

Company Registration No. 7035327 (England and Wales)

SARUM ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017



SARUM ACADEMY

CONTENTS

| | Page |
|--|-------------|
| Reference and administrative details | 1 - 2 |
| Trustees' report | 3 - 12 |
| Governance statement | 13 - 17 |
| Statement on regularity, propriety and compliance | 18 |
| Statement of trustees' responsibilities | 19 |
| Independent auditor's report on the accounts | 20 - 22 |
| Independent reporting accountant's report on regularity | 23 - 24 |
| Statement of financial activities including income and expenditure account | 25 - 26 |
| Balance sheet | 27 |
| Statement of cash flows | 28 |
| Notes to the accounts including accounting policies | 29 - 47 |

SARUM ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mike Oldham (Chair of Governors (Effective September 2017))
Alexander Hartley (Vice Chair of Governors (Effective September 2017)) (Resigned 1 November 2017)
Jonathan Curtis (Headteacher)
Richard Millidge (Parent Governor) (Resigned 1 November 2017)
Reverend Maggie Guillebaud (Resigned 1 November 2017)
Graham Maundrell (Resigned 1 November 2017)
Bruce Burley (Appointed 17 May 2017 and resigned 1 November 2017)
Neil Boulton (Chair of Teaching and Learning Committee) (Resigned 1 November 2017)
Jenna Burrow (Staff Governor) (Resigned 1 November 2017)
David Middleton (Chair of Governors (Resigning November 2017)) (Resigned 1 November 2017)
Archdeacon Anthony MacRow-Wood (Resigned 1 November 2017)
Jonathan Triffitt (Resigned 1 November 2017)
Joy Tubbs
Julie Hastings (Resigned 11 July 2017)
Matthew Bulter (Resigned 31 December 2016)
Rebecca Tregathen (Resigned 6 April 2017)

Members

- Representative of Diocesan Board of Education
- Representative of Diocesan Board of Education
- Representative of Diocesan Board of Education
- Chair of Governors

Joy Tubbs
Reverend Jonathan Triffitt
Archdeacon Anthony MacRow-Wood
David Middleton

Senior management team

- Acting Headteacher
- Deputy Headteacher
- Promoted to Assistant Headteacher & Director of Learning Needs
- Head of Pupil Development and Wellbeing
- Director of Business and Finance
- Associate Senior Leaders
- Associate Senior Leaders
- Associate Senior Leaders

Mr Jonathan Curtis (Appointed May 2016, Position substantiated April 2017 Accounting officer)
Mrs Jen Moore
Mrs Kate Milford (Appointed 1 September 2017)
Miss Maxine Fox (Appointed 20 March 2017)
Ms Dawn Higgins (Resigned October 2017)
Mr M Birkett
Mr M Mineur
Mrs J Hill-Parker

Company secretary

Jean Campbell

Company registration number

7035327 (England and Wales)

Registered office

Westwood Road
Salisbury
Wiltshire
SP2 9HS

SARUM ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Moore Stephens (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Bankers

Lloyds Bank
Salisbury Branch, Birmingham OSC
Ariel House, 2138 Coventry Road
Sheldon
Birmingham
B26 3JW

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

SARUM ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 19 serving Salisbury in Wiltshire. It has a pupil capacity of 1150 and had a roll of 407 in the school census of October 2016.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company is known as Sarum Academy Trust.

The trustees of Sarum Academy are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Professional indemnity insurance covering the Academy including governors, trustees, as well as teaching and administration staff is in place through the Department of Education's Risk Protection Arrangement.

Method of recruitment and appointment or election of trustees

The directors are usually appointed by the sponsoring body who also appoint trustees; however a number of Governors who joined the Academy in December 2015 and January 2016 were appointed by the Regional Schools Commissioner to be interim directors on the Board.

The staff governor is elected by staff and parent governors are invited to join on recommendations from parents and stakeholders.

Policies and procedures adopted for the induction and training of trustees

Governors will, in the first instance, meet with a member of the Governing body; normally the Chair of Governors and/or the Headteacher. This is followed by a visit to the Academy, which includes a one to one induction meeting with the Headteacher and a tour, meeting members of the senior team. The Clerk then arranges both induction training with the local authority and safeguarding training.

Some appointees have previous experience as Governors and some are new to the role, so other individual training is arranged as appropriate and new trustees will join any general development arranged.

SARUM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

Trustees will under normal circumstances meet annually. Extraordinary board meetings are held as required.

The day to day running of the Academy is devolved to the Governors, the Headteacher and Senior Leadership Team.

The Sponsor is represented on the governing body in accordance with the Articles of Association, which were amended during 2016.

Decision making is in line with the Scheme of Delegation and the Financial Operating Procedures.

Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy and making decisions about the direction of the Academy, capital expenditure and senior staff appointments. They have delegated such powers and functions as they consider appropriate to the Headteacher 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. The Headteacher is also the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting pay and remuneration of the senior leadership team are made by the Governing Body in line with the Academy's pay policy. These powers are delegated to a sub-committee of the Governing Body, or in the case of the pay progression of the Headteacher to a small working group.

The Governing Body will ensure that each employee's salaries are reviewed annually.

Senior Leadership Team

The Senior Leadership Team consisted of the Headteacher, Deputy Headteacher, Assistant Headteacher/Director of Learning Needs 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 Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Some spending control is devolved to Curriculum Team Leaders, with limits above which a Senior Leader must countersign.

Throughout the year other colleagues are invited to be part of Leadership Team as associates; they attend and contribute to meetings and discussions to increase views and ideas. This also forms part of their professional development.

Related parties and other connected charities and organisations

The Academy has enjoyed a good relationship with its sponsors, the Diocese of Salisbury.

The Academy has a good relationship with the Wessex Partnership, a local forum of secondary Headteachers and has been working in a strong partnership with the local West Salisbury Cluster, which is comprised of 8 local primary feeder schools.

SARUM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

During 2016/17 the Academy has formed strong links with St Edmund's Girls School, Wyvern College and The Trafalgar School; a number of joint initiatives have been undertaken throughout the year. In April 2017 these schools formed a Multi Academy Trust, the Magna Learning Partnership (MLP). The relationship between Sarum Academy and MLP has developed well and the Academy is expected to join the MLP in November 2017.

There are many other local and regional organisations Sarum Academy has worked in partnership with during 2016/17; these include: The Bridge, Grace Church, Ringwood School, Wellington Academy, Army Cadet Force, St Thomas's Church, AFC Bournemouth, Southampton Football Club, the Interagency Group and the Local Resident Committee.

Objectives and activities

Objects and aims

Sarum Academy is a Church of England Academy and its main objective is to improve the life chances of young people.

The Academy's vision is a belief in the limitless potential of people. Objectives are broken down and shared with stakeholders by group.

For pupils, that they become highly skilled, confident, articulate young adults, well placed to succeed in further education and employment, and emerge as active members of the community.

For teaching staff to be confident and innovative in their teaching, maximising time and resources, demonstrating a precision in their practice and sharing a passion for their subject.

For support staff to be respected and valued colleagues who are pupil and learning centred and as team players show expertise and leadership in their areas of responsibility.

For parents and other stakeholders to have confidence in the organisation and an eagerness to work in partnership

The Academy's values, agreed with stakeholders are: Respect, Aspiration, Excellence, Service, Tenacity and Partnership.

The message to pupils is to have self-belief, be proud of their work and produce best work first time; if work is not to the required standard to try again. The work ethos is to be prepared, participate and perform in a quiet and purposeful manner.

The Academy maxim is "Working Hard, Achieving More".

Objectives, strategies and activities

Improvement Priorities

- Accelerated academic improvement
- Finding a Multi-Academy Trust partner
- Balancing the budget

How we will achieve this

In order to realise our potential we will make the following areas our strands for development:

- Becoming great teachers – Staff development and retention
- Becoming great learners – Developing learner autonomy and a growth mind-set
- Engaging and supporting stakeholders

Actions to make us effective

To secure our aims each of us within the organisation has our part to play. As a good school we will ensure we:

Offer professional leadership

- Give clear messages and there is a consistent purpose throughout
 - Share decision making with middle/senior leaders
 - Identify lead professionals with an emphasis on the quality of teaching
 - Are outward looking, research based and work collaboratively with other schools
-

SARUM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Provide professional management

- Have clear line of management
- Have clear job descriptions – Operational Activities
- Agree measureable performance goals – Key Accountabilities
- Give ongoing feedback on performance
- Have regular developmental discussion

Agree and communicate a shared vision and goals

- Agree values
- Ensure consistent practice
- Have a plan for staff development for all

Create an inspirational learning environment

- Create an orderly atmosphere
- Provide an attractive working and learning environment
- Work interdepartmentally

Secure high quality teaching & learning

- Organise resources and act efficiently
- Structure, planned lessons – with an academic emphasis, that are progress driven
- Adapt lessons, effectively differentiated
- Maximise learning time
- Plan and deliver an effective programme of teaching professional development

Maintain high expectations

- Expect a lot from everyone
- Verbalise our high expectations to pupils
- Ensure an intellectual challenge

Maintain positive reinforcement

- Communicate clear and fair discipline: rewards as well as sanctions
- Monitor pupil performance
- Give feedback to pupils – (Aware of ambition, current and next steps)

Monitor progress

- Continuously monitor individual progress
- Continuously monitor the Academy's progress

Communicate rights and responsibilities

- Model good (positive) relationships
- Provide positions of responsibility
- Teach pupils how to take responsibility for their learning

Maintain home school partnerships

- Involve parents with high levels of communication
- Conduct regular surveys to gain parents view
- Run a parent forum to give an opportunity for input and feedback

SARUM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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:

- Hosting summer activities for local residents
- Making sports facilities available to members of the local community and sports groups
- Helping to advance Grace Church, who use the Academy premises for their services, Alpha courses, parenting groups and other meetings and have their base at the Academy
- Becoming involved in intergenerational local activities
- Involvement with the local primary schools assisting teaching and learning, particularly in science and sport
- Joint CPD with feeder schools
- Leading a Community Choir for pupils, staff and local residents
- Attending local residents' meetings
- Supporting our Local Interagency Group
- Hosting the Sarum Academy Army Cadet Corps
- Working in collaboration with other local secondary providers for mutual support and benefits to pupils

Strategic report

Key performance indicators and achievements and performance

GCSE Contextual Information

| | |
|---|-----------------|
| Number of pupils | 46 |
| % of pupils in lower attainment band on entry | 30% (13 pupils) |
| % of pupils in middle attainment band on entry | 60% (26 pupils) |
| % of pupils in upper/higher attainment band on entry | 9% (4 pupils) |
| % of disadvantaged pupils on roll (Eligible for the Pupil Premium) | 39% (18 pupils) |
| Number of pupils with Special Educational Needs (SEN) with an Education and Health Care Plan (EHC) or Statement | 3 |
| Number of pupils SEN no EHC or Statement | 9 |
| % of all SEN pupils on roll | 27% |

Outcomes for pupils at Key Stage 4

| Performance Measure | 2014-15 | 2015-16 | 2016-17 |
|--|---------|---------|---------|
| Progress 8 | -0.52 | -0.36 | 0.17 |
| Pupil Premium | -0.63 | -0.37 | 0.17 |
| SEN | -1.61 | -1.38 | 0.11 |
| Low-Entry | -0.77 | -0.4 | 0.26 |
| Mid-Entry | -0.39 | -0.36 | 0.24 |
| High-Entry | -0.38 | -0.59 | -0.61 |
| Male | -0.57 | -0.47 | -0.12 |
| Female | -0.46 | -0.33 | 0.48 |
| Average Attainment 8 score per pupil | 32.05 | 33.85 | 37.65 |
| At least a C (Grade 4) in English | 41% | 52% | 59% |
| At least a C (Grade 4) in Maths | 48% | 44% | 48% |
| At least a C (Grade 4) in English & Maths | 36% | 37% | 41% |
| At least a C (Grade 4) in 5 qualifications | 44% | 34% | 59% |

SARUM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key Stage 4 Summary Statement

The Academy's academic performance data shows a 3 year trend of improvement.

Pupils eligible for the Pupil Premium (disadvantaged pupils) performed better overall than their peers nationally (PP progress 8 nationally is -0.3, where it is 0.17 at the academy. There are no statistically significant group of pupils that underperform, and this year many groups are now beginning to outperform similar groups of pupils nationally.

The average points score per pupil has risen by over 10% over three years, resulting in the average grade moving from a D- to a D to a D+.

Pupils leaving the academy with at least a grade C in 5 qualifications has risen to 59% - up 15% over a 3 year period.

Attainment in English and Maths

Outcomes in English reflect consistent yearly increments (18% increase over two years). Outcomes in Maths are stable. SEN pupils have performed exceptionally well in English and Maths, eliminating the very low standard-pass rate of the two previous years.

Key Stage 5 Summary Statement

Pupils overall made slightly more progress than their peers nationally, with a positive value added score of 0.06. This reflects the 100% pass rate for every pupil in Year 13.

The average grade per pupil is now at a C- demonstrating the strength of post-16 vocational provision at the academy.

All pupils applying for University courses secured placements.

SUMMARY TABLE - A Level Performance trends

Cohort information for pupils at the end of Key Stage 5 in the Academic Year 2016-17

| | |
|--|----|
| Number of pupils at the end of 16-18 studies | 34 |
|--|----|

| | |
|---|----------------|
| A level cohort and results | 2016-17 |
| Number of pupils entered for A level qualifications (for average grade measure) | 34 |
| Average point score per A level entry expressed as a grade | C- |
| Average point score per A level entry (new point system, see guide) | 26.11 |

| | |
|---|----------------|
| A level - Level 3 Value Added | 2016-17 |
| A level value added score | 0.06 |
| Upper confidence limit | 0.43 |
| Lower confidence limit | -0.32 |
| Number of A level entries (for value added measure) | - |

| | |
|--|----------------|
| Academic cohort and results | 2016-17 |
| Number of pupils entered for academic qualifications (for average grade measure) | - |
| Average point score per academic entry expressed as an A level grade | D+ |
| Average point score per academic entry (new point system, see guide) | 23.50 |

SARUM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

| Academic - Level 3 Value Added | 2016-17 |
|--|----------------|
| Academic value added score | -0.16 |
| Upper confidence limit | 0.37 |
| Lower confidence limit | -0.69 |
| Number of academic entries (for value added measure) | 11 |

| Applied general cohort and results | 2016-17 |
|---|----------------|
| Number of pupils entered for applied general qualifications (for average grade measure) | - |
| Average point score per applied general entry expressed as a vocational grade | Merit+ |
| Average point score per applied general entry (new point system, see guide) | 28.99 |

| Applied general - Level 3 Value Added | 2016-17 |
|---|----------------|
| Applied general value added score | 0.24 |
| Upper confidence limit | 0.77 |
| Lower confidence limit | -0.30 |
| Number of applied general entries (for value added measure) | 15 |

| Tech level cohort and results | 2016-17 |
|--|----------------|
| Number of pupils entered for tech level qualifications (for average grade measure) | 2 |
| Average point score per tech level entry expressed as a vocational grade | Distinction- |
| Average point score per tech level entry (new point system, see guide) | 30.56 |

Going concern

Sarum Academy will become part of the Magna Learning Partnership [MLP], a local Multi Academy Trust, on 1st November 2017 and will cease to trade as a separate entity from that date. The trustees have elected to prepare these accounts on the break up basis.

Financial review

Key Financial Performance Indicators

The Academy ended the year with a cash balance of £160K and made considerable cost savings in expenditure; however reduction in income resulted in an in-year deficit.

Income

Income was lower than forecast due primarily to an under calculation in the Pupil Number Adjustment payment, reduction in the devolved exclusion grant and a shortfall in lettings income.

Overall income was £122k less than budget.

Expenditure

There were efficiency savings compared with 2015/16 including a further reduction of £202k on total employment costs. This continues a downward trend in costs, which have reduced year on year since 2010/11 when the Academy opened. Other savings in expenditure equated to a further £93k. There was an in-year saving of £22k against 2016/17 budget.

SARUM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The overall financial position of the Academy at the end of 2016/17 was an in-year deficit of £171,740 which is the normal deficit after excluding pension costs and transfers between funds, as shown below:

| | |
|---|-------------|
| Net (deficit) per SOFA | (2,735,901) |
| Includes capital grant income of | (24,833) |
| Add back depreciation | 2,550,610 |
| Add back contribution from revenue to capital | (82,616) |
| Add back cost of pension scheme | 121,000 |
| Revenue (deficit) in year | (171,740) |

Although the 6th form numbers were 40% higher than forecasted, resulting in a more positive position prediction for 2017/18, the lower school numbers were 18% down on forecast. This resulted in a repayment of £193k to the EFA.

Financial and risk management objectives and policies

The financial risks facing the Academy are, in line with many schools, an ongoing cause for concern. An accounting error in the pupil number adjustment severely exacerbated the situation. The bank balance, whilst in credit, has reduced considerably throughout the year. The cash flow reports indicates that, were the Academy not joining a Multi Academy Trust [MAT] there could have been issues within the 2017/18 academic year, which may have given rise to concerns about viability going forward.

In July 17 a business plan was submitted to the ESFA as part of the MAT due diligence process; and a plan generated from cost efficiencies, which was put in place immediately. The Local Authority figures and Academy estimates do indicate an increase in pupil numbers going forward, based on the increased birth rate, existing pupils in primary schools and new home building projects; this will positively impact the Academy's financial position going forward.

Cost control remains the Academy's main financial priority.

Reserves policy

The Academy had no free reserves at the year end and has two funds in deficit.

The Restricted Income funds are in deficit by £54,985. This deficit is the result of the restating of accounts as part of this audit and of the ESFA's pupil number adjustment in-year clawback. The deficit will be carried forward into next year's budget which will be managed by the Magna Learning Partnership.

The Pension Reserve is in deficit by £33,000. This fund is dependent on the wider national economy and is revalued annually by Wiltshire Council. Magna Learning Partnership and Sarum Academy will continue to monitor this fund. The reserves policy is a certain thing so Magna Learning Partnership's recovery of the Restricted Income funds deficit will take preference until surplus reserves can be made to get to the desired reserves value.

The disclosure of these funds in deficit is also included in the Funds Note in the financial statements.

Investment policy and powers

There are no current investments and any future investments will be in line an agreed policy drawn up in keeping with the Academies Financial Handbook instructions and approved by the Governors.

SARUM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Principal risks and uncertainties

The primary concern for the Academy is pupil numbers. Although the local authority has predicted a rapid increase in Year 7 numbers from 2017/18, their forecasts have been inaccurate in previous years and this remains an ongoing concern.

Pre 16 numbers remained unchanged in 2017/18, although the Year 7 intake was up 17% on the previous year. This increase was offset by a number of Year 10 pupils moving to the local UTC, which has been extensively advertised, reducing predicted numbers and income. Going forward, the figures from our feeder school are more positive showing a substantial percentage increase in pupil numbers over the next 4 years before plateauing; therefore further increases in Year 7 pupils are anticipated in September 2018 and 2019.

Although pre 16 numbers remain consistent, post 16 pupil figures continue to grow and are up 9% on 2015/16. This is due to a history of good results at KS5 and vocation courses, such as hairdressing. The Sports BTEC is now run in conjunction with Southampton Football Club and this partnership, alongside the Academy's new relationship with the MLP, is anticipated to assist with the increase of numbers over the next 2 years.

As anticipated in the previous Directors' Report, the Academy is using the cash reserves built up since September 2010 to offset the budget shortfall this year.

As salaries, pensions, NI and other employment costs continue to increase, savings need to be found. The reductions made in the senior leadership team towards the end of 2015/16 have contributed towards the salary cost reductions in 2016/17. To increase leadership capacity the middle leaders have taken on additional responsibility and this has had a very positive impact on the Academy, as well as individual development. The Academy continued to maximise costs efficiencies and there have been year on year savings in most areas.

Three redundancies were implemented at the end of 2016/17; these will aid financial stability in 2017/18 by further reducing salary costs.

The planned development of a new residential estate on land adjacent to the Academy is now underway. The estate, which will ultimately boast 1200 homes, is expected to increase pupil numbers by 20 for each 100 homes built; build rate is initially anticipated to be 129 houses a year. This should further improve pupil numbers at the Academy.

The building of a new road to bypass the estate creating more direct access from local villages to the Academy has been delayed but is due to commence this year. Increased accessibility will be positive for many parents and may encourage numbers from outlying villages.

Confirmation of the Headteacher's position as permanent has been positively received both within the Academy and by the local community. The changes implemented since his appointment in an acting role 18 months ago and improved progress figures have enhanced the reputation of the Academy, which can only assist future pupil numbers.

The Academy is part of the Wilshire Local Authority Pension Scheme, which is a defined pension scheme, which is underfunded by £33,000 at 31st August 2017.

SARUM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Plans for future periods

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

The most significant plan for 2017/18 is the move to join the Magna Learning Partnership Multi Academy Trust on November 1st 2017. This will have a positive impact on finances, increase opportunities for resource sharing and collaborative working, provide extra CPD and promotion opportunities for employees, allow for enhanced pupil experiences and exposure to different styles and cultures of learning and encourage increased pupil numbers in the 6th form.

The recent changes in leadership and improved academic progress are having a positive impact on pupils, staff, parents, the local community and other stakeholders and it is anticipated that this, alongside a new marketing strategy, will encourage an expansion in pupil numbers.

As well as the day to day educational use, the Academy continues to welcome well over 1,500 visitors a week from the local community and the facilities are used for a wide spectrum of events, from sporting use, to the arts, which have taken the form of concerts and plays. It is also home to a local church and accommodates a number of occasional events, such as car boot sales and fun days for the community. The use of the premises increases year on year enabling the Academy to continue to fulfil its aim to become a centre for the community.

Funds held as custodian trustee on behalf of others

Funds for the cluster feeder schools are held by the Academy; use of these funds is decided by the cluster heads. This money is used to fund Salisbury West Area Multi-Agency Forum [SWAMAF] meetings and cluster projects.

These monies are kept within a separate bank account to ensure segregation and detailed trading accounts are kept for that account.

In November 2017/18 this account will be closed and the monies transferred to another school within the cluster that will take responsibility for cluster finances.

Auditor

In so far as the trustees are aware:

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

A resolution proposing that Moore Stephens (South) LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ~~5.12.2017~~ ^{5.12.2017} and signed on its behalf by:



Mike Oldham
Chair of Governors

SARUM ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustees | Meetings attended | Out of possible |
|---|--------------------------|------------------------|
| Mike Oldham (Chair of Governors (Effective September 2017)) | 4 | 4 |
| Alexander Hartley (Vice Chair of Governors (Effective September 2017)) (Resigned 1 November 2017) | 2 | 4 |
| Jonathan Curtis (Headteacher) | 4 | 4 |
| Richard Millidge (Parent Governor) (Resigned 1 November 2017) | 3 | 4 |
| Reverend Maggie Guillebaud (Resigned 1 November 2017) | 3 | 4 |
| Graham Maundrell (Resigned 1 November 2017) | 3 | 4 |
| Bruce Burley (Appointed 17 May 2017 and resigned 1 November 2017) | 1 | 1 |
| Neil Boulton (Chair of Teaching and Learning Committee) (Resigned 1 November 2017) | 4 | 4 |
| Jenna Burrow (Staff Governor) (Resigned 1 November 2017) | 3 | 4 |
| David Middleton (Chair of Governors (Resigning November 2017)) (Resigned 1 November 2017) | 4 | 4 |
| Archdeacon Anthony MacRow-Wood (Resigned 1 November 2017) | | |
| Jonathan Triffit (Resigned 1 November 2017) | | |
| Joy Tubbs | | |
| Julie Hastings (Resigned 11 July 2017) | 3 | 4 |
| Matthew Bulter (Resigned 31 December 2016) | 1 | 1 |
| Rebecca Tregathen (Resigned 6 April 2017) | 0 | 3 |

SARUM ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Composition of the board and its main work in 2016-17

The board had been reconfigured during the previous period to bring the essential skills and experience necessary to support the Academy's drive to achieve its three priorities: accelerated academic improvement, joining a Multi Academy Trust, and balancing its budget.

During the period, one member of the board resigned in December 2016 and another in April 2017. In July 2017 one member became the Academy's link trustee to the Multi Academy Trust, thus also resigning from Sarum's Board. To begin the process of offsetting these resignations, one new board member was recruited in May 2017.

Throughout the period the board provided supportive challenge to the Academy Headteacher and senior leadership team, principally through a rigorous approach to monitoring the implementation of the School Improvement and Development Plan (SDP). Sub Committees were re-introduced to bring additional detailed focus in the areas of Teaching and Learning (T&L) and of Finance and Marketing (F&M).

In T&L, board members provided informed analysis and assessments on all issues relating to progress towards improved pupil outcomes.

In F&M, board members provided informed analysis and assessments on all issues relating to the budget and put in place a review of the Academy's approach to marketing. In the second half of the period the F&M committee worked specifically to offset a deficit revealed by the due diligence process which preceded joining a MAT. A subsequent piece of work enabled a financial recovery plan for submission to the MAT and the ESFA.

The reconfigured board had the necessary skills and experiences to support the events of the reporting period. The three resignations in year means that another reconfiguration will be required. This will be coincident with Sarum's board becoming a Local Governing Board on 1 November 2017 when the Academy joins the Magna Learning Partnership Multi-Academy Trust.

SARUM ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The finance and Marketing committee is a sub-committee of the main board of trustees. Its purpose is to:

review the financial position of the academy and the system of internal controls.

Attendance at meetings in the year was as follows:

| Trustees | Meetings attended | Out of possible |
|--|--------------------------|------------------------|
| Mike Oldham (Chair of Governors (Effective September 2017)) | 3 | 3 |
| Jonathan Curtis (Headteacher) | 3 | 3 |
| Graham Maundrell (Resigned 1 November 2017) | 3 | 3 |
| David Middleton (Chair of Governors (Resigning November 2017)) (Resigned 1 November 2017) | 2 | 3 |
| Julie Hastings (Resigned 11 July 2017) | 3 | 3 |
| Rebecca Tregathen (Resigned 6 April 2017) | 0 | 2 |

The Teaching and Learning Committee is a sub-committee of the main board of trustees. Its purpose is to:

review the curriculum provided and standards achieved by the academy.

Attendance at meetings in the year was as follows:

| Trustees | Meetings attended | Out of possible |
|---|--------------------------|------------------------|
| Alexander Hartley (Vice Chair of Governors (Effective September 2017)) (Resigned 1 November 2017) | 3 | 3 |
| Jonathan Curtis (Headteacher) | 3 | 3 |
| Richard Millidge (Parent Governor) (Resigned 1 November 2017) | 3 | 3 |
| Reverend Maggie Guillebaud (Resigned 1 November 2017) | 3 | 3 |
| Bruce Burley (Appointed 17 May 2017 and resigned 1 November 2017) | 1 | 1 |
| Neil Boulton (Chair of Teaching and Learning Committee) (Resigned 1 November 2017) | 3 | 3 |
| David Middleton (Chair of Governors (Resigning November 2017)) (Resigned 1 November 2017) | 1 | 3 |
| Matthew Bulter (Resigned 31 December 2016) | 0 | 1 |

Review of value for money

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

SARUM ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Reviewed all service contracts and IT licences. During the year the Headteacher, Director of Business & Finance and Network Manager reviewed all licences and contracts to ensure best value for money.
- Benchmarking with other academies and sharing best practice. Director of Business & Finance and the Finance officer talked to other academies about their suppliers, premises contracts and utilities to ensure best value and prepared a review for Governors.
- Headteacher and Director of Business & Finance reviewed staffing levels and salaries to ensure cost effectiveness in staffing.

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sarum Academy for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

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 board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and Marketing 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.

SARUM ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. In the past the Governors have appointed an external auditor Clifford Fry & Co to undertake the checks; however in 2016/17 a full financial review was undertaken by the MLP as part of their due diligence process and a further review and report for Governors was prepared by Sandra Richardson from Academy Finance Management, so Clifford Fry were not used.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. A report was made to the Governing Body through the Finance and Marketing Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The reviewer reports to the board of trustees through the finance and Marketing committee/Teaching and Learning Committee] on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

An error in the calculation of PNA was discovered and corrected but no other issues were identified during 2016/17.

Review of effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

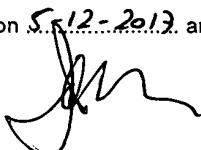
- the work of the external auditor, Moore Stephens (South) LLP
- the work of Victoria Fitzgerald, accountant from Briarsmead Limited
- the work of Sandra Richardson from Academy Finance Management
- the work of the senior managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- Regular meetings between the Accounting Officer and the Director of Business & Finance

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 Marketing committee/Teaching and Learning Committee] and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 5.12.2017 and signed on its behalf by:



Mike Oldham
Chair of Governors



Jonathan Curtis
Headteacher

SARUM ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

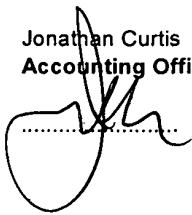
FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Sarum Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's board of trustees 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 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

Jonathan Curtis
Accounting Officer

A handwritten signature in black ink, appearing to be 'Jonathan Curtis', written over a dotted line.

SARUM ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for Sarum Academy and are also the directors of Sarum Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements 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 accounts; and
- prepare the accounts 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 charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 5-12-2017 and signed on its behalf by:



Mike Oldham
Chair of Governors

SARUM ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SARUM ACADEMY

Opinion

We have audited the accounts of Sarum Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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 Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to notes 1.2 and 22 within these financial statements, which states that the academy ceased to trade in its own right as of 31st October 2017. The Academy joined the Magna Learning Partnership, with effect from 1 November 2017. On this date, all assets and liabilities have transferred to the Magna Learning Partnership, along with any outstanding lease and service level commitments. The trustees have considered that no balances require to be adjusted as the carrying values of all assets and liabilities are fairly stated and have transferred in to the Magna Learning Partnership as of 1 November 2017. This event has resulted in the trustees preparing the accounts on the break-up basis. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

SARUM ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SARUM ACADEMY (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which 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 accounts 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

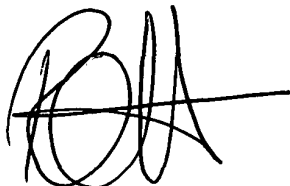
Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SARUM ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SARUM ACADEMY (CONTINUED)

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. 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 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert MacDonald (Senior Statutory Auditor)
for and on behalf of Moore Stephens (South) LLP

22/12/2017

Chartered Accountants
Statutory Auditor

33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

SARUM ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SARUM ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sarum Academy during the period 1 September 2016 to 31 August 2017 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 Sarum Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Sarum Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sarum Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sarum Academy's accounting officer and the reporting accountant

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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. 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.

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the Academy Trust;
- a review of Minutes of Committees and Board Meetings which may be relevant to regularity;
- consideration of discussions with key personnel, including the Accounting Officer and Governing Body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions.

SARUM ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SARUM ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Stephens (South) LLP

Reporting Accountant
Moore Stephens (South) LLP

Dated: 22/12/2017

SARUM ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

| | | Unrestricted Funds | Restricted funds: | | Total 2017 | Total 2016 as restated |
|---|-------|-----------------------|-------------------|------------------|------------------|------------------------------|
| | Notes | £ | General | Fixed asset | £ | £ |
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | - | - | 24,833 | 24,833 | - |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | - | 2,482,267 | - | 2,482,267 | 2,905,436 |
| Other trading activities | 5 | 137,611 | 22,497 | - | 160,108 | 155,599 |
| Investments | 6 | 239 | - | - | 239 | 525 |
| Total income and endowments | | <u>137,850</u> | <u>2,504,764</u> | <u>24,833</u> | <u>2,667,447</u> | <u>3,061,560</u> |
| Expenditure on: | | | | | | |
| Raising funds | 7 | - | - | - | - | 84,935 |
| Charitable activities: | | | | | | |
| - Educational operations | 8 | 131,970 | 2,720,768 | 2,550,610 | 5,403,348 | 5,987,225 |
| Total expenditure | 7 | <u>131,970</u> | <u>2,720,768</u> | <u>2,550,610</u> | <u>5,403,348</u> | <u>6,072,160</u> |
| Net income/(expenditure) | | 5,880 | (216,004) | (2,525,777) | (2,735,901) | (3,010,600) |
| Transfers between funds | | (315,474) | 232,858 | 82,616 | - | - |
| Other recognised gains and losses | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 18 | - | 975,000 | - | 975,000 | (652,000) |
| Net movement in funds | | (309,594) | 991,854 | (2,443,161) | (1,760,901) | (3,662,600) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 309,594 | (1,079,839) | 2,629,923 | 1,859,678 | 5,522,278 |
| Total funds carried forward | | <u>-</u> | <u>(87,985)</u> | <u>186,762</u> | <u>98,777</u> | <u>1,859,678</u> |

SARUM ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

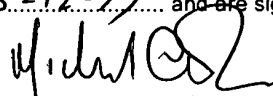
FOR THE YEAR ENDED 31 AUGUST 2017

| Comparative year information Year ended 31 August 2016 As restated | Notes | Unrestricted Funds £ | General | Restricted funds: Fixed asset £ | Total 2016 £ |
|--|----------|----------------------------|------------------|---------------------------------------|--------------------|
| Income and endowments from: | | | | | |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 2,905,436 | - | 2,905,436 |
| Other trading activities | 5 | 130,609 | 24,990 | - | 155,599 |
| Investments | 6 | 525 | - | - | 525 |
| Total income and endowments | | 131,134 | 2,930,426 | - | 3,061,560 |
| Expenditure on: | | | | | |
| Raising funds | 7 | 59,332 | 25,603 | - | 84,935 |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 41,714 | 2,959,779 | 2,985,732 | 5,987,225 |
| Total expenditure | 7 | 101,046 | 2,985,382 | 2,985,732 | 6,072,160 |
| Net income/(expenditure) | | 30,088 | (54,956) | (2,985,732) | (3,010,600) |
| Other recognised gains and losses | | | | | |
| Actuarial losses on defined benefit pension schemes | 18 | - | (652,000) | - | (652,000) |
| Net movement in funds | | 30,088 | (706,956) | (2,985,732) | (3,662,600) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 279,506 | (372,883) | 5,615,655 | 5,522,278 |
| Total funds carried forward | | 309,594 | (1,079,839) | 2,629,923 | 1,859,678 |

SARUM ACADEMY
BALANCE SHEET
AS AT 31 AUGUST 2017

| | | 2017 | | 2016 as restated | |
|--|-------|-----------|----------|---------------------|-----------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | - | | 2,728,139 |
| Current assets | | | | | |
| Tangible assets | 12 | 182,190 | | - | |
| Debtors | 13 | 136,000 | | 194,245 | |
| Cash at bank and in hand | | 160,060 | | 316,560 | |
| | | 478,250 | | 510,805 | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (346,473) | | (492,266) | |
| Net current assets | | | 131,777 | | 18,539 |
| Net assets excluding pension liability | | | 131,777 | | 2,746,678 |
| Defined benefit pension liability | 18 | | (33,000) | | (887,000) |
| Net assets | | | 98,777 | | 1,859,678 |
| Funds of the academy trust: | | | | | |
| Restricted funds | 16 | | | | |
| - Fixed asset funds | | | 186,762 | | 2,629,923 |
| - Restricted income funds | | | (54,985) | | (192,839) |
| - Pension reserve | | | (33,000) | | (887,000) |
| Total restricted funds | | | 98,777 | | 1,550,084 |
| Unrestricted income funds | 16 | | - | | 309,594 |
| Total funds | | | 98,777 | | 1,859,678 |

The accounts set out on pages 25 to 47 were approved by the board of trustees and authorised for issue on 5-12-17 and are signed on its behalf by:



Mike Oldham
Chair of Governors

Company Number 7035327

SARUM ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

| | | 2017 | | 2016 as restated | |
|--|-------|---------|-----------|---------------------|----------|
| | Notes | £ | £ | £ | £ |
| Cash flows from operating activities | | | | | |
| Net cash used in operating activities | 19 | | (176,911) | | (55,667) |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 239 | | 525 | |
| Capital grants from DfE and ESFA | | 24,833 | | - | |
| Payments to acquire tangible fixed assets | | (4,661) | | (23,864) | |
| | | | 20,411 | | (23,339) |
| Change in cash and cash equivalents in the reporting period | | | (156,500) | | (79,006) |
| Cash and cash equivalents at 1 September 2016 | | | 316,560 | | 395,566 |
| Cash and cash equivalents at 31 August 2017 | | | 160,060 | | 316,560 |

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sarum Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Academy joined the Magna Learning Partnership, with effect from 1st November 2017, leading to the company ceasing to trade in its own right as of 31st October 2017.

Due to the academy transferring in to a Multi Academy Trust, the trustees have decided that these financial statements are to be prepared under the break-up basis. The trustees have considered that no balances require to be adjusted under the break-up basis as the carrying values of all assets and liabilities are fairly stated and will transfer in to the Magna Learning Partnership at fair value as of 1st November 2017.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Governance costs

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

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 straight-line basis over its expected useful life, as follows:

| | |
|----------------------------------|--------------------|
| Land and buildings | 7 Years |
| Internal Works | 7 Years |
| Computer equipment | 3 Years |
| Fixtures, fittings & equipment | 5 Years & 10 Years |
| Electrical Service/ Installation | 7 Years |

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.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

The academy 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 academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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 quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust 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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

On conversion to an academy trust, the asset and liabilities of the Trust are measured at fair value. This includes any buildings. The valuation of the buildings involves a significant degree of estimation refer to Note 11 for further detail of this estimation.

3 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants | - | 24,833 | 24,833 | - |

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 2,124,037 | 2,124,037 | 2,185,320 |
| Start up grants | - | 64,392 | 64,392 | 25,174 |
| Other DfE / ESFA grants | - | 134,262 | 134,262 | 239,203 |
| | - | 2,322,691 | 2,322,691 | 2,449,697 |
| Other government grants | | | | |
| Local authority grants | - | 150,098 | 150,098 | 128,619 |
| Special educational projects | - | 9,478 | 9,478 | 327,120 |
| | - | 159,576 | 159,576 | 455,739 |
| Total funding | - | 2,482,267 | 2,482,267 | 2,905,436 |

5 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| Hire of facilities | 94,532 | - | 94,532 | 97,783 |
| Catering income | 17,495 | - | 17,495 | 10,204 |
| Other income | 25,584 | 22,497 | 48,081 | 47,612 |
| | 137,611 | 22,497 | 160,108 | 155,599 |

6 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|-------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Other investment income | 239 | - | 239 | 525 |

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

| | Staff costs £ | Premises & equipment £ | Other costs £ | Total 2017 £ | Total 2016 £ |
|----------------------------------|---------------------|------------------------------|---------------------|--------------------|--------------------|
| Expenditure on raising funds | - | - | - | - | 84,935 |
| Academy's educational operations | | | | | |
| - Direct costs | 1,525,293 | 2,550,610 | 117,737 | 4,193,640 | 4,957,381 |
| - Allocated support costs | 726,939 | 211,032 | 271,737 | 1,209,708 | 1,029,844 |
| | <u>2,252,232</u> | <u>2,761,642</u> | <u>389,474</u> | <u>5,403,348</u> | <u>6,072,160</u> |

Net income/(expenditure) for the year includes:

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Fees payable to auditor for: | | |
| - Audit | 7,250 | 10,250 |
| - Other services | 2,575 | - |
| Operating lease rentals | 9,282 | 10,993 |
| Depreciation of tangible fixed assets | 2,550,610 | 2,985,732 |
| Net interest on defined benefit pension liability | 18,000 | 7,000 |

8 Charitable activities

| | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Direct costs - educational operations | 2,654 | 4,190,986 | 4,193,640 | 4,957,381 |
| Support costs - educational operations | 129,316 | 1,080,392 | 1,209,708 | 1,029,844 |
| | <u>131,970</u> | <u>5,271,378</u> | <u>5,403,348</u> | <u>5,987,225</u> |

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Charitable activities

| Analysis of costs | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Direct costs | | |
| Teaching and educational support staff costs | 1,514,883 | 1,771,395 |
| Staff development | 10,410 | 10,740 |
| Depreciation and amortisation | 2,550,610 | 2,985,732 |
| Educational supplies and services | 51,215 | 129,306 |
| Examination fees | 40,649 | 43,896 |
| Other direct costs | 25,873 | 16,312 |
| | <u>4,193,640</u> | <u>4,957,381</u> |
| Support costs | | |
| Support staff costs | 726,939 | 527,470 |
| Technology costs | 67,364 | 59,852 |
| Recruitment and support | 13,511 | 12,906 |
| Maintenance of premises and equipment | 68,904 | 45,732 |
| Cleaning | 16,746 | 10,250 |
| Energy costs | 71,842 | 65,973 |
| Rent and rates | 36,766 | 44,235 |
| Insurance | 16,774 | 13,886 |
| Security and transport | 30,674 | 27,980 |
| Catering | 78,131 | 61,265 |
| Finance costs | 18,000 | 7,000 |
| Other support costs | 52,598 | 111,581 |
| Governance costs | 11,459 | 41,714 |
| | <u>1,209,708</u> | <u>1,029,844</u> |

9 Staff costs

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Wages and salaries | 1,637,932 | 1,727,197 |
| Social security costs | 149,522 | 142,543 |
| Operating costs of defined benefit pension schemes | 385,804 | 351,850 |
| | <u>2,173,258</u> | <u>2,221,590</u> |
| Staff costs | 2,173,258 | 2,221,590 |
| Supply staff costs | 20,922 | 42,275 |
| Staff restructuring costs | 3,500 | 35,000 |
| Staff development and other staff costs | 54,552 | 10,740 |
| | <u>2,252,232</u> | <u>2,309,605</u> |
| Total staff expenditure | 2,252,232 | 2,309,605 |

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

| | 2017 Number | 2016 Number |
|----------------------------|----------------|----------------|
| Teachers | 26 | 27 |
| Administration and support | 38 | 29 |
| Management | 3 | 5 |
| | <u>67</u> | <u>61</u> |

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2017 Number | 2016 Number |
|-----------------|----------------|----------------|
| £60,001-£70,000 | 3 | 4 |
| £70,001-£80,000 | 2 | 1 |
| | <u>5</u> | <u>5</u> |

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £3,500 (2016: £Nil). Individually, the payments were: £1,500 and £2,000.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £290,417 (2016: £462,322).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

| | |
|--------------|---|
| Mr J Curtis | Salary £70,001 - £75,000 (2016: £65,001 - £70,000) Pension Contributions £10,001 - £15,000 (2016: £10,001 - £15,000) |
| Mrs J Burrow | Salary £35,001 - £40,000 (2016: £nil) Pension Contributions £5,001 - £10,000 (2016: £nil) |

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme covers trustees and officers up to £5,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

12 Tangible fixed assets

| | Land and buildings | Internal Works | Computer equipment | Fixtures, fittings & equipment | Electrical Service/ Installation | Total |
|-----------------------|-----------------------|-------------------|-----------------------|--------------------------------------|--|------------|
| | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | |
| At 1 September 2016 | 10,774,695 | 1,906,123 | 855,855 | 2,466,297 | 4,777,097 | 20,780,067 |
| Additions | - | - | 2,496 | 2,165 | - | 4,661 |
| At 31 August 2017 | 10,774,695 | 1,906,123 | 858,351 | 2,468,462 | 4,777,097 | 20,784,728 |
| Depreciation | | | | | | |
| At 1 September 2016 | 9,346,724 | 1,653,504 | 824,493 | 2,083,220 | 4,143,987 | 18,051,928 |
| Charge for the year | 1,427,971 | 252,619 | 24,138 | 212,772 | 633,110 | 2,550,610 |
| At 31 August 2017 | 10,774,695 | 1,906,123 | 848,631 | 2,295,992 | 4,777,097 | 20,602,538 |
| Net book value | | | | | | |
| At 31 August 2017 | - | - | 9,720 | 172,470 | - | 182,190 |
| At 31 August 2016 | 1,427,971 | 252,619 | 31,362 | 383,077 | 633,110 | 2,728,139 |

13 Debtors

| | 2017 £ | 2016 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 586 | 54,814 |
| VAT recoverable | 15,390 | 19,165 |
| Other debtors | 48,860 | 65,507 |
| Prepayments and accrued income | 71,164 | 54,759 |
| | <u>136,000</u> | <u>194,245</u> |

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

| | | | |
|-----------|---|----------------|----------------|
| 14 | Creditors: amounts falling due within one year | 2017 | 2016 |
| | | £ | £ |
| | Trade creditors | 77,571 | 66,950 |
| | Other taxation and social security | 37,689 | 38,192 |
| | Other creditors | 1,134 | 21,747 |
| | ESFA abatement of GAG | 193,098 | 306,021 |
| | Accruals and deferred income | 36,981 | 59,356 |
| | | <u>346,473</u> | <u>492,266</u> |
| 15 | Deferred income | 2017 | 2016 |
| | | £ | £ |
| | Deferred income is included within: | | |
| | Creditors due within one year | <u>20,679</u> | <u>31,492</u> |
| | Deferred income at 1 September 2016 | 31,492 | 23,142 |
| | Released from previous years | (31,492) | (12,695) |
| | Amounts deferred in the year | <u>20,679</u> | <u>21,045</u> |
| | Deferred income at 31 August 2017 | <u>20,679</u> | <u>31,492</u> |

The following funds were received during the 2016/17 in relation to 2017/18 academic year:

Post 16 bursary income £18,749
Parental contributions £ 1,930

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2017 £ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant | (191,027) | 2,124,037 | (2,210,022) | 217,613 | (59,399) |
| Start up grants | - | 64,392 | (64,392) | - | - |
| Other DfE / ESFA grants | - | 134,262 | (149,507) | 15,245 | - |
| Other government grants | - | 159,576 | (155,162) | - | 4,414 |
| Other restricted funds | (1,812) | 22,497 | (20,685) | - | - |
| | <u>(192,839)</u> | <u>2,504,764</u> | <u>(2,599,768)</u> | <u>232,858</u> | <u>(54,985)</u> |
| Funds excluding pensions | (192,839) | 2,504,764 | (2,599,768) | 232,858 | (54,985) |
| Pension reserve | (887,000) | - | (121,000) | 975,000 | (33,000) |
| | <u>(1,079,839)</u> | <u>2,504,764</u> | <u>(2,720,768)</u> | <u>1,207,858</u> | <u>(87,985)</u> |
| Restricted fixed asset funds | | | | | |
| DfE / ESFA capital grants | <u>2,629,923</u> | <u>24,833</u> | <u>(2,550,610)</u> | <u>82,616</u> | <u>186,762</u> |
| Total restricted funds | <u>1,550,084</u> | <u>2,529,597</u> | <u>(5,271,378)</u> | <u>1,290,474</u> | <u>98,777</u> |
| Unrestricted funds | | | | | |
| General funds | <u>309,594</u> | <u>137,850</u> | <u>(131,970)</u> | <u>(315,474)</u> | <u>-</u> |
| Total funds | <u>1,859,678</u> | <u>2,667,447</u> | <u>(5,403,348)</u> | <u>975,000</u> | <u>98,777</u> |

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

The fixed asset fund was created through the provision of funding from the ESFA for the purpose of constructing new buildings and facilities. Additional assets are added to the fund which is also written down by depreciation each year. There was a private sector capital donation in relation to the value of assets transferred from Salisbury High School and the value of land held under a leasehold arrangement with the Diocese of Salisbury, this has been included in the one fixed asset fund above. The costs set against this fund represents the annual depreciation charge provided to allocate the value of these assets over their estimated useful life.

The restricted general funds are made up of the General Annual Grant received, to be spent on education within the academy, and other related DfE of other authority grants.

Unrestricted funds are general donations and fund raising activities of the academy and are used to support the provision of education within the academy.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

Movements in funds - previous year

| | Balance at 1 September 2015 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2016 £ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant | (182,684) | 2,185,320 | (2,193,663) | - | (191,027) |
| Start up grants | - | 25,174 | (25,174) | - | - |
| Other DfE / ESFA grants | - | 239,203 | (239,203) | - | - |
| Other government grants | - | 455,739 | (455,739) | - | - |
| Other restricted funds | (1,199) | 24,990 | (25,603) | - | (1,812) |
| | <u>(183,883)</u> | <u>2,930,426</u> | <u>(2,939,382)</u> | <u>-</u> | <u>(192,839)</u> |
| Funds excluding pensions | (183,883) | 2,930,426 | (2,939,382) | - | (192,839) |
| Pension reserve | (189,000) | - | (46,000) | (652,000) | (887,000) |
| | <u>(372,883)</u> | <u>2,930,426</u> | <u>(2,985,382)</u> | <u>(652,000)</u> | <u>(1,079,839)</u> |
| Restricted fixed asset funds | | | | | |
| DfE / ESFA capital grants | 5,615,655 | - | (2,985,732) | - | 2,629,923 |
| | <u>5,615,655</u> | <u>-</u> | <u>(2,985,732)</u> | <u>-</u> | <u>2,629,923</u> |
| Total restricted funds | <u>5,242,772</u> | <u>2,930,426</u> | <u>(5,971,114)</u> | <u>(652,000)</u> | <u>1,550,084</u> |
| Unrestricted funds | | | | | |
| General funds | 279,506 | 131,134 | (101,046) | - | 309,594 |
| | <u>279,506</u> | <u>131,134</u> | <u>(101,046)</u> | <u>-</u> | <u>309,594</u> |
| Total funds | <u>5,522,278</u> | <u>3,061,560</u> | <u>(6,072,160)</u> | <u>(652,000)</u> | <u>1,859,678</u> |

17 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total 2017 £ |
|--|----------------------------|-----------------------------------|------------------|--------------------|
| Fund balances at 31 August 2017 are represented by: | | | | |
| Tangible fixed assets | - | - | 182,190 | 182,190 |
| Current assets | - | 291,488 | 4,572 | 296,060 |
| Creditors falling due within one year | - | (346,473) | - | (346,473) |
| Defined benefit pension liability | - | (33,000) | - | (33,000) |
| | <u>-</u> | <u>(87,985)</u> | <u>186,762</u> | <u>98,777</u> |

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total 2016 £ |
|--|----------------------------|-----------------------------------|------------------|--------------------|
| Fund balances at 31 August 2016 are represented by: | | | | |
| Tangible fixed assets | - | 98,216 | 2,629,923 | 2,728,139 |
| Current assets | 309,594 | 201,211 | - | 510,805 |
| Creditors falling due within one year | - | (492,266) | - | (492,266) |
| Defined benefit pension liability | - | (887,000) | - | (887,000) |
| | <u>309,594</u> | <u>(1,079,839)</u> | <u>2,629,923</u> | <u>1,859,678</u> |

18 Pensions and similar obligations

The academy 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, which is managed by Wiltshire County Council. Both are multi-employer 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 2012, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £262,609 (2016: £312,714)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust 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

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.5% for employers and 5.5-6.5% for employees. The estimated value of employer contributions for the forthcoming year is £109,000.

The local government pension scheme is in deficit by £33,000, no additional contributions are made to this scheme over and above the required employer and employee contributions.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

| Total contributions made | 2017 £ | 2016 £ |
|--------------------------|-----------|-----------|
| Employer's contributions | 117,000 | 117,000 |
| Employees' contributions | 37,000 | 36,000 |
| Total contributions | 154,000 | 153,000 |

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

| Principal actuarial assumptions | 2017 % | 2016 % |
|--|-----------|-----------|
| Rate of increases in salaries | 2.7 | 4.1 |
| Rate of increase for pensions in payment | 2.4 | 2.1 |
| Discount rate | 2.5 | 2.0 |

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

| | 2017 Years | 2016 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 22.5 | 22.3 |
| - Females | 24.9 | 24.5 |
| Retiring in 20 years | | |
| - Males | 24.1 | 24.1 |
| - Females | 26.7 | 26.9 |

Scheme liabilities would have been affected by changes in assumptions as follows:

Sensitivity Analysis

| | Approximate % increase in employer liability | Approximate monetary amount (£000's) |
|---|---|---|
| 0.5% decrease in Real Discount Rate | 12% | 376 |
| 1 year increase in member life expectancy | 3 - 5 % | 96 - 160 |
| 0.5% increase in salary increase rate | 1% | 25 |
| 0.5% increase in pension increase rate | 11% | 348 |

The academy trust's share of the assets in the scheme

| | 2017 Fair value £ | 2016 Fair value £ |
|--|-------------------------|-------------------------|
| Equities | 2,253,000 | 1,887,000 |
| Bonds | 444,000 | 393,000 |
| Cash | 63,000 | 26,000 |
| Property | 413,000 | 315,000 |
| Total market value of assets | 3,173,000 | 2,621,000 |
| Actual return on scheme assets - gain/(loss) | 430,000 | 257,000 |

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

| Amounts recognised in the statement of financial activities | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Current service cost | 103,000 | 39,000 |
| Interest income | (54,000) | (86,000) |
| Interest cost | 72,000 | 93,000 |
| Total operating charge | 121,000 | 46,000 |
| Changes in the present value of defined benefit obligations | 2017 £ | 2016 £ |
| Obligations at 1 September 2016 | 3,508,000 | 2,459,000 |
| Current service cost | 220,000 | 156,000 |
| Interest cost | 72,000 | 93,000 |
| Employee contributions | 37,000 | 36,000 |
| Actuarial (gain)/loss | (599,000) | 823,000 |
| Benefits paid | (32,000) | (59,000) |
| At 31 August 2017 | 3,206,000 | 3,508,000 |
| Changes in the fair value of the academy trust's share of scheme assets | 2017 £ | 2016 £ |
| Assets at 1 September 2016 | 2,621,000 | 2,270,000 |
| Interest income | 54,000 | 86,000 |
| Actuarial gain | 376,000 | 171,000 |
| Employer contributions | 117,000 | 117,000 |
| Employee contributions | 37,000 | 36,000 |
| Benefits paid | (32,000) | (59,000) |
| At 31 August 2017 | 3,173,000 | 2,621,000 |

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Reconciliation of net expenditure to net cash flows from operating activities

| | 2017 £ | 2016 £ |
|--|------------------|-----------------|
| Net expenditure for the reporting period | (2,735,901) | (3,010,600) |
| Adjusted for: | | |
| Capital grants from DfE/ESFA and other capital income | (24,833) | - |
| Investment income receivable | (239) | (525) |
| Defined benefit pension costs less contributions payable | 103,000 | 39,000 |
| Defined benefit pension net finance cost | 18,000 | 7,000 |
| Depreciation of tangible fixed assets | 2,550,610 | 2,985,733 |
| Decrease in debtors | 58,245 | 2,853 |
| (Decrease) in creditors | (145,793) | (79,128) |
| Net cash used in operating activities | (176,911) | (55,667) |

20 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

| | 2017 £ | 2016 £ |
|-----------------------------------|--------------|---------------|
| Amounts due within one year | 1,618 | 9,490 |
| Amounts due in two and five years | - | 31,243 |
| | <u>1,618</u> | <u>40,733</u> |

21 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 9.

22 Post balance sheet events

As disclosed in the accounting policies at note 1.3, the academy ceased to trade in its own right on 31st October 2017. On 1st November the trade of the academy was subsumed by the Magna Learning Partnership Multi Academy Trust.

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

24 Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In accounting period ending 31 August 2017, the trust brought forward £13,374 of funds from last year, the trust received £9,151 and disbursed £3,776 from the fund. An amount of £18,749 has been included in deferred income relating to undistributed funds that are repayable to ESFA.

25 Prior period adjustment

A prior period adjustment affected the figures reported for the comparative period for the fixed asset fund. This arose from the decision to write down buildings over 50 years instead of over the granted lease term, which was 6 years and 11 months.

| | | 1 September 2015 | 31 August 2016 |
|---|-----------|---------------------|--------------------|
| | Notes | £ | £ |
| Reconciliation of funds | | | |
| Funds as previously reported | | 16,373,945 | 14,446,872 |
| Adjustments arising: | | | |
| Change in the depreciation period of the buildings held under operating leases | 12 | (10,851,667) | (12,587,194) |
| Funds as restated | | <u>5,522,278</u> | <u>1,859,678</u> |
| Reconciliation of net income/(expenditure) for the previous financial period | Notes | | 2016 £ |
| Net expenditure as previously reported | | | (1,275,073) |
| Adjustments arising: | | | |
| Change in the depreciation period of the buildings held under operating leases | 12 | | <u>(1,735,527)</u> |
| Net expenditure as restated | | | <u>(3,010,600)</u> |