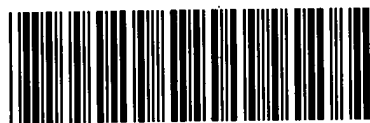


Samuel Ward Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2015

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COMPANIES HOUSE

Company Registration Number:
07400386 (England and Wales)

Samuel Ward Academy Trust

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Samuel Ward Academy Trust

Reference and Administrative Details**Members**

Victoria de Naeyer
Linda Maidment
June McNaughton (resigned 12.02.15)
Jon Ward

Directors

Victoria de Naeyer
Ian Jacobs (appointed 12.04.15)
Gordon Jones (appointed 12.02.15)
Howard Lay
Linda Maidment (resigned 31.05.15)
June McNaughton (resigned 01.03.15)
Tim Ogle (appointed 01.04.15)
Paul Reed (appointed 01.10.14)
Jon Ward
Ailie Wilkins

Senior Managers:

- Chief Executive Officer
- Principle Finance Officer

Howard Lay
Debbie Willson

Company Name

Samuel Ward Academy Trust

Principal and Registered Office

Chalkstone Way
Haverhill
Suffolk
CB9 0LD

Company Registration Number

07400386

Independent Auditor

Crowe Clark Whitehill LLP
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Bankers

Lloyds Bank plc
8 High Street
Haverhill
Suffolk
CB9 8BA

Solicitors

Stone King
Wellington House
East Road
Cambridge
CB1 1BH

Samuel Ward Academy Trust

Directors' Report

The Samuel Ward Multi Academy Trust directors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both the trustees report and directors' report under company law.

The academy trust operates a mix of a special free school, three primaries and three secondary academies in Haverhill and the surrounding area, with the aim of developing local clusters of interdependent, self-sustaining outstanding schools that develop:

- Successful learners
- Confident individuals
- Responsible citizens.

Its academies had a combined pupil roll of approximately 3,974 in the Summer term 2015.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee (registration number 07400386) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Samuel Ward Academy Trust was incorporated on 09 August 2013. At this time it comprised of Samuel Ward Academy and Churchill Special Free School. Westfield Primary School joined the academy trust on 01 October 2013 followed by Newmarket College on 01 July 2014. In January 2015 Thomas Gainsborough School, Coupals Primary School and Glemsford Primary School joined the trust.

Three members have been appointed to the academy trust for the purposes of company law. Directors act as the trustees for the charitable activities of Samuel Ward Academy Trust. (The charitable company is known as Samuel Ward Academy Trust).

Details of the directors who served throughout the period except as noted are included in the Reference and Administrative Details on page 3.

The three members are:

- Chair of trust board: Victoria de Naeyer
- Vice chair of trust board: Jon Ward
- Chair of Samuel Ward local governing body: Linda Maidment
- One other Member appointed by those directors that are not members: June McNaughton (resigned 12.02.15).

The academy trust has the following directors:

- Up to 5 Academy Directors. These are:
 - Chair of governors Samuel Ward: Linda Maidment
 - Chair of governors Westfield: Ailie Wilkins
 - Chair of governors Newmarket: Paul Reed
 - Chair of governors Thomas Gainsborough: Gordon Jones
- Up to 6 directors appointed by the members. These are:
 - Victoria de Naeyer
 - Jon Ward
 - Ian Jacobs
 - Tim Ogle
- The CEO is Howard Lay.

Members' Liability

Each member of the academy trust undertakes to contribute to the assets of the academy trust 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.

Directors' Report (continued)

Directors' Indemnities

The directors are directors of the charitable company for the purposes of The Companies Act 2006 and trustees for the purposes of charity legislation.

Directors of the company are covered by the Education Funding Agency's Risk Protection Arrangements under their directors' indemnity policy.

Method of Recruitment and Appointment of Directors

The management of the academy trust is the responsibility of the directors who are appointed under the terms of the articles of association.

Directors are subject to retirement after a term of 4 years. After the term they are eligible for re-election at the meeting at which they retire.

The make-up of the board includes experienced professionals, many of whom have a good understanding of the operational and legal requirements of running an establishment such as Samuel Ward Academy Trust.

Policies and Procedures Adopted for the Induction and Training of Directors

Directors have developed their own handbook and scheme of delegation and provided training for all directors. Additional training has been provided by the academy trust, and external providers including Suffolk County Council.

Organisational Structure

Samuel Ward Academy Trust has established a unified structure to enable its efficient running. The structure consists of 3 levels: the board and its audit committee; the executive group, and local governing bodies at each academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The board of directors is responsible for making major decisions about the strategic direction of the company, ensuring that its aims are met and its ethos is maintained. Specifically, this includes setting general policy, adopting an annual plan and budget, monitoring the company's financial performance and educational outcomes, making senior staff appointments and approving major investment programmes.

There are senior leadership teams which consist of senior management at each academy. These teams are responsible for the day to day operation of the academies, in particular organising the teaching staff, facilities and students.

The local governing bodies are made up of a mix of local people including staff, parents and sponsor nominees. They act as a 'critical friend' to the principal and academy, a 'sounding board' at a local level and Samuel Ward Academy Trust's values remain at the heart of the academy community.

Each layer of the organisation is structured according to a set of terms of reference with associated delegation of authority for all decision making matters. The board meets regularly throughout the academic year through a series of structured and systematic meetings.

Employee Information

In accordance with the trust's Disability Equality Policy :

- The governing body and head teacher in discussion with disabled staff will endeavour to provide any aids and support that would help them to fulfil their role in the academy.
- Disabled members of staff will be offered the same conditions of service, employment rights, promotion and training opportunities as other staff in the same roles in each academy.
- Disabled staff are encouraged to bring any complaints about their treatment as disabled staff to the notice of the head teacher/principal in the first instance. All staff may use the academy's grievance procedure if they consider this to be the best route.

Directors' Report (continued)

Connected Organisations including Related Party Relationships

The academy trust operates under the Seven Principles of Public Life, known as the Nolan Principles. These are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

These principles are reflected in the way we declare and deal with related party transactions so that we are operating fairly, transparently and open to scrutiny. Potential for conflict of interest arises when an individual could gain, or be perceived to gain, from an aspect of the academy trust business. All potential conflicts of interest and pecuniary interests are declared at the start of each meeting. All purchasing decisions made by the academy trust follow the same procurement and/or commissioning procedures. Any business links with directors or other trust officers have been made in accordance with these procedures.

The academy trust board is confident that conflict of interest is handled according to the Seven Principles of Public Life and in accordance with The Academies Financial Handbook. Please see note 29 for details of related party transactions.

The academy trust is part of a broader federation of schools called The Samuel Ward Teaching Alliance. It consists of Samuel Ward Academy, Thomas Gainsborough School, Newmarket Academy, Churchill Free Special School and 11 primary schools. The Alliance is governed by a steering group comprising of representative governors and leadership team members from many of the schools and is funded by agreed contributions and income from training. The objectives of the Alliance are to support schools through research and development and initial teacher training, provide continuous professional development, peer to peer support, school to school support and talent and succession planning. The academy trust also works with West Suffolk College in order to develop vocational provision.

Objectives and Activities

Objects and Aims

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a family of schools offering a broad and balanced curriculum for all pupils.

Objectives

The main objectives of the academy trust are:

- To improve outcomes for disadvantaged pupils across all key stages
- To improve progress in English and Mathematics across all key stages
- To ensure that all schools are at least good
- To ensure that outcomes for higher attaining pupils continue to increase
- To further improve post 16 outcomes
- To develop and implement new approaches to key stage three assessment
- To increase the number of outstanding lessons
- To reduce exclusions and increase attendance
- To increase progression post 16 in relation to the percentage attending higher education
- To actively engage students and staff of the academies in learning opportunities beyond the formal curriculum
- To support students in making successful transitions during their progress through the academies and from the academies to employment, further and higher education or other beneficial activities and on to adult life
- To evidence improvements against challenging goals that exceed national minimum targets for examination success and other key performance indicators, such as attendance, exclusions and the quality of spiritual, moral, social and cultural development
- To ensure that students and staff are challenged, supported and safe

Directors' Report (continued)

Strategies and Activities

This year saw the development of the academy trust to include three more academies, taking the total to seven, as part of our planned growth.

A tailored programme of improvement and support has been given to each academy to raise educational outcomes for all. A teaching and learning policy is in place. Each member of teaching staff gets a handbook which sets out guidance on implementing the policy. This policy guidance enables all who work here to share and understand our common focus and purpose – learning. It articulates our aims and shared values and tries to define what makes our school unique and special. It outlines our strategy for improving learning and teaching, complementing the learning and teaching policy and the framework for lesson observations. Taken together, they establish the basis for creating excellence in our provision through effective pedagogy.

These guidelines focus on the craft of effective learning and teaching. We believe that the ways in which teachers teach and learners learn need to be transformed to ensure that the learning environment enables all learners to achieve their full potential.

We are committed to supporting teachers to develop innovative approaches to learning and teaching, building on the successful teaching already going on across the schools. Our vision is for all learners to achieve to their fullest potential. This requires the delivery of the highest quality experiences for all our young people.

Public Benefit

The directors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic Report

Achievements and Performance

The academy trust had a very successful year meeting most of its performance targets:

Successful Learners

At secondary level Samuel Ward Academy achieved outstanding results at GCSE with an increased value added score and 72% 5 A*-C with English and Mathematics. Newmarket Academy improved its GCSE outcomes by 8 percentage points from 45% to 53% for 5 A*- C with English and Mathematics and although attainment for Thomas Gainsborough dipped from 61 % to 55% value added increased from 992.9 in 2014 to 1011.3 in 2015. At primary level, Westfield Primary Academy further improved on its excellent results last year and Coupals and Glemsford Primary Schools increased their outcomes by a significant margin, rising above floor standards for Key Stage 2 combined Reading, Writing and Mathematics. Churchill Special Free School also achieved strong Key Stage 2 results. Results generally improved for disadvantaged pupils but this is still a key issue for action across the academy trust.

Significant progress has been made on embedding the academy trust's policy on teaching and learning and this is reflected in the rapid improvements in many of our schools, most notably Churchill which is now outstanding and Newmarket and Westfield which are now good

Confident individuals

There was a marked increase in attendance figures across most schools, most notably at Newmarket Academy where attendance moved to above the national average from significantly below. Exclusions fell across schools. Behaviour remains a strength across trust schools, last year reflected strong improvements within Newmarket Academy which the trust now judges as good.

Responsible Citizens

Trust schools have been successful in developing a stronger sense of independence within pupils. Improvements have been most significant in Newmarket Academy where pupils are showing far greater pride in their community but all schools have engaged more positively with a values based approach and all primary schools are now implementing the International Primary Curriculum, for example.

Directors' Report (continued)

Other Achievements

Significant progress has been made on improving the learning environments in many of our schools, most notably in Thomas Gainsborough who moved to new accommodation. Learning technologies have improved engagement with local communities which has increased capacity in a number of schools. For example, a partnership with West Suffolk College is supporting forty students at Newmarket Academy, strong links with the University Campus Suffolk have improved progression at Thomas Gainsborough and all schools have benefited from the support and challenge that the teaching Alliance offers, especially through school to school reviews.

The academy trust has improved its delivery through an executive board, increased its capacity to support and challenge through more streamlined processes and systems and improved back office functions. Pupil recruitment has been successful, with all schools except Newmarket Academy and Glemsford Primary Academy being full and there are indications in both schools that this is improving. Samuel Ward has experienced unprecedented growth which has created a significant medium term cash flow problem. Our trust growth strategy is supported by the Regional Schools Commissioner and the trust was successful in winning the contract for sponsorship of the new secondary school Sybil Andrews Academy in Bury St Edmunds. The building of the new school is underway and it will receive its first intake of students in September 2016.

Key Performance Indicators

Churchill Special Free School achieved an outstanding Ofsted rating and Westfield Primary Academy a good judgement in recent Ofsted inspections. Trust 'reviews' continue to rate Samuel Ward as outstanding, Newmarket Academy and Thomas Gainsborough Academies as good and Coupals as requiring improvement but close to good. Glemsford remains requiring improvement but requires a more recent review.

Financial Review

Most of the academy trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to educational purposes. These grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy trust was successful in securing a £629,509 capital grant from the EFA through the bid process for capital maintenance funds. The funding was received by Newmarket Academy and corresponding assets have been recognised in the financial statements for the year ending 31 August 2015.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2015, total expenditure of £20,799,551 exceeded recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the year before pension and restricted fixed assets was £517,525 represented by a reduction of restricted general funds of £748,206 (excluding pension reserve) and an increase in unrestricted funds of £230,681.

At 31 August 2015 the net book value of fixed assets was £71,292,807. Movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

Assets of £1,289,811 were acquired during the year ended 31 August 2015 of which £841,385 were financed by capital grants. Assets of £448,426 were acquired in addition to those assets financed by capital grants. Assets of £311,966 were financed using current year General Annual Grant (GAG), £45,721 were financed by other restricted funds and £90,739 were financed by unrestricted funds. Assets of £15,072,045 were gifted by the Local Authority on conversion to academy trust and assets of £15,296,878 were gifted by the Education Funding Agency. £16,108 of restricted fixed asset funds were transferred to other restricted funds to support revenue expenditure from the Environment Improvement Fund.

In accordance with FRS17, the academy trust received an actuarial assessment of its pension scheme deficit. The deficit balance of £3,631,000 is included within the balance sheet as at 31 August 2015 and supporting notes to the financial statements.

Directors' Report (continued)**Financial Review (continued)****Deficit balances before pension and restricted fixed asset reserves**

£761	Samuel Ward Academy
£8,528	Glemsford Primary Academy
£225,589	Newmarket Academy
£311,170	Central Trust
£546,048	Total deficit balances

Surplus balances before pension and restricted fixed asset reserves

£68,828	Thomas Gainsborough
£167,199	Churchill Special Free School
£225,274	Coupals Primary Academy
£281,906	Westfield Primary Academy
£743,207	Total surplus balances

£197,159 Retained earnings before pension and restricted fixed asset reserves.

Samuel Ward Academy

One of the main reasons for the financial pressure on Samuel Ward Academy is the increasing student numbers. Since October 2013 there has been a significant increase in pupils every year. Between years 2013/14 there was an increase of 4.7% and 14/15 there was an increase of 7.6%. Due to lagged funding the grant calculation is based on student numbers included in the January census and so the income for current pupils on roll is a year behind. The academy trust is therefore bearing costs for pupils for which funding has not yet been received. There is strong indication that the pupil number estimates are conservative. It is anticipated that sixth form numbers will increase as the other sixth form provision in Haverhill is closing. Also the indicative year 7 numbers for September 2016 is predicted to be 265 but this has not been confirmed. The teaching structure in place is sufficient for these numbers moving forward.

Also impacting on Samuel Ward's financial situation is that their retained earnings for 2013/14 were used to purchase a modular building consisting of 4 classrooms to house the increase in student numbers and move to a nine form entry. An application has been made for Popularity Growth Funding for which demonstrates the financial pressure that lagged funding is putting on the academy. This application can be made to the Education Funding Agency for financial assistance in circumstances where through its popularity an academy's student numbers are growing at an unprecedented rate.

Glemsford Primary Academy

There is a small deficit at Glemsford. Due to small pupil numbers as characteristic of a village school their budget is under pressure. There is some work already taking place looking at the possibilities of restructuring and cost savings.

Newmarket Academy

Newmarket's deficit balance is due to a pupil number clawback. For accounting purposes this amount has been adjusted for in the year 2014/15 although the repayments are not due until January 2016. An application has been made to the EFA to stagger the payments over 2 years to relieve pressure on cash flow. To date this has not been approved so is stated in the accounts as creditors due in less than one year. 2015/16 is the last year when the start-up funding will apply. It is worth noting that these funds have been invested in teaching and learning and combined with trust support resulted in very successful results. The expectation therefore also is that the school pupil numbers will increase on the back of the recent successes.

Central Trust Costs

The central trust costs are showing a deficit balance. The reason for this is that the recharge started at 2.9% from September 2014 to January 2015. In January 2015 when the 3 additional schools came on board the recharge was 2.2%. Without growing at trust level there would have been insufficient capacity to provide effective support for the academies at the same time it would be unreasonable to increase the recharge mid financial year hence moving forward the recharge is 4%. We are at the moment in a position that we have capacity to take on additional schools without increasing trust costs. Some of the funds allocated for Sybil Andrews will go towards offsetting the trust's balance as some pre-opening work has already been completed by trust staff.

Directors' Report (continued)

Reserves Policy

The directors have determined that a level of funds retained should be at least equivalent to one month's total salary commitment to enable the academy trust to react to budget changes within a manageable period without the use of cash flow advances from the EFA.

The total of restricted and unrestricted general funds held at 31 August 2015 was £192,159 which was below the salary commitment for September 2015 of £1,464,000.

As a result of changes to the trust structure this objective was not met as at 31 August 2015. The focus this year has been on growing capacity in the executive group to be effective in supporting our academies and some of the trust's reserves have gone towards this. There is now sufficient capacity in this group so that as the number of academies increase we will be in a position to grow reserves to the required level.

Principal Risks and Uncertainties

The directors have assessed the major risks to which the academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy trust and its finances.

The directors have implemented a number of systems to assess risks that the academy trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

Effective risk management provides the board of directors with assurance that:

- The financial responsibilities of the governing body are being properly discharged;
- Resources are being managed in an efficient, economical and effective manner;
- Sound systems of internal financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

These arrangements can provide only reasonable and not absolute assurance that assets are safe guarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period. As an academy trust, the level of financial risk mainly occurs around certainty of year on year funding, cash flow and actuarial assessed pension fund deficit. The academy trust recognises the need to monitor the impact of cash flow and will project cash flow based on cash inflows and outflows at the start of the year and review the bank balance. Future budgets will be monitored in line with staffing levels/costs and follow benchmarking guidelines as set out by the Education Funding Agency.

Plans for future periods

The academy trust will focus on improving the education of the children it is responsible for by further improving achievement, teaching and learning and leadership. It will expect all its schools by the summer of 2016 to be at least good in Ofsted terms. It will focus on improving writing and assessment approaches within primary schools and the new GCSE specifications at GCSE level. Middle leadership, governance and outcomes for disadvantaged pupils across all schools remain a high priority.

The board and the executive are working effectively with school leadership teams and local governing bodies but over the next year the trust will continue to develop its infrastructure and centralised services and policies in order to support continued growth.

We will work with the Local Authority, Regional Schools' Commissioner and the Department of Education to identify potential schools to join the trust that fit our criteria for growth.

We will ensure that our new secondary school Sybil Andrews Academy in Bury St Edmunds opens on time, with a full complement of staff and effective leadership and governance. Sybil Andrews Academy will open in September 2016 with a cohort of approx. 360 students across year groups 7, 8 & 9.

We will continue to enhance our back office functions so that schools feel supported and continue to develop sustainable functions for monitoring and challenge.

Directors' Report (continued)**Plans for future periods (continued)**

The vision for the academy trust is to develop four clusters of interdependent, self-sustaining, outstanding schools that adhere to a shared set of values and aims in order to ensure there are:

- Successful learners
- Confident individuals
- Responsible citizens

Going Concern

After making appropriate enquiries, the governing body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Auditor

Insofar as the directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report, incorporating a strategic report, approved by order of the board of directors, as the company directors on 10 December 2015 and signed on the board's behalf by:



Victoria de Naeyer
Chair of the Trust Board

Governance Statement

Scope of Responsibility

As directors, we acknowledge we have overall responsibility for ensuring that Samuel Ward Academy Trust 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 directors has delegated the day to day responsibility to the Chief Executive Officer, 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 Samuel Ward Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the director's report and in the statement of directors' responsibilities. The board of directors has formally met 7 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Director	Meetings attended	Out of a possible
Victoria de Naeyer	6	7
Ian Jacobs	2	2
Gordon Jones	2	3
Linda Maidment	6	7
June McNaughton	5	5
Tim Ogle	3	4
Paul Reed	4	7
Jon Ward	4	7
Ailie Wilkins	5	7

The finance committee as a sub-committee of the main board of directors met once on 02 October 2014. There were no further meetings in the year.

Director	Meetings attended	Out of a possible
Victoria de Naeyer	1	1
June McNaughton	1	1

An audit committee has now been formed comprising Gordon Jones (chair), Jon Ward, Ian Jacobs and Vicky de Naeyer.

The terms of reference for the Audit Committee are:

- to monitor the integrity of the financial statements of the trust and any formal announcements relating to the company's financial performance, reviewing significant financial reporting judgements contained in them;
- to review the trust's internal financial controls and the company's internal control and risk management systems;
- to monitor and review the effectiveness of the company's internal audit function;
- to make recommendations to the board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- to report to the board on how it has discharged its responsibilities.

Governance Statement (continued)

Review of Value for Money

As accounting officer the Chief Executive Officer 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.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of directors 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:

- long term contracts being regularly reviewed and compared against other providers, in order to achieve the best price without compromising quality;
- a full tender process took place to review the trusts occupational health provision which resulted in a better service at a lower price;
- as a multi academy trust we are able to save money using economies of scale with purchases for example broadband and IT equipment;
- we have also undertaken a review of external services we are currently purchasing to look at opportunities to provide services internally and therefore save money.

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 Samuel Ward Academy Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval for the annual report and financial statements.

Capacity to Handle Risk

The directors have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The directors are of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval for the annual report and financial statements. This process is regularly reviewed by the board of directors.

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 directors;
- regular reviews of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The directors have procured the Responsible Officer Support Service from Schools' Choice. On a quarterly basis Schools' Choice undertake an independent review of the financial systems and provide a written report providing feedback on how the academy trust's financial affairs are being discharged. The Chief Executive Officer/Principal Finance Officer presents this report to the Audit Committee which comprises of 3 members of the board of directors. The report includes action points identifying any areas for improvement.

Governance Statement (continued)

Review of Effectiveness

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

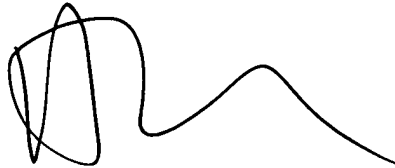
- the internal audit service from Schools' Choice
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address the weaknesses (if relevant) and ensure continuous improvement of the system is in place.

Approved by order of the member of the board of directors on 10 December 2015 and signed on its behalf by:



Victoria de Naeyer
Chair of Trust Board



Howard Lay
Accounting Officer

Statement of Regularity, Propriety and Compliance

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

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

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

A handwritten signature in black ink, consisting of a large, stylized 'H' followed by a series of connected loops and a long horizontal stroke.

Howard Lay
Accounting Officer

10 December 2015

Statement of Directors' Responsibilities

The directors (who act as governors of Samuel Ward Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the directors' report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by the order of the members of the board of directors on 10 December 2015 and signed on its behalf by:



Victoria de Naeyer
Chair of Directors

Independent Auditor's Report on the Financial Statements to the Members of Samuel Ward Academy Trust for the year ended 31 August 2015

We have audited the financial statements of Samuel Ward Academy Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 32.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies' Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of directors and auditor

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the directors' report including the strategic report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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, including the Academies' Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report (which includes the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or

Samuel Ward Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Samuel Ward Academy Trust for the year ended 31 August 2015 (continued)

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP

Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: 23 December 2015

Independent Reporting Accountant's Assurance Report on Regularity to Samuel Ward Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 12 November 2012 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Samuel Ward Academy Trust during the period 1 September 2014 to 31 August 2015 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 Samuel Ward Academy Trust and the EFA. Our review work has been undertaken so that we might state to the Academy and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of Samuel Ward's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of Samuel Ward Academy Trust's funding agreement with the Secretary of State for Education dated 11 June 2014 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy Trust's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy Trust and specific transactions identified from our review.

Samuel Ward Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Samuel Ward Academy Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe Clark Whitehill LLP

Reporting Accountant
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: 23 December 2015

Samuel Ward Academy Trust

Statement of Financial Activities for the year ended 31 August 2015
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	As Restated Total 2014 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
- Voluntary income	2	37,813	4,520	15,296,878	15,339,211	15,611
- Transfer from local authority on conversion	31	121,469	(1,627,000)	15,037,619	13,532,088	18,503,042
- Activities for generating funds	3	650,683	39,566	-	690,249	360,935
- Investment income	5	2,418	-	-	2,418	2,658
<i>Incoming resources from charitable activities:</i>						
- Funding for the academy trust's educational operations	6	-	18,013,675	725,143	18,738,818	11,682,662
- Other income	4	676,062	-	-	676,062	325,251
Total incoming resources		1,488,445	16,430,761	31,059,640	48,978,846	30,890,159
Resources expended						
<i>Cost of generating funds:</i>						
- Trading expenses		195,716	6,895	-	202,611	186,472
<i>Charitable activities:</i>						
- Academy trust educational operations	8	972,792	18,526,689	982,138	20,481,619	9,798,661
- Governance costs	9	-	115,321	-	115,321	50,062
Total resources expended		1,168,508	18,648,905	982,138	20,799,551	10,035,195
Net incoming/(outgoing) resources before transfers		319,937	(2,218,144)	30,077,502	28,179,295	20,854,964
Gross transfers between funds	18	(89,257)	(343,061)	432,318	-	-
Net income/(expenditure) for the year		230,680	(2,561,205)	30,509,820	28,179,295	20,854,964
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	18,28	-	(168,000)	-	(168,000)	(615,000)
Net movement in funds		230,680	(2,729,205)	30,509,820	28,011,295	20,239,964
Reconciliation of funds						
Total funds brought forward at 1 September 2014	18	280,230	(1,220,546)	40,537,698	39,597,382	19,357,418
Funds carried forward at 31 August 2015	18	510,910	(3,949,751)	71,047,518	67,608,677	39,597,382

All of the academy's activities derive from continuing operations in the above two financial periods.

The notes on pages 24 to 45 form part of these financial statements

Balance Sheet as at 31 August 2015

	Notes	2015 £	2014 £
Fixed Assets			
Tangible assets	14	<u>71,292,807</u>	<u>40,616,211</u>
		<u>71,292,807</u>	<u>40,616,211</u>
Current assets			
Stock	15	46,434	26,690
Debtors	16	1,107,412	734,793
Cash at bank and in hand		<u>811,069</u>	<u>645,276</u>
		<u>1,964,915</u>	<u>1,406,759</u>
Liabilities			
Creditors: Amounts falling due within one year	17	<u>(1,900,605)</u>	<u>(640,588)</u>
Net current assets		<u>64,310</u>	<u>766,171</u>
Total assets less current liabilities		71,357,117	41,382,382
Creditors: Amounts falling due after more than one year	17	<u>(117,440)</u>	<u>(135,000)</u>
Net assets excluding pension liability		<u>71,239,677</u>	<u>41,247,382</u>
Pension scheme liability	28	(3,631,000)	(1,650,000)
Net assets including pension liability		<u>67,608,677</u>	<u>39,597,382</u>
Funds of the academy trust:			
Restricted income funds			
- Fixed asset fund	18	71,047,518	40,537,698
- General fund	18	(318,751)	429,454
- Pension reserve	18	<u>(3,631,000)</u>	<u>(1,650,000)</u>
Total restricted funds		<u>67,097,767</u>	<u>39,317,152</u>
Unrestricted income funds			
- General fund	18	<u>510,910</u>	<u>280,230</u>
Total unrestricted funds		<u>510,910</u>	<u>280,230</u>
Total funds		<u>67,608,677</u>	<u>39,597,382</u>

The notes on pages 24 to 45 form part of these financial statements

The financial statements on pages 21 to 45 were approved by the directors of Samuel Ward Academy Trust, and authorised for issue on 10 December 2015 and are signed on their behalf by:

V. den Nayer

Victoria de Naeyer
Chair of Directors

Samuel Ward Academy Trust

Cash Flow Statement for the year ended 31 August 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	22	481,240	(696,016)
Cash transferred on conversion to an academy trust	22	257,855	311,882
Returns on investments and servicing of finance	23	2,418	2,658
Capital expenditure and servicing of finance	24	(575,720)	986,476
Increase in cash in the period		<u>165,793</u>	<u>605,000</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014	25	645,276	40,276
Net funds at 31 August 2015		<u>811,069</u>	<u>645,276</u>

The notes on pages 24 to 45 form part of these financial statements

Notes to the Financial Statements for the Year Ended 31 August 2015

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming Resources

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

- **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital Grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Donations**

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

- **Other income**

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

- **Gifts in kind**

The value of gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**1. Statement of Accounting Policies (continued)**

- **Gifted assets on conversion**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable net assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Thomas Gainsborough School, Coupals Primary School and Glemsford Primary School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the directors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Samuel Ward Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Upon transfer, the academy trust received the transfer of freehold property and property on a 125 year leasehold for nil consideration. The property was measured and valued within the financial statements at the deemed cost. The value of Thomas Gainsborough School land and buildings was £9,402,015. Other fixed assets were valued at £110,307. The value of Coupals Primary School land and buildings was £3,072,000. Other fixed assets were valued at £17,776. The value of Glemsford Primary School land and buildings was £2,466,000. Other fixed assets were valued at £3,946. The pension deficit inherited upon transfer for the 3 schools was £1,627,000. Further details of the transactions are set out in note 31.

Resources Expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**1. Statement of Accounting Policies (continued)**

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

Freehold and leasehold buildings	2%
Plant and machinery	10% - 20%
Furniture and equipment	20%
Computer equipment and software	33%
Motor vehicles	20%

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

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

Leased Assets

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

Stock

Unsold uniform and catering supplies are valued at the lower of cost or net realisable value.

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 part 11, chapter 3 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.

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 quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**1. Statement of Accounting Policies (continued)****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 directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose. The fund also includes assets donated on conversion and donated since conversion.

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

Agency Arrangements

The academy trust acts an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities.

The academy trust is also acting as an agent to distribute a one-off amount from the Combined Cadet Force Association. These funds are being held on behalf of the cadets and will be drawn down by the cadets from the academy trust. These funds have been excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds.

The funds received and paid and any balances held at 31 August 2015 are disclosed in note 30.

Recognition of Liabilities

Liabilities are recognised when either a constructive or legal obligation exists.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**2 Voluntary Income**

	Unrestricted Funds	Restricted Funds	Total 2015	<i>As Restated</i> Total 2014
	£	£	£	£
Donations - Revenue	29,808	4,520	34,328	15,611
Fundraising	8,005	-	8,005	-
Donated Fixed Assets	-	15,296,878	15,296,878	-
	<u>37,813</u>	<u>15,301,398</u>	<u>15,339,211</u>	<u>15,611</u>

The donated fixed assets of £15,296,878 relate to buildings at Thomas Gainsborough School funded by the Education Funding Agency that were transferred over just before the year end.

3 Activities for Generating Funds

	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	£	£	£	£
Hire of Facilities	154,682	-	154,682	16,200
Items Sold	151,276	-	151,276	64,423
Insurance Claims	14,737	-	14,737	4,037
Income from Services Provided	329,988	39,566	369,554	276,275
	<u>650,683</u>	<u>39,566</u>	<u>690,249</u>	<u>360,935</u>

4 Other Income

	Unrestricted Funds	Restricted Funds	Total 2015	<i>As Restated</i> Total 2014
	£	£	£	£
Academy Trips	239,197	-	239,197	128,525
Catering Income	436,865	-	436,865	196,726
	<u>676,062</u>	<u>-</u>	<u>676,062</u>	<u>325,251</u>

5 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	£	£	£	£
Bank Interest	2,418	-	2,418	2,658
	<u>2,418</u>	<u>-</u>	<u>2,418</u>	<u>2,658</u>

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**6 Funding for the Academy Trust's Educational Operations**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
DfE/EFA Capital Grants				
Devolved Formula Capital	-	95,634	95,634	31,013
Newmarket Capital Maintenance	-	629,509	629,509	-
Samuel Ward Capital Maintenance	-	-	-	217,370
Churchill Capital Maintenance	-	-	-	2,272,463
Newmarket Environmental Improvement	-	-	-	77,600
Other Capital Grants	-	-	-	20,000
	-	725,143	725,143	2,618,446
DfE/EFA Revenue Grants				
General Annual Grant	-	15,430,084	15,430,084	7,559,109
Start Up Grant	-	50,000	50,000	361,350
DfE/EFA Grants	-	292,963	292,963	321,700
Pupil Premium	-	736,513	736,513	307,685
Universal Infant Free School Meals	-	54,402	54,402	-
Pre-Opening Funding	-	634,000	634,000	-
Sponsorship Capacity Grant	-	-	-	50,000
Newmarket Environmental Improvement	-	-	-	22,400
	-	17,197,962	17,197,962	8,622,244
Other Government Grants				
Special Educational Projects	-	137,965	137,965	58,976
High Needs Funding	-	487,260	487,260	208,042
Early Years Funding	-	100,825	100,825	15,613
Universal Infant Free School Meals	-	14,791	14,791	159,341
Other Local Authority Grants	-	73,372	73,372	-
	-	814,213	814,213	441,972
Other income from the academy trust's educational projects				
	-	1,500	1,500	-
	-	18,738,818	18,738,818	11,682,662

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**7 Resources Expended**

	Non Pay Expenditure			Total	Total
	Staff Costs	Premises	Other Costs	2015	2014
	£	£	£	£	£
Costs of activities for generating funds	-	10	202,601	202,611	186,472
Academy's educational operations					
• Direct costs	12,930,277	982,138	1,705,910	15,618,325	7,332,045
• Allocated support costs	2,577,429	319,215	1,966,650	4,863,294	2,466,616
	<u>15,507,706</u>	<u>1,301,363</u>	<u>3,875,161</u>	<u>20,684,230</u>	<u>9,985,133</u>
Governance costs(including allocated support costs)	-	-	115,321	115,321	50,062
	<u>15,507,706</u>	<u>1,301,363</u>	<u>3,990,482</u>	<u>20,799,551</u>	<u>10,035,195</u>

Net Income/(expenditure) for the year includes:

	2015	2014
	£	£
Operating leases		
- Other leases	92,784	63,944
Fees payable to auditor for:		
- audit	40,000	18,500
- other services	<u>22,975</u>	<u>5,325</u>

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items above £5,000	
		Amount £	Reason
Ex-gratia payments	133,200	30,000	Staff restructuring
		25,000	Staff restructuring
		18,500	Staff restructuring
		15,000	Staff restructuring
		10,200	Staff restructuring
		9,500	Staff restructuring
		9,000	Staff restructuring
		8,000	Staff restructuring
		8,000	Staff restructuring

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook, being delegated authority.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**8 Charitable Activities - Academy's Educational Operations**

	Total 2015 £	Total 2014 £
Direct costs- educational operations		
Teaching and educational support staff costs	12,930,277	5,701,633
Depreciation	982,138	597,210
Technology costs	57,228	23,640
Educational supplies	536,600	257,069
Examination fees	292,635	114,757
Staff development	115,882	84,591
Educational consultancy	144,992	102,401
Other direct costs	558,573	450,744
	<u>15,618,325</u>	<u>7,332,045</u>
Support costs - educational operations		
Support staff costs	2,577,429	1,189,520
Technology costs	12,970	34,729
Recruitment and support	108,936	48,155
Maintenance of premises and equipment	304,800	164,805
Cleaning	15,451	7,595
Rent, rates and water	100,880	72,852
Energy costs	262,595	124,216
Insurance	128,122	103,837
Travel and subsistence	32,249	17,450
Catering	598,940	251,718
Bank interest and charges	1,095	332
Other support costs	719,827	451,407
	<u>4,863,294</u>	<u>2,466,616</u>
	<u>20,481,619</u>	<u>9,798,661</u>

9 Governance Costs

	Total 2015 £	Total 2014 £
Legal and professional fees	52,346	26,237
Auditor's remuneration		
- Audit of financial statements	40,000	18,500
- Other audit costs	22,975	5,325
	<u>115,321</u>	<u>50,062</u>

10 Staff Costs

	Total 2015 £	Total 2014 £
Staff costs during the period were:		
Wages and salaries	12,285,830	5,574,955
Social security costs	860,934	398,770
Operating costs of defined benefit pension schemes	1,931,086	834,706
	<u>15,077,850</u>	<u>6,808,431</u>
Supply teacher costs	296,656	57,722
Staff restructuring costs	133,200	25,000
	<u>15,507,706</u>	<u>6,891,153</u>

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**10 Staff Costs (continued)****Staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £133,200 (2014: £25,000). Individually, the payments were £8,000, £8,000, £9,000, £9,500, £10,200, £15,000, £18,500, £25,000 and £30,000.

Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Charitable Activities		
Teachers	229	116
Administration and support	201	108
Management	27	21
	<u>457</u>	<u>245</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 No.	2014 No.
£60,001 - £70,000	-	3
£70,001 - £80,000	1	-
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1

All of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2015 employer's pension contributions for these staff amounted to £55,936 (2014: £51,613).

11 Central Services

The Academy Trust has provided the following central services to its Academies during the year:

- financial and administration services (Finance, ICT Manager, PA to Principal)
- management services (Executive Principal and Business Manager)
- legal and professional services
- learning improvement and educational support services (director of teaching and learning, teaching and learning advisors, quality assurance and teaching and learning handbooks)

The Trust charges for these services on the following basis:

- Business Manager, financial and administration service costs are allocated to the Whole Trust on the basis of time as a % of FTE.
- Executive Principal, learning improvement and educational support, legal and professional services are directly allocated to the Whole Trust.
- All Whole Trust costs are charged to each Academy on the basis of each Academy's funding as a proportion of the total funding. The apportionment rates for the financial year ending 31 August 2015 were 30.49% for Samuel Ward Academy, 2.95% for Churchill Special Free School, 6.89% for Westfield Primary Academy, 19.25% for Newmarket Academy, 32.62% for Thomas Gainsborough School, 4.56% for Coupals Primary Academy, 3.24% for Glemsford Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**11 Central Services (continued)**

The actual amounts charged during the year were as follows:

	2015	2014
	£	£
Samuel Ward Academy	113,791	151,306
Churchill Special Free School	9,021	8,151
Westfield Primary Academy	46,293	26,387
Newmarket Academy	79,087	16,563
Thomas Gainsborough School	92,696	-
Coupals Primary Academy	14,233	-
Glemsford Primary Academy	9,200	-
Samuel Ward Academy Trust	198,788	37,211
	<u>563,109</u>	<u>239,618</u>

Costs of £12,788 charged to Samuel Ward Academy Trust were funded by the Sponsorship Capacity Grant and not directly recharged to the academies within the trust. The trust holds the pension reserve for all of its academies and so pension service costs of £154,000 and pension finance costs of £32,000 from the local government pension scheme are held centrally and not recharged to the academies within the trust.

12 Related Party Transactions - Directors' Remuneration and Expenses

The Chief Executive Officer only receives remuneration in respect of services provided undertaking the role of Chief Executive Officer and not in respect of the services as a director. Other directors did not receive any payments from the academy trust in respect of their services as directors. The value of directors' remuneration was as follows:

H Lay (Chief Executive Officer):		
Remuneration	£110,000 - £115,000	(2014: £120,000 - £125,000)
Employer's pension contributions	£15,000 - £20,000	(2014: £10,000 - £15,000)

During the year ended 31 August 2015, travel and subsistence expenses totalling £3,475 (2014: £1,672) were reimbursed to 1 director (2014: 1 director).

Other related party transactions involving the directors are set out in note 29.

13 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim

The cost of this insurance is included in the Risk Protection Arrangement cost within the total insurance cost; the cost cannot be identified separately.

Samuel Ward Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

14 Tangible Fixed Assets

	Freehold Land and Buildings £	Leasehold Land and Buildings £	Plant and Machinery £	Computer Equipment and Software £	Motor Vehicles £	Furniture and Equipment £	Assets Under Construction £	Total £
Cost								
At 1 September 2014	37,037,160	3,862,000	91,986	607,743	11,700	222,312	186,461	42,019,362
Transferred from LA	9,402,015	5,538,000	-	71,316	25,600	35,114	-	15,072,045
Transferred from EFA	15,296,878	-	-	-	-	-	-	15,296,878
Additions	772,040	-	163,130	271,001	-	83,640	-	1,289,811
Transferred into use	-	-	186,461	-	-	-	(186,461)	-
At 31 August 2015	62,508,093	9,400,000	441,577	950,060	37,300	341,066	-	73,678,096
Depreciation								
At 1 September 2014	921,359	65,666	29,206	301,543	6,630	78,747	-	1,403,151
Charged in year	499,106	125,501	51,269	237,083	6,607	62,572	-	982,138
At 31 August 2015	1,420,465	191,167	80,475	538,626	13,237	141,319	-	2,385,289
Net Book Values								
At 31 August 2015	61,087,628	9,208,833	361,102	411,434	24,063	199,747	-	71,292,807
At 31 August 2014	36,115,801	3,796,334	62,780	306,200	5,070	143,565	186,461	40,616,211

15 Stock

	2015 £	2014 £
Uniform	45,110	26,690
Catering	1,324	-
	46,434	26,690

16 Debtors

	2015 £	2014 £
Trade debtors	25,650	2,344
VAT recoverable	158,452	170,578
Other debtors	550,147	253,054
Prepayments and accrued income	373,163	308,817
	1,107,412	734,793

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**17 Creditors: amounts falling due within one year**

	2015	2014
	£	£
Trade creditors	524,452	360,103
Taxation and social security	287,493	-
EFA creditor: abatement of GAG	136,635	-
Other creditors	567,584	45,921
Accruals and deferred income	384,441	234,564
	<u>1,900,605</u>	<u>640,588</u>

Deferred Income (included within the above)

	2015	2014
	£	£
Deferred income at 1 September 2014	57,675	18,690
Resources deferred in the year	187,179	57,675
Amounts released from previous years	(57,675)	(18,690)
Deferred income at 31 August 2015	<u>187,179</u>	<u>57,675</u>

Deferred income at 31 August 2015 includes Universal Infant Free School Meals funding £49,201, EFA Rates Relief £42,015, Growth Funding £35,458, GP Referral income £7,000, Union Time grant £14,840, income for educational visits £37,300, income for transport and PE tops £1,280 and music tuition £85

Creditors: amounts falling due after more than one year

	2015	2014
	£	£
Other Creditors	117,440	135,000
	<u>117,440</u>	<u>135,000</u>

Included within other creditors are Salix loans of £137,940 and loans from conversion of £42,921 arising from school organisational reviews.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**18 Statement of Funds**

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Losses £	Balance at 31 August 2015 £
Restricted general funds						
General Annual Grant (GAG)	42,669	15,430,084	(15,572,435)	(891,869)	-	(991,551)
Start Up Grant	172,518	50,000	(222,518)	-	-	-
Other EFA/DfE Grants	145,443	917,175	(421,118)	(7,317)	-	634,183
Other Restricted Funds	35,846	753,971	(735,594)	(19,518)	-	34,705
Pupil Premium	32,978	736,513	(746,566)	(20,794)	-	2,131
Early Years Funding	-	100,825	(69,985)	(27,563)	-	3,277
Universal Infant Free School Meals	-	69,193	(70,689)	-	-	(1,496)
Pension reserve	(1,650,000)	(1,627,000)	(810,000)	624,000	(168,000)	(3,631,000)
	(1,220,546)	16,430,761	(18,648,905)	(343,061)	(168,000)	(3,949,751)
Restricted fixed asset funds						
DfE/EFA Capital Grants	5,639,992	725,143	(186,981)	-	-	6,178,154
Capital expenditure from GAG	80,953	-	(118,242)	311,966	-	274,677
Donated Assets	18,626,259	30,334,497	(635,113)	-	-	48,325,643
Other Capital Income	16,190,494	-	(41,802)	120,352	-	16,269,044
	40,537,698	31,059,640	(982,138)	432,318	-	71,047,518
Total restricted funds	39,317,152	47,490,401	(19,631,043)	89,257	(168,000)	67,097,767
Unrestricted funds						
Unrestricted funds	280,230	1,488,445	(1,168,508)	(89,257)	-	510,910
Total unrestricted funds	280,230	1,488,445	(1,168,508)	(89,257)	-	510,910
Total funds	39,597,382	48,978,846	(20,799,551)	-	(168,000)	67,608,677

Restricted general funds

The restricted general fund consists of recurrent grants, the use of which is restricted to educational purposes.

Other EFA and DfE Grants include balances for the Teaching School, Pre-opening grants, PE Teachers grant, School Games grant, Rates Relief and Year 7 Catch-up funding. The balances will remain restricted and be used to continue and further support the pupils of the academy trust.

Other Restricted Funds includes balances for Apprenticeship grant, Maths Collaborative funding, High Tariff Special Educational Needs, Summer School PE funds.

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 2015.

Restricted fixed asset funds

The government capital funds are provided by the government for specific capital projects. A capital maintenance grant of £629,509 was used by Newmarket Academy for roof and fencing projects.

Unrestricted funds

These funds relate to unrestricted income to be used to support the academy trust's objectives and educational activities.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**18 Statement of Funds (continued)****Transfers in / (out)**

Transfers of £311,966 from GAG, £45,721 from other restricted funds and £90,739 from unrestricted funds were made to the restricted fixed asset fund as capital items had been purchased out of these funds.

£16,109 of restricted fixed asset funds were transferred to other restricted funds to support revenue expenditure from the Environment Improvement Fund.

All other transfers were to the pension reserve.

Analysis of academies by fund balance

Fund balances as at 31 August 2015 were allocated as follows:

	Total £
Samuel Ward Academy	(759)
Thomas Gainsborough School	67,610
Coupals Primary Academy	217,064
Glemsford Primary Academy	898
Churchill Special School	167,199
Westfield Primary Academy	281,906
Newmarket Academy	(225,589)
Central Trust	(316,170)
Total before fixed assets and pension reserve	<u>192,159</u>
Restricted fixed asset fund	<u>71,047,518</u>
Pension Reserve	<u>(3,631,000)</u>
Total	<u>67,608,677</u>

Samuel Ward Academy is carrying a net deficit of £761 on these funds due to increasing pupil numbers and the financial pressure that lagged funding is putting on the academy. The deficit position will be resolved moving forward as the funding comes into line with pupil numbers.

Glemsford Primary Academy is carrying a net deficit of £8,528 on these funds due to pupil numbers. There is some work already taking place looking at the possibilities of restructuring and cost savings.

Newmarket Academy is carrying a net deficit of £225,589 on these funds partly due to a pupil number clawback of £136,635. Newmarket's situation is that all of their funding is being used on teaching and learning. Staffing costs are high to improve outcomes in a school which was previously in Ofsted's special measures. The expectation is that the school pupil numbers will increase on the back of the recent successes and recovery will be in the form of restructure and support from the trust.

The Central Trust is carrying a net deficit of £311,170 due to growth at trust level when taking on 3 additional schools. Moving forward the recharge to the academies will be increased 4%. The trust is in a position to take on additional schools without increasing trust costs. Some of the funds allocated for Sybil Andrews will go towards offsetting the trust's balance as some pre-opening work has already been completed by trust staff.

Samuel Ward Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

18 Statement of Funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
Samuel Ward Academy	4,275,084	1,038,963	583,427	1,113,454	7,010,928
Thomas Gainsborough School	2,949,542	586,209	286,139	555,691	4,377,581
Coupals Primary Academy	419,498	64,547	33,798	87,046	604,889
Glemsford Primary Academy	373,690	33,962	24,309	83,444	515,405
Churchill Special School	475,751	35,650	42,910	103,809	658,120
Westfield Primary Academy	1,035,707	109,052	39,904	223,376	1,408,039
Newmarket Academy	2,910,355	615,372	229,930	607,515	4,363,172
Central Trust	490,650	93,674	51,860	243,095	879,279
Academy Trust	12,930,277	2,577,429	1,292,277	3,017,430	19,817,413

19 Analysis of Net Assets between Funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2015 £
Tangible fixed assets	-	-	71,292,807	71,292,807
Current assets	768,342	1,126,453	70,120	1,964,915
Current liabilities	(257,432)	(1,445,204)	(197,969)	(1,900,605)
Non current liabilities	-	-	(117,440)	(117,440)
Pension scheme liability	-	(3,631,000)	-	(3,631,000)
Total net assets	510,910	(3,949,751)	71,047,518	67,608,677

20 Capital Commitments

	2015 £	2014 £
Contracted for, but not provided in the financial statements		
Boiler replacement	-	143,006
Modular building	-	115,583
	<u>-</u>	<u>258,589</u>

Samuel Ward Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**21 Financial Commitments****Operating Leases**

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Other		
Expiring within one year	9,890	45,050
Expiring within two and five years inclusive	62,508	18,907
Expiring in over five years	1,752	-
	<u>74,150</u>	<u>63,957</u>

22 Reconciliation of Net Income to Net Cash Inflow from operating Activities

	2015 £	2014 £
Net income	28,179,295	20,854,964
Pension scheme deficit transferred in (year 1 only)	1,627,000	735,000
Depreciation (note 14)	982,138	597,210
Capital grants from DfE and other capital income	(725,143)	(2,618,446)
Fixed assets transferred from Local Authorities (note 31)	(15,061,053)	(18,976,822)
Cash transferred from Local Authorities (note 31)	(257,855)	(311,882)
Fixed assets transferred from Education Funding Agency (note 2)	(15,296,878)	-
Interest receivable (note 5)	(2,418)	(2,658)
FRS17 pension cost less contributions payable (note 28)	154,000	6,000
FRS17 pension finance income/(cost) (note 28)	32,000	(3,000)
(Increase)/decrease in stocks	(19,744)	4,183
Increase in debtors	(372,619)	(238,779)
Increase/(decrease) in creditors	1,242,517	(741,786)
Net cash Inflow from Operating Activities	<u>481,240</u>	<u>(696,016)</u>
 Cash transferred from Local Authorities on conversion (note 31)	<u>257,855</u>	<u>311,882</u>
Cash transferred from Local Authorities	<u>257,855</u>	<u>311,882</u>

23 Returns on Investments and Servicing of Finance

	2015 £	2014 £
Interest received	2,418	2,658
Net cash inflow from returns on investment and servicing of finance	<u>2,418</u>	<u>2,658</u>

24 Capital Expenditure and Financial Investment

	2015 £	2014 £
Purchase of tangible fixed assets	(1,289,811)	(1,775,970)
Capital grants	725,143	2,618,446
(Decrease)/increase in capital financing	(11,052)	144,000
Net cash outflow from capital expenditure and financial investment	<u>(575,720)</u>	<u>986,476</u>

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**25 Analysis of Changes in Net Funds**

	At 1 September 2014	Cash flows	At 31 August 2015
	£	£	£
Cash in hand and at bank	<u>645,276</u>	<u>165,793</u>	<u>811,069</u>
	<u>645,276</u>	<u>165,793</u>	<u>811,069</u>
Debt less than one year	<u>(45,921)</u>	<u>(17,500)</u>	<u>(63,421)</u>
Debt more than one year	<u>(135,000)</u>	<u>17,560</u>	<u>(117,440)</u>
	<u>(180,921)</u>	<u>60</u>	<u>(180,861)</u>
Net funds	<u>464,355</u>	<u>165,853</u>	<u>630,208</u>

26 Contingent Asset

An application has been made for Popularity Growth Funding for which demonstrates the financial pressure that lagged funding is putting on the academy. This application can be made to the Education Funding Agency for financial assistance in circumstances where through its popularity an academy's student numbers are growing at an unprecedented rate. The application relating to 2014/15 is for an estimated amount of £212,000.

27 Members' Liability

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

28 Pension 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 Suffolk 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 of the LGPS 31 March 2013.

There were outstanding contributions at 31 August 2015 of £193,626 for the Teachers' Pension Scheme and £77,208 for the Local Government Pension Scheme (2014: nil).

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.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**28 Pension and Similar Obligations (continued)****Valuation of the Teachers' Pension Scheme**

Not less than every four years 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 Gap) 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 on 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Gap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. 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 gap 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 2.0% 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £1,153,690 (2014: £552,281).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension website](#)

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate director-administered funds. The total contribution made for the year ended 31 August 2015 was £791,000, of which employer's contributions totalled £624,000 and employees' contributions totalled £167,000. The agreed contribution rates for future years for Samuel Ward Academy Trust is 21.8% for employers and a variable % for employees dependant on the salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - £13,600	5.50%
£13,601 - £21,200	5.80%
£21,201 - £34,400	6.50%
£34,401 - £43,500	6.80%
£43,501 - £60,700	8.50%
£60,701 - £86,000	9.90%
£86,001 - £101,200	10.50%

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

Samuel Ward Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

28 Pension and Similar Obligations (continued)

Principal Actuarial Assumptions

	At 31 August 2015 p.a.	At 31 August 2014 p.a.
Rate of increase in salaries	4.50%	4.40%
Rate of increase for pensions in payment/inflation	2.60%	2.60%
Discount rate for scheme liabilities	3.70%	3.70%

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.4	22.4
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	24.3	24.3
Females	26.9	26.9

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2015 £	Expected return at 31 August 2014	Fair value at 31 August 2014 £
Equities	3,233,000	6.40%	1,979,000
Bonds	1,013,000	3.40%	611,000
Property	531,000	4.50%	290,000
Cash	48,000	3.30%	28,000
Total market value of assets	4,825,000		2,908,000
Present value of scheme liabilities			
- Funded	(8,456,000)		(4,558,000)
Deficit in the scheme	(3,631,000)		(1,650,000)

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

The return on the Fund in market value terms for the period to 31 August 2015 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary.

The actual return on scheme assets was £140,000 (2014: £243,000).

The adoption of FRS102 in the next accounting period removes the requirement to recognise an expected return on assets item in the income and expenditure account. This item will be replaced with a net financing charge which is based on the discount rate assumption. As the expected return in assets is based on the assumption at the start of the accounting period, assumptions for the expected return on assets are not required at 31 August 2015.

Samuel Ward Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**28 Pension and Similar Obligations (continued)****Amounts recognised in the statement of financial activities**

	2015	2014
	£	£
Current service cost (net of employee contributions)	(778,000)	(299,000)
Total operating charge	(778,000)	(299,000)

	2015	2014
	£	£
Analysis of pension finance (costs)/income		
Expected return on pension scheme assets	218,000	118,000
Interest on pension liabilities	(250,000)	(115,000)
Pension finance (costs)/income	(32,000)	3,000

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS17 is a £786,000 loss (2014: £618,000 loss).

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

	2015	2014
	£	£
At 1 September	4,558,000	3,288,000
Current service cost	778,000	299,000
Interest cost	250,000	115,000
Employee contributions	167,000	75,000
Actuarial loss	91,000	808,000
Liabilities assumed from converting academies	2,648,000	-
Benefits paid	(36,000)	(27,000)
At 31 August	8,456,000	4,558,000

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

	2015	2014
	£	£
At 1 September	2,908,000	2,256,000
Expected return on scheme assets	218,000	118,000
Actuarial gain / (loss)	(77,000)	193,000
Employers contributions	624,000	293,000
Employee contributions	167,000	75,000
Assets acquired from converting academies	1,021,000	-
Benefits paid	(36,000)	(27,000)
At 31 August	4,825,000	2,908,000

The estimated value of employer contributions for the year ended 31 August 2016 is £730,000.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**28 Pension and Similar Obligations (continued)**

The history of experience adjustments is as follows:

	2015	2014	2013	2012	2011
	£	£	£	£	£
Present value of defined benefit obligations	(8,456,000)	(4,558,000)	(1,956,000)	(1,606,000)	(1,188,000)
Fair value of share of scheme assets	4,825,000	2,908,000	1,659,000	1,248,000	952,000
Deficit in scheme	(3,631,000)	(1,650,000)	(297,000)	(358,000)	(236,000)
	£	£	£	£	£
Experience adjustments on share of scheme assets	(77,000)	193,000	119,000	(1,000)	(37,000)

29 Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a director has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

High Fliers: a company in which J McNaughton, a director has a majority interest. During the year there were transactions totalling £68,850 (2014: £76,252). There is a creditor of £16,200 outstanding at the year end (2014: £8,100).

JRWT: a company which J Ward, a director has a majority interest. During the year there were transactions totalling £23,220 in respect of Project Management Services (2014: £25,049). There is a creditor of £2,700 outstanding at the year end (2014: nil).

Learning Circle: a company which V de Naeyer has a majority interest. During the year there were transactions totalling £14,228 (2014: £120). There were no amounts outstanding at the year end (2014: nil).

30 Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £28,472 and disbursed £17,000 from the fund. £25,505 was brought forward within restricted funds at 01 September 2014. An amount of £36,977 is included in other creditors relating to undistributed funds that are repayable to EFA.

At 31 August 2015 the academy trust was showing £20,000 in other creditors as a one-off amount from the Combined Cadet Force Association. These funds are being held on behalf of the cadets and will be drawn down by the cadets upon application to the trust.

Samuel Ward Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**31 Conversion to Academy Trust**

On 01 January 2015 the Thomas Gainsborough School, Coupals Primary School and Glemsford Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Samuel Ward Academy Trust from Suffolk County Council for £nil consideration

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets:				
-Freehold land and buildings	-	-	11,868,015	11,868,015
-Leasehold land and buildings	-	-	3,072,000	3,072,000
-Other tangible fixed assets	-	-	132,030	132,030
 -Budget surplus on LA funds	210,970	12,735	(3,220)	220,485
-Budget surplus on other school funds	37,370	-	-	37,370
 -LGPS pension deficit	-	(1,627,000)	-	(1,627,000)
-Borrowing obligations	-	-	(10,992)	(10,992)
-Other identified assets and liabilities	<u>(126,871)</u>	<u>(12,735)</u>	<u>(20,214)</u>	<u>(159,820)</u>
 Net Assets/(Liabilities)	<u>121,469</u>	<u>(1,627,000)</u>	<u>15,037,619</u>	<u>13,532,088</u>

The above net assets/liabilities include £257,855 that was transferred as cash.

Upon conversion, the academy trust received transfer of property on a 125 year leasehold for nil consideration. The property was measured and valued within the accounts at deemed cost.

32 Restatement of Comparatives

A restatement of comparatives has been made to remove income for academy trips and catering income from activities for generating funds and to show it as other income from charitable activities on the Statement of Financial Activities. A breakdown is shown in note 4.