/13.

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**SARUM ACADEMY**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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Continued from page 13


**Review of Effectiveness**

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

- the work of the Paul Tilley from Clifford Fry
- the work of the external auditor Fawcetts
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework

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

Approved by the directors on 16/12/13 and signed on their behalf by

  
Canon Edward Probert  
Chairperson

Ruth Johnson   
Accounting Officer

Dated 16/12/13

Dated 16/12/13



**SARUM ACADEMY**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

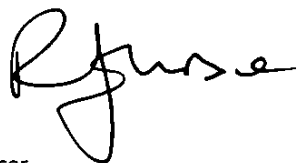
**FOR THE YEAR ENDED 31 AUGUST 2013**

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As accounting officer of Sarum Academy I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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 academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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



Ruth Johnson  
Accounting Officer

Dated

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF**

### **SARUM ACADEMY**

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

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

#### **Respective responsibilities of the directors and auditors**

As explained more fully in the Statement of Trustees' and Directors' Responsibilities, the trustees and directors 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 as Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' and Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion**

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs at 31 August 2013, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Continued on page 17

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

SARUM ACADEMY

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Continued from page 16

**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' and directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Simon Ellingham FCA DChA (Senior Statutory Auditor)

for and on behalf of Fawcetts

Chartered Accountants & Statutory Auditors

Windover House

St Ann Street

Salisbury

SP1 2DR

Dated 19 December 2013

**INDEPENDENT AUDITORS' REPORT ON REGULARITY  
TO THE GOVERNING BODY OF  
SARUM ACADEMY  
AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 21 December 2012 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 academy 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 the governing body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

**Respective responsibilities of Sarum Academy accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of Sarum Academy's funding agreement with the Secretary of State for Education dated 23 August 2010 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, in our opinion, 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 and 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's income and expenditure.

The work undertaken to draw to our conclusion includes

- a review of a sample of income received by the Academy
- a review of a sample of expenditure disbursed by the Academy

Continued on page 19

**INDEPENDENT AUDITORS' REPORT ON REGULARITY  
TO THE GOVERNING BODY OF  
SARUM ACADEMY  
AND THE EDUCATION FUNDING AGENCY**

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Continued from page 18

**Conclusion**

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



Simon Ellingham FCA DChA (Senior Statutory Auditor)  
for and on behalf of Fawcetts  
Chartered Accountants & Statutory Auditors  
Windover House  
St Ann Street  
Salisbury  
SP1 2DR

Dated 19 December 2013

**SARUM ACADEMY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

	Note	Unrestricted £	Restricted Fixed Asset £	Restricted General £	2013 Total £	2012 Total £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Voluntary Income	3	835	-	-	835	6,457
Activities for generating funds	4	135,616	-	21,836	157,452	131,176
Investment Income	5	1,734	-	-	1,734	1,006
<b>Incoming resources from charitable activities</b>						
Funding for the Academy's educational operations	6	-	2,043	3,854,178	3,856,221	4,381,657
<b>TOTAL INCOMING RESOURCES</b>		<u>138,185</u>	<u>2,043</u>	<u>3,876,014</u>	<u>4,016,242</u>	<u>4,520,296</u>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
Generating voluntary income		-	-	-	-	-
<b>Charitable activities</b>						
Academy's educational operations	9	-	687,144	4,051,484	4,738,628	5,173,918
<b>Governance costs</b>	10	<u>42,143</u>	<u>-</u>	<u>-</u>	<u>42,143</u>	<u>49,928</u>
<b>Total resources expended</b>	8	<u>42,143</u>	<u>687,144</u>	<u>4,051,484</u>	<u>4,780,771</u>	<u>5,223,846</u>
<b>Net (outgoing)/incoming resources</b>		96,042	(685,101)	(175,470)	(764,529)	(703,550)
<b>Other recognised gains and losses</b>						
Actuarial gain/(losses) on defined benefit pension schemes	25	<u>-</u>	<u>-</u>	<u>58,000</u>	<u>58,000</u>	<u>(34,000)</u>
<b>Net movement in funds</b>		96,042	(685,101)	(117,470)	(706,529)	(737,550)
<b>Fund balances as brought forward at 1 September 2012</b>						
		116,018	4,274,179	289,869	4,680,066	5,417,616
<b>Fund balances as at 31 August 2013</b>		<u>212,060</u>	<u>3,589,078</u>	<u>172,399</u>	<u>3,973,537</u>	<u>4,680,066</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

**SARUM ACADEMY**  
**BALANCE SHEET**  
**(Company number 7035327)**

**AS AT 31 AUGUST 2013**

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible fixed assets	14	3,576,756	4,284,498
<b>Current assets</b>			
Debtors	15	728,671	199,218
Cash at bank and in hand		<u>558,797</u>	<u>416,150</u>
		1,287,468	615,368
<b>Creditors amounts due within one year</b>	16	<u>914,687</u>	<u>185,800</u>
<b>Net current assets</b>		<u>372,781</u>	<u>429,568</u>
<b>Net assets excluding pension asset/liability</b>		3,949,537	4,714,066
Pension scheme asset/(liability)	25	<u>24,000</u>	<u>(34,000)</u>
<b>Net assets including pension asset/liability</b>		<u><u>3,973,537</u></u>	<u><u>4,680,066</u></u>
<b>Funds</b>	17		
Restricted funds		3,761,477	4,564,048
Unrestricted funds			
General reserve fund		<u>212,060</u>	<u>116,018</u>
<b>Total funds</b>		<u><u>3,973,537</u></u>	<u><u>4,680,066</u></u>

Approved by the board of directors on 16.12.13

On behalf of the board

*Edward Probert*

Canon Edward Probert

**SARUM ACADEMY**  
**CASH FLOW STATEMENT**

**AS AT 31 AUGUST 2013**

	Note	2013 £	2012 £
Net cash inflow from operating activities	20	142,956	(339,809)
Returns on investments and servicing of finance	21	1,734	1,006
Capital expenditure	22	<u>(2,043)</u>	<u>(10,784)</u>
<b>Increase in cash in the year</b>	23	<u>142,647</u>	<u>(349,587)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2012		416,150	765,737
		<u>          </u>	<u>          </u>
<b>Net Funds at 31 August 2013</b>		<u><u>558,797</u></u>	<u><u>416,150</u></u>



## SARUM ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

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#### 1 Accounting policies

##### **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 Education Funding Agency (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 governors 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 company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### **Incoming resources**

All incoming resources are recognised when the Academy 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 year 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.

- **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.

##### **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 Academy's educational operations.

- **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

##### **Fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

## SARUM ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 AUGUST 2013

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#### 1 Accounting policies (continued)

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

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

Leasehold buildings	3 years & 50 years straight line
Furniture and fixtures	5 years straight line
Computer equipment	3 year straight line
Motor vehicles	5 years straight line

Leasehold buildings are depreciated over their estimated useful life. A large proportion of the current buildings are earmarked for demolition at the end of 2013, when occupation is taken of the new buildings the construction of which commenced in February 2012. The acquisition cost and useful life of these buildings have been depreciated to reflect this future event.

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

#### Stock

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

#### Taxation

The Academy is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or 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.

#### Retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective method. As stated in note 26 the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

## **SARUM ACADEMY**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 AUGUST 2013**

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#### **1 Accounting policies (continued)**

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

#### **Fund accounting**

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

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

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

#### **2 General Annual Grant**

Under the funding agreement with the Secretary of State the academy 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.

The academy has not exceeded these limits during the year ended 31 August 2013.

**SARUM ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**3 Voluntary Income**

	Unrestricted £	Restricted £	2013 £	2012 £
Donations - Capital	-	-	-	-
Other donations	835	-	835	6,457
	<u>835</u>	<u>-</u>	<u>835</u>	<u>6,457</u>

**4 Activities for Generating Funds**

	Unrestricted £	Restricted £	2013 £	2012 £
Hire of facilities	48,381	-	48,381	48,767
Visit income	-	21,836	21,836	42,849
Other income	87,235	-	87,235	39,560
	<u>135,616</u>	<u>21,836</u>	<u>157,452</u>	<u>131,176</u>

**5 Investment income**

	Unrestricted £	Restricted £	2013 £	2012 £
Interest receivable	1,734	-	1,734	1,006
	<u>1,734</u>	<u>-</u>	<u>1,734</u>	<u>1,006</u>

**6 Funding for Academy's Educational Operations**

	Unrestricted £	Restricted £	2013 £	2012 £
<b>DfE / EFA revenue grants</b>				
General Annual Grant (GAG) Note 2	-	3,090,684	3,090,684	2,949,656
Start up grants	-	373,595	373,595	684,299
Other DfE / EFA grants	-	263,208	263,208	726,076
	<u>-</u>	<u>3,727,487</u>	<u>3,727,487</u>	<u>4,360,031</u>
<b>Other Government grants</b>				
School Standards Funds	-	51,506	51,506	-
Extended Schools	-	72,826	72,826	-
Special educational projects	-	4,402	4,402	21,626
	<u>-</u>	<u>128,734</u>	<u>128,734</u>	<u>21,626</u>
	<u>-</u>	<u>3,856,221</u>	<u>3,856,221</u>	<u>4,381,657</u>

**7 Expenditure**

Expenditure includes	2013 £	2012 £
Auditors' remuneration - audit	6,750	6,500
- other services	2,750	3,000
Depreciation on owned assets	709,785	711,133
Operating leases	<u>8,151</u>	<u>9,723</u>

**SARUM ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**8 Resources expended**

	Staff Costs £	Non-pay Expenditure Premises £	Other Costs £	2013 £	2012 £
Academy's educational operation					
Direct costs	2,378,812	22,640	294,578	2,696,030	3,148,540
Allocated support costs	<u>868,464</u>	<u>227,528</u>	<u>259,462</u>	<u>1,355,454</u>	<u>1,338,233</u>
	<u>3,247,276</u>	<u>250,168</u>	<u>554,040</u>	<u>4,051,484</u>	<u>4,486,773</u>
Governance costs including un-allocated support costs	-	-	42,143	42,143	49,928
	<u>3,247,276</u>	<u>250,168</u>	<u>596,183</u>	<u>4,093,627</u>	<u>4,536,701</u>

**9 Charitable Activities - Academy's educational operations**

	Unrestricted £	Restricted £	2013 £	2012 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	2,378,812	2,378,812	2,741,329
School visit expenditure	-	18,159	18,159	55,398
Depreciation	-	22,640	22,640	23,988
Educational supplies	-	153,352	153,352	173,483
Exam fees	-	81,594	81,594	91,633
Staff development	-	16,588	16,588	14,696
Educational consultancy	-	5,198	5,198	32,828
Other direct costs	-	19,687	19,687	15,185
	-	2,696,030	2,696,030	3,148,540
<b>Allocated support costs</b>				
Support staff costs	-	704,451	704,451	680,517
Severance payments	-	164,013	164,013	197,544
Recruitment and support	-	6,708	6,708	21,382
Maintenance of premises and equipment	-	109,214	109,214	56,910
Cleaning	-	9,879	9,879	4,507
Rent and rates	-	25,197	25,197	37,316
Light and heat	-	94,256	94,256	94,977
Insurance	-	30,565	30,565	27,545
Security and transport	-	16,243	16,243	19,805
Computer costs	-	91,003	91,003	56,186
Catering	-	63,710	63,710	55,673
Bank charges	-	30	30	91
Other support costs	-	40,245	40,245	85,780
	-	1,355,454	1,355,454	1,338,233
	-	4,051,484	4,051,484	4,486,773

**SARUM ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2013**

**10 Governance costs**

	Unrestricted £	Restricted £	2013 £	2012 £
Legal and professional fees	34,213	-	34,213	40,968
Auditors remuneration				
Audit of financial statements	6,750	-	6,750	6,500
Responsible officer audit	1,180	-	1,180	2,460
	<u>42,143</u>	<u>-</u>	<u>42,143</u>	<u>49,928</u>

Legal and professional fees include HR, IT, legal, payroll and other support costs for the administration function

**11 Staff costs**

Staff costs during the year were

	2013 £	2012 £
Wages and salaries	2,517,117	2,814,646
Social security costs	194,049	214,118
Pension costs	<u>328,463</u>	<u>363,526</u>
	3,039,629	3,392,290
Supply teacher costs	43,633	19,658
Compensation payments	<u>164,013</u>	<u>197,544</u>
	<u>3,247,275</u>	<u>3,609,492</u>

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

	2013 No	2012 No
<b>Charitable activities</b>		
Teachers	43	56
Administration and support	41	39
Management	<u>7</u>	<u>8</u>

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

	2013 No	2012 No
£60,001 - £70,000	1	1
£110,001 - £120,000	<u>1</u>	<u>1</u>

47 of the above employees participated in the Teachers' Pension Scheme During the year ended 31 August 2013, pension contributions for these staff amounted to £236,943 (2012 - £271,886) The other employees participated in the Local Government Pension Scheme, pension contributions amounted to £91,520 (2012 - £91,640)

**12 Governors' remuneration and expenses**

The principal who is on the governing board only receives remuneration in respect of services provided in undertaking her role of Principal and not in respect of her services as a governor Other governors did not receive any remuneration nor travel or subsistence claims from the Academy in respect of their roles as governors, in the year The value of the Principal's remuneration was £114,352 (2012 - £114,448)

**SARUM ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2013**

**13 Governors' and Officers' Insurance**

In accordance with normal commercial practice, the Academy has purchased insurance to protect the governors and officers from claims arising from negligent act, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5 million on any one claim and the cost for the year ended 31 August 2013 was £1,760.

**14 Tangible Fixed Assets**

	Leasehold Buildings £	Furniture and Fixtures £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 September 2012	4,230,602	1,422,490	44,078	5,697,170
Additions	-	2,043	-	2,043
Disposals	-	-	-	-
At 31 August 2013	<u>4,230,602</u>	<u>1,424,533</u>	<u>44,078</u>	<u>5,699,213</u>
<b>Depreciation</b>				
At 1 September 2012	820,372	564,215	28,085	1,412,672
Charge for the year	410,186	284,906	14,693	709,785
Disposals	-	-	-	-
At 31 August 2013	<u>1,230,558</u>	<u>849,121</u>	<u>42,778</u>	<u>2,122,457</u>
<b>Net book values</b>				
At 31 August 2013	<u>3,000,044</u>	<u>575,412</u>	<u>1,300</u>	<u>3,576,756</u>
At 31 August 2012	<u>3,410,230</u>	<u>858,275</u>	<u>15,993</u>	<u>4,284,498</u>

The cost of leasehold buildings represents the donation in kind from the Diocese of Salisbury for the long-leasehold and is at a value considered by the trustees to be appropriate taking into account the new development which is expected to be completed for the beginning of the 2013/14 academic year.

The cost of furniture and fixtures includes £1,384,792 being a donation in kind which represents the value of assets transferred to the Academy by Salisbury High School.

**15 Debtors**

	2013 £	2012 £
Trade debtors	76,986	30,918
Prepayments	28,791	31,897
Other debtors	<u>622,894</u>	<u>136,403</u>
	<u>728,671</u>	<u>199,218</u>

**SARUM ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2013**

**16 Creditors' amounts falling due within one year**

	2013 £	2012 £
Trade creditors	231,422	52,810
Other taxation and social security	61,563	67,459
Other creditors	218,376	55,441
Accruals and deferred income	403,326	10,090
	<u>914,687</u>	<u>185,800</u>

**17. Funds**

	Balance at 1 September 2012 £	Incoming Resources £	Resources Expended £	Gains, losses and Transfers £	Balance at 31 August 2013 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	323,869	3,088,641	(3,267,788)	-	144,722
Start Up Grant	-	373,595	(373,595)	-	-
Other DfE / YPLA Grants	-	263,208	(263,208)	-	-
Trip income	-	21,836	(18,159)	-	3,677
Other Government Grants	-	128,733	(128,733)	-	-
	<u>323,869</u>	<u>3,876,013</u>	<u>(4,051,483)</u>	<u>-</u>	<u>148,399</u>
<b>Restricted fixed asset funds</b>					
DfE / YPLA capital grants	-	-	-	-	-
Capital expenditure from GAG	33,074	2,043	-	-	35,117
Private sector capital donation	4,241,105	-	(687,144)	-	3,553,961
	<u>4,274,179</u>	<u>2,043</u>	<u>(687,144)</u>	<u>-</u>	<u>3,589,078</u>
<b>Pension reserve</b>	<u>(34,000)</u>	<u>-</u>	<u>-</u>	<u>58,000</u>	<u>24,000</u>
<b>Total restricted funds</b>	<u>4,564,048</u>	<u>3,878,056</u>	<u>(4,738,627)</u>	<u>58,000</u>	<u>3,761,477</u>



**SARUM ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2013**

**17 Funds (continued)**

	Balance at 1 September 2012	Incoming Resources £	Resources Expended £	Gains, losses and Transfers £	Balance at 31 August 2013 £
<b>Unrestricted funds</b>					
Unrestricted funds	<u>116,018</u>	<u>138,185</u>	<u>(42,143)</u>	<u>-</u>	<u>212,060</u>
<b>Total unrestricted funds</b>	<u>116,018</u>	<u>138,185</u>	<u>(42,143)</u>	<u>-</u>	<u>212,060</u>
<b>Total funds</b>	<u>4,680,066</u>	<u>4,016,241</u>	<u>(4,780,770)</u>	<u>58,000</u>	<u>3,973,537</u>

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

**Private sector capital donation**

This fund represents the value of assets transferred from Salisbury High School and the value of land held under a leasehold arrangement with the Diocese of Salisbury. The costs set against this fund represents the annual depreciation charge provided to allocate the value of these assets over their estimated useful life.

**18 Analysis of net assets between funds**

	Unrestricted £	Restricted £	Restricted Fixed Asset £	Total £
Tangible fixed assets	-	22,795	3,553,961	3,576,756
Current assets	212,060	1,075,408	-	1,287,468
Current liabilities	-	(914,687)	-	(914,687)
Pension scheme asset	-	24,000	-	24,000
<b>Total net assets</b>	<u>212,060</u>	<u>207,516</u>	<u>3,553,961</u>	<u>3,973,537</u>

**19 Financial commitments**

**Operating leases**

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

	2013 £	2012 £
<b>Other</b>		
Expiring within one year	-	8,098
Expiring within two and five years inclusive	<u>8,415</u>	<u>8,415</u>
	<u>8,415</u>	<u>16,513</u>

**SARUM ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2013**

**20 Reconciliation of net income to net inflow from operating activities**

	2013 £	2012 £
Net income	(764,529)	(703,550)
Depreciation (note 14)	709,785	711,133
Interest receivable (note 5)	(1,734)	(1,006)
(Increase) in debtors	(529,453)	(127,049)
(Decrease)/increase in creditors	<u>728,887</u>	<u>(219,337)</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>142,956</u></b>	<b><u>(339,809)</u></b>

**21 Returns on investment and servicing of finance**

	2013 £	2012 £
Interest received	<u>1,734</u>	<u>1,006</u>
<b>Net cash inflow from investment and servicing of finance</b>	<b><u>1,734</u></b>	<b><u>1,006</u></b>

**22 Capital expenditure and financial investment**

	2013 £	2012 £
Purchase of tangible fixed assets	(2,043)	(33,074)
Disposal of fixed assets	-	-
Capital funding received from sponsors and others	<u>-</u>	<u>-</u>
<b>Net cash outflow from capital expenditure and financial investment</b>	<b><u>(2,043)</u></b>	<b><u>(33,074)</u></b>

**23 Analysis of changes in net funds**

	Balance at 1 September 2012 £	Cash flows £	Balance at 31 August 2013 £
Cash in hand and at bank	<u>416,150</u>	<u>142,647</u>	<u>558,797</u>
<b>Total net funds</b>	<b><u>416,150</u></b>	<b><u>142,647</u></b>	<b><u>558,797</u></b>

**24 Members' Liability**

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

## SARUM ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 AUGUST 2013

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#### 25 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 August 2013

There are no outstanding or prepaid contributions at either the beginning or the end of the financial year Contributions totalling £328,463 (2012 - £363,526) were payable to the schemes for the year ended 31 August 2013

##### **Teachers' Superannuation Scheme**

The Academy participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School As required by FRS17 "Retirement Benefits", the Academy accounts for this scheme as if it were a defined contribution scheme

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement") The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015

On 31 January 2013, the Department for Education published the outcome of the consultation on further contributions increases that will apply to members of the TPS in financial years 2013-14 as well as the removal of provisions governing scheme valuations and cap and share arrangements A revised eight tier salary and employee contribution rate structure has been introduced from 1 April 2013 with employee rates varying between 6.4% and 11.2% Employee contributions will continue for this period at the current rate 14.1%

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions

In light of the new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share process

##### **Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds The employer's contributions for the year ended 31 August 2012 was £91,520 (2012 - £91,640) The agreed contribution rates for future years are 12.9 per cent for employers and 15.6 per cent for employees

**SARUM ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2013**

**25 Pension and similar obligations (continued)**

**Principal Actuarial Assumptions**

	At 31 August 2013
Rate of increase in salaries	5.1%
Rate of increase for pension in payment / inflation	2.8%
Discount rate of scheme liabilities	4.6%
Inflation assumption (CPI)	1.0%

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

	At 31 August 2013
Retiring today	
Males	21.3
Females	23.6
Retiring in 20 years	
Males	23.3
Females	25.5

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

	Expected return at 31 August 2013	Fair Value at 31 August 2013
Equities	6.6%	1,215,000
Bonds	4.1%	253,000
Property	4.7%	169,000
Cash	3.6%	51,000
<b>Total market value of assets</b>		<b>1,688,000</b>
<b>Present value of scheme liabilities - Funded</b>		<b>(1,664,000)</b>
<b>Surplus/(deficit) in the scheme</b>		<b>24,000</b>

The actual return on scheme assets was £182,000 (2012 - £115,000)

**Amounts recognised in the statement of financial activities**

	2013 £	2012 £
Current service cost	119,000	98,000
Past service cost	-	-
<b>Total operating charge</b>	<b>119,000</b>	<b>98,000</b>

**SARUM ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**25 Pension and similar obligations (continued)**

**Analysis of pension finance income / (costs)**

	2013 £	2012 £
Expected return on pension scheme assets	(70,000)	(76,000)
Interest on pension liabilities	<u>62,000</u>	<u>61,000</u>
Pension finance income / (costs)	<u>(8,000)</u>	<u>(15,000)</u>

The actuarial gain 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 £97,000 loss.

**Movements in the present value of defined benefit obligations**

	2013 £	2012 £
At 1 September 2012	1,473,000	1,045,000
Current service cost	119,000	98,000
Interest cost	62,000	61,000
Employee contributions	36,000	40,000
Actuarial loss / (gain)	43,000	185,000
Benefits paid	<u>(69,000)</u>	<u>44,000</u>
At 31 August 2013	<u>1,664,000</u>	<u>1,473,000</u>

**Movements in the fair value of the Academy's share of scheme assets**

	2013 £	2012 £
At 1 September 2012	1,439,000	1,169,000
Expected return on assets	70,000	76,000
Actuarial (gain) / loss	121,000	10,000
Employer contributions	91,000	100,000
Employee contributions	36,000	40,000
Benefits paid	<u>(69,000)</u>	<u>44,000</u>
At 31 August 2013	<u>1,688,000</u>	<u>1,439,000</u>

The estimated value of employer contributions for the year ended 31 August 2013 is £92,000.

**26 Related party transactions**

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

There were no material related party transactions during the year.