

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**



**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONTENTS**

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	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Trustees' responsibilities statement	15
Independent auditors' report	16 - 17
Independent auditors' assurance report on regularity	18 - 19
Statement of financial activities	20
Balance sheet	21
Cash flow statement	22
Notes to the financial statements	23 - 42

**WAYCROFT ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**Trustees**

S Rowe, Principal<sup>1,3,4,5</sup>  
M Rogers, Chair<sup>1,3,4,5,6</sup>  
R Hales, Vice Chair<sup>3,4,5,6</sup>  
S Sage<sup>2,3,5</sup>  
J Jethwa (resigned 8 October 2012)<sup>3</sup>  
Rev A Schuman<sup>2,3</sup>  
P Black<sup>3</sup>  
E Williams (resigned 19 July 2013)<sup>1,3,6</sup>  
N Beaumont<sup>2,3,5,6</sup>  
Dr R Bryce<sup>3</sup>  
N Arora<sup>3,4</sup>  
L Craig<sup>3,5</sup>  
S Geen<sup>1,3</sup>  
C Daplyn (appointed 10 September 2012, resigned 19 July 2013)<sup>1,3,4</sup>  
P French (appointed 1 November 2012)<sup>3,5</sup>  
M Stratford (appointed 4 February 2013)<sup>1,3</sup>  
C McCormack (appointed 4 February 2013)<sup>3,4</sup>  
A Venn (appointed 20 March 2013, resigned 21 October 2013)<sup>1,3,5</sup>  
O Feeley (appointed 21 October 2013)  
R Healy (appointed 21 October 2013)

- <sup>1</sup> Finance Committee  
<sup>2</sup> Pastoral Committee  
<sup>3</sup> Curriculum and Standards Committee  
<sup>4</sup> Site and Buildings Committee  
<sup>5</sup> Personnel Committee  
<sup>6</sup> Pay Review Committee

**Company registered number** 07683980

**Principal and Registered office** Selden Road  
Stockwood  
Bristol  
BS14 8PS

**Company secretary** Pauline Warburton

**Accounting officer** Simon Rowe

**Senior Leadership Team**

S Rowe, Principal  
S Sage, Deputy Principal  
P Warburton, Business Manager

**Independent auditors** Bishop Fleming  
Chartered Accountants  
Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

**Bankers** Lloyds Bank PLC  
102 Regent Street  
Kingswood  
Bristol  
BS15 8HT

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2013**

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**Advisers (continued)**

<b>Solicitors</b>	Browne Jacobson 44 Castle Gate Nottingham NG1 7BJ
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**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2013**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees act as the Trustees for the charitable activities of Waycroft Academy Trust and are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**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 they cease to be a member.

**Trustees' indemnities**

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £10.

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

**Principal Activity**

The principal activity is to advance education for the public benefit by establishing, maintaining, carrying on, managing and developing a primary school offering a broad and balanced curriculum.

The principal activity of the Academy is to provide free education for pupils of different abilities between the ages of 3 and 11.

**TRUSTEES**

**Method of recruitment and appointment or election of Trustees**

The Academy's Governing Body comprises the Principal, a minimum of 5 Parent Trustees, up to 3 Staff Trustees (providing that the total number of Trustees, including the Principal, who are employees of the Academy, does not exceed one third of the total number of Trustees) and up to 9 other Trustees.

The Academy shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 3 Trustees who are appointed by members
- up to 5 Parent Trustees who are elected by parents of registered pupils at the Academy
- up to 3 Staff Trustees appointed by Governing Body
- up to 5 Community Trustees who are appointed by the Governing Body
- the Principal who is treated for all purposes as being an ex officio Trustee

Trustees are appointed for a four year period, except that this time limit does not apply to the Principal. Subject

**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

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to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development

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

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

There are training sessions arranged to keep the Trustees updated on relevant developments impacting on their roles and responsibilities. Trustees also have access to Bristol City Council Trustee Development Service, a service Waycroft Academy Trust subscribes to each year.

**Organisational Structure**

The Full Governing Body meets once each term, six times per year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

- There are six committees as follows,

- 1) Finance Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- 2) Standards and Curriculum Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment issues.
- 3) Site and Buildings Committee (including Health and Safety) – this meets as and when necessary, at least three times a year.
- 4) Personnel Committee - this meets as and when necessary, at least four times per year.
- 5) Pastoral Committee – this meets as and when there is need.
- 6) Pay Review Committee - works on the recommendation of the Principal, guided by the Principal and the Vice Principal and generally meet as and when there is a need with a minimum requirement to meet once a year.

The following decisions are reserved to the Board of Trustees, to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Principal and Clerk to the Trustees, to approve the School Development Plan (SDP) and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

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The Board of Trustees have devolved responsibility for day to day management of the Academy to the Principal and Senior Leadership Team (SLT). The SLT (Tier 1) comprises of the Principal and Vice Principal. SLT (Tier 2) comprises of SLT (Tier 1), plus four Team Leaders, three core Subject Leaders, the SENCo and the ICT Subject Leader. The SLT (Tiers 1 and 2) implement policies agreed by Trustees and report back to them on performance. The School Business Manager joins SLT (Tier 1) for weekly briefings.

The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Teams and Subject Leaders. The aim of the leadership structure is to devolve responsibility, distribute leadership and encourage involvement in decision making at all levels.

The Principal, Vice Principal and School Business Manager are responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Principal is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee, usually the Chair of the Personnel Committee.

The Principal is the Accounting Officer.

**Risk management**

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

The Trustees have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control, financial controls are overseen by the Principal and the School Business Manager.

The Academy has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

The Academy has a formal risk management process to assess business risks and to implement risk management strategies, overseen by Waycroft Academy Trust's Responsible Officer. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

**Connected Organisations, including Related Party Relationships**

The Academy has strong collaborative links with Bath Spa University. A Bath Spa senior tutor is a member of the Waycroft Academy Trust Board of Trustees. Some Bath Spa teacher training pupils complete teaching practices at Waycroft.

Waycroft Academy Trust has a 'Friends of Waycroft Committee' a group of volunteer parents and carers, affiliated to the National Parent Teacher Association and a registered charity. This group of volunteers works with Waycroft staff to organise fund raising and social events for Waycroft children, parents and carers.

Waycroft Academy Trust is part of a national organisation called Challenge Partners, the local hub including Waycroft Academy Trust includes 3 other schools being Corsham Primary School, Springfield Special School and Royal Wootton Bassett Academy. The challenge partners carry out peer to peer reviews and Waycroft Academy was last reviewed in March 2013, the peer to peer review process is run using registered Ofsted inspectors.

**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

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There are no other related parties which either control or significantly influence the decisions and operations of Waycroft Academy Trust

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities

The principal object and activity of the Charitable Company is the operation of Waycroft Academy Trust to provide free education and care for pupils of different abilities between the ages of 3 and 11

The aims of the Academy during the period ended 31 August 2013 are summarised below

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra curricular activities
- to develop pupils as more effective learners
- to enhance the tertiary provision and outcomes
- to develop the Academy site so that it enables children to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to maximise the number of children who achieve National Curriculum (NC) level 4 and 5 in English and Maths
- to provide value for money for the funds expended
- to comply with all appropriate statutory and curriculum requirements
- to maintain close links with the local community
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

At Waycroft Academy Trust we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

**Objectives, Strategies and Activities**

Key priorities for the year are contained in our School Development Plan which is available from the Academy Office. Improvement focuses identified for this year include:

- (Priority 1) Developing a curriculum which meets the needs of Waycroft pupils in the 21st century
- (Priority 2) Directly address the Every Child Matters agenda
- (Priority 3) Working with and engaging stakeholders

Key strategies for the hitting of those targets related to priorities 1, 2 and 3 were identified in the School Development Plan (SDP). The SDP is reviewed termly and re-written every three years. A new 3 year SDP was put in place on 1 September 2012, this will be subject to regular review by SLT and Trustees and replaced in July 2015.

**Public Benefit**

The Trustees confirm that they have complied with the duty contained in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.



**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

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The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community

As an Academy we have a duty to support other schools. Waycroft Academy Trust is a National Support School (NSS) and the Principal is a National Leader of Education (NLE). As and when required Waycroft works alongside local and area schools, providing guidance and support if requested. Waycroft is also a Challenge Partner school, linked to the Royal Wootton Bassett Academy 'hub'.

**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and Performance**

The Academy has just completed its second year of operation and has, once again, exceeded the forecast number of children achieving NC level 4, 5 and 6 in English and Maths.

For September 2013 the Academy is full in all but the nursery year group. The number of applicants for Nursery places has dipped slightly but the Nursery is expected to be fully subscribed by December 2013, but applications for Reception class places remains to be oversubscribed. The Academy is heavily oversubscribed, with parents going to appeal in an effort to secure a place.

Over 40 parent/carer volunteers have been helping at Waycroft Academy Trust this year. Their commitment to the children and Academy is inspirational. They have helped with reading, trips out of school, fund raising and social events such as Christmas and Summer fayres.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Department Heads and the Senior Leadership Team.

The Academy was inspected by OFSTED in January 2007 and was judged to be 'outstanding' in all 27 categories. Because of continued success and above national average SAT results Ofsted have not re-visited, yet. In March 2013 Waycroft Academy Trust was (by choice) subjected to a Challenge Partners Review of teaching and learning. This was led by two registered Ofsted Inspectors. This Review, once again, scored Waycroft as 'Outstanding' and June 2013 Key Stage 2 (KS2) SAT scores listed Waycroft as one of Bristol's top performing schools.

During the year ending August 2013, Waycroft's charity fundraising activities have secured cash for Comic Relief, Poppy Day and Seeds for Africa, as well as raising funds for a Christmas Shoe Box appeal and the purchase of a school defibrillator.

In addition in the year the Academy has been successful in obtaining a capital maintenance grant to carry out electrical work in the Academy.

**Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern policy.

**Key Financial Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In the period under review, £197,727 was carried forward representing 11.1% of GAG income received.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2012 - 2013 were 485. As the additional children from Stockwood Green Primary move through the school numbers will return to our capacity of 480, 60 children in each year group, Nursery to year 6.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2013 this was 91%, compared to 86% in 2012.

**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

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**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2013 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and 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 useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2013, total expenditure of £2,087,794 was covered by recurrent grant funding from the DfE, together with other incoming resources of £2,207,701. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £119,907.

At 31 August 2013 the net book value of fixed assets was £4,290,089 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Principal, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Trustees have adopted a Responsible Officer Policy and undertake a programme of internal checks on financial controls. During the year, the Trustees received Responsible Officer reports which contained no matters of significance.

**Financial and Risk Management Objectives and Policies**

Waycroft Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which Waycroft Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. The freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, Waycroft Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

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The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability. However as the Trustees consider that Waycroft Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Academy are as follows:

**Financial** - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 86% (2012: 89%) of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - the continuing success of Waycroft Academy Trust is dependant on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

**Staffing** - the success of Waycroft Academy Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Waycroft Academy Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

**Reserves Policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves approximately cover 3 months expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £244,196.

The Trustees have reviewed the future plans of the Academy and have the following plans in place -

- re-wiring KS2 classrooms and replacing ceilings and light fittings (EFA grant)
- building an additional teaching space/dining/drama hall
- building a new kitchen for the preparation of school meals
- refurbishing the original kitchen space so it can be used for the teaching of practical subjects

**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2013**

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- building a new, covered multi-purpose play area

**Investment Policy**

All funds surplus to immediate requirements are invested to optimal effect. On a daily basis this is achieved by automatic transfer of surplus funds to overnight deposit. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods.

Due to the nature of funding, Waycroft Academy Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Principal and Business Manager within strict guidelines approved by the Governing Body.

**PLANS FOR FUTURE PERIODS**

Waycroft Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Waycroft Academy Trust will continue to work with partner schools to improve the educational opportunities for children in the wider community.

Full details of our plans for the future are given in our School Development Plan, which is available on our website or from the Clerk to the Trustees.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

**AUDITOR**

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Bishop Fleming, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the board of trustees on 25 November 2013 and signed on its behalf by



**M Rogers**  
Chair of Trustees

**WAYCROFT ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Waycroft 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 trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Waycroft Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Rowe, Principal	6	6
M Rogers, Chair	4	6
R Hales, Vice Chair	5	6
S Sage	6	6
J Jethwa	0	0
Rev A Schuman	2	6
P Black	1	6
E Williams	5	6
N Beaumont	5	6
Dr R Bryce	6	6
N Arora	5	6
L Craig	6	6
S Geen	6	6
C Daplyn	6	6
P French	3	3
M Stratford	2	5
C McCormack	4	4
A Venn	4	4
O Feeley	0	0
R Healy	0	0

The Finance Committee is a sub-committee of the main board of trustees. The purpose of the Finance Committee is to ensure that the standards of financial control and administration are adhered to, make financial plans including agreeing the draft budget, and monitor the progress of income and expenditure. The Finance Committee has formally met 5 times during the year. Attendance during the year at meetings was as follows:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Rowe	5	5
M Rogers	4	5
E Williams	1	5
S Geen	3	5
K Daplyn	3	5
A Venn	1	2
M Stratford	2	4

**GOVERNANCE STATEMENT (continued)**

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**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Waycroft Academy Trust for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

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

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

Approved by order of the members of the board of trustees on ~~25 November 2013~~ and signed on their behalf, by



**M Rogers, Chair**  
Trustee



**S Rowe, Principal**  
Trustee

**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**


**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Waycroft Academy Trust I have considered my responsibility to notify the Academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012)

I confirm that I and the Academy board of trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2012)

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

A handwritten signature in black ink, appearing to be 'S Rowe', written in a cursive style.

**S Rowe, Principal  
Accounting Officer**

*Date 25 NOVEMBER 2013*



**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2013**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

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



**M Rogers  
Chair of Trustees**

**Date: 25 November 2013**

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYCROFT ACADEMY TRUST**

We have audited the financial statements of Waycroft Academy Trust for the year ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

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

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

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

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

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

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

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

**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

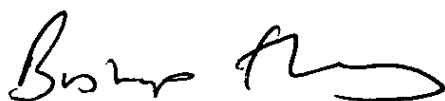
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYCROFT ACADEMY TRUST**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Simon Morrison FCA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming**  
Chartered Accountants  
Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

Date 28 November 2013

**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO WAYCROFT  
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 3 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Waycroft Academy Trust during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Waycroft Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Waycroft Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Waycroft Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed

**RESPECTIVE RESPONSIBILITIES OF WAYCROFT ACADEMY TRUST'S ACCOUNTING OFFICER AND THE  
REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Waycroft Academy Trust's funding agreement with the Secretary of State for Education dated 29 July 2011, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

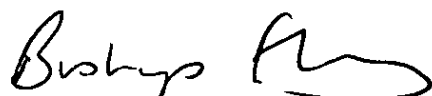
**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO WAYCROFT  
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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**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 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Simon Morrison FCA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming**  
Chartered Accountants  
Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

Date 28 November 2013

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating income and expenditure account and statement of recognised gains and losses)**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

		Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds 13 months ended 2012
	Note	2013 £	2013 £	2013 £	2013 £	£
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds						
Transfer from Local Authority on conversion	2	-	-	-	-	3,529,762
Other voluntary income	2	13,550	40,714	-	54,264	9,922
Activities for generating funds	3	18,930	-	-	18,930	17,468
Investment income	4	930	-	-	930	341
Incoming resources from charitable activities		220,741	1,912,836	407,157	2,540,734	2,321,735
<b>TOTAL INCOMING RESOURCES</b>		<b>254,151</b>	<b>1,953,550</b>	<b>407,157</b>	<b>2,614,858</b>	<b>5,879,228</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities	7	183,695	1,881,905	115,295	2,180,895	2,098,957
Governance costs	10	2,900	19,294	-	22,194	27,393
<b>TOTAL RESOURCES EXPENDED</b>	6	<b>186,595</b>	<b>1,901,199</b>	<b>115,295</b>	<b>2,203,089</b>	<b>2,126,350</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>67,556</b>	<b>52,351</b>	<b>291,862</b>	<b>411,769</b>	<b>3,752,878</b>
Transfers between Funds	18	-	(108,644)	108,644	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>67,556</b>	<b>(56,293)</b>	<b>400,506</b>	<b>411,769</b>	<b>3,752,878</b>
Actuarial gains and losses on defined benefit pension schemes		-	26,000	-	26,000	(53,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>67,556</b>	<b>(30,293)</b>	<b>400,506</b>	<b>437,769</b>	<b>3,699,878</b>
Total funds at 1 September 2012		176,640	(406,546)	3,929,784	3,699,878	-
<b>TOTAL FUNDS AT 31 AUGUST 2013</b>		<b>244,196</b>	<b>(436,839)</b>	<b>4,330,290</b>	<b>4,137,647</b>	<b>3,699,878</b>

All of the Academy's activities derive from continuing operations during the current year

The Statement of Financial Activities includes all gains and losses recognised in the year

The notes on pages 23 to 42 form part of these financial statements

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07683980**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	15		4,290,089		3,909,191
<b>CURRENT ASSETS</b>					
Debtors	16	235,932		181,072	
Cash at bank and in hand		365,984		399,600	
		<u>601,916</u>		<u>580,672</u>	
<b>CREDITORS:</b> amounts falling due within one year	17	(118,358)		(164,985)	
<b>NET CURRENT ASSETS</b>			<u>483,558</u>		<u>415,687</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,773,647</u>		<u>4,324,878</u>
Defined benefit pension scheme liability	24		(636,000)		(625,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>4,137,647</u></u>		<u><u>3,699,878</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds					
General funds	18	199,161		218,454	
Fixed asset funds	18	4,330,290		3,929,784	
		<u>4,529,451</u>		<u>4,148,238</u>	
Restricted funds excluding pension liability					
Pension reserve		(636,000)		(625,000)	
		<u></u>		<u></u>	
Total restricted funds			3,893,451		3,523,238
Unrestricted funds	18		244,196		176,640
<b>TOTAL FUNDS</b>			<u><u>4,137,647</u></u>		<u><u>3,699,878</u></u>

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



**M Rogers**  
**Chair of Trustees**

The notes on pages 23 to 42 form part of these financial statements

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

		<b>31 August 2013</b>	13 months ended 31 August 2012
	<b>Note</b>	<b>£</b>	<b>£</b>
Net cash flow from operating activities	20	<b>54,489</b>	120,406
Returns on investments and servicing of finance	21	<b>930</b>	340
Capital expenditure and financial investment	21	<b>(89,035)</b>	9,613
Cash transferred on conversion to an academy trust		<b>-</b>	269,241
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR/PERIOD</b>		<b>(33,616)</b>	<b>399,600</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

	<b>31 August 2013</b>	13 months ended 31 August 2012
	<b>£</b>	<b>£</b>
(Decrease)/Increase in cash in the year	<b>(33,616)</b>	399,600
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>(33,616)</b>	399,600
Net funds at 1 September 2012	<b>399,600</b>	-
<b>NET FUNDS AT 31 AUGUST 2013</b>	<b>365,984</b>	<b>399,600</b>

The notes on pages 23 to 42 form part of these financial statements



**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

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**1 ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

Guidance in the Accounts Direction 2013 has changed from last year and where this impacts the comparative figures these have been adjusted.

**1.2 GOING CONCERN**

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

**1.3 FUND ACCOUNTING**

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

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

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

**1.4 INCOMING RESOURCES**

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

**WAYCROFT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.5 RESOURCES EXPENDED**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £500 are capitalised.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	10-50 year straight line
Fixtures and fittings	-	5 year straight line
Computer equipment	-	3 year straight line

Long Term Leasehold Property improvements are depreciated over a shorter life than the property itself.

**1.7 TAXATION**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.8 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**2 VOLUNTARY INCOME**

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2013 £	2013 £	2013 £	13 months ended 2012 £
Transfer from Local Authority on conversion	-	-	-	3,529,762
Donations	13,550	40,714	54,264	9,922
Voluntary income	13,550	40,714	54,264	3,539,684

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**3 ACTIVITIES FOR GENERATING FUNDS**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>	<b>Total funds 13 months ended 2012</b>
	<b>2013 £</b>	<b>2013 £</b>	<b>2013 £</b>	<b>£</b>
Lettings	915	-	915	2,130
External Catering	5,463	-	5,463	5,881
Other	12,552	-	12,552	9,457
	<u>18,930</u>	<u>-</u>	<u>18,930</u>	<u>17,468</u>

**4. INVESTMENT INCOME**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>	<b>Total funds 13 months ended 2012</b>
	<b>2013 £</b>	<b>2013 £</b>	<b>2013 £</b>	<b>£</b>
Bank interest	930	-	930	341
	<u>930</u>	<u>-</u>	<u>930</u>	<u>341</u>

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds	Restricted funds	Total funds	Total funds 13 months ended 2012
	2013 £	2013 £	2013 £	£
<b>DfE/EFA grants</b>				
Capital Grants	-	407,157	407,157	146,376
General Annual Grant	-	1,786,146	1,786,146	1,960,413
Start up Grants	-	-	-	25,000
Other DfE/EFA grants	4,300	58,238	62,538	26,092
	<u>4,300</u>	<u>2,251,541</u>	<u>2,255,841</u>	<u>2,157,881</u>
<b>Other government grants</b>				
Special Educational Needs	-	43,714	43,714	17,294
Other government grants non capital	132,615	24,738	157,353	52,488
	<u>132,615</u>	<u>68,452</u>	<u>201,067</u>	<u>69,782</u>
<b>Other funding</b>				
Internal catering income	62,286	-	62,286	61,988
Sales to students	-	-	-	2,903
Other	21,540	-	21,540	29,181
	<u>83,826</u>	<u>-</u>	<u>83,826</u>	<u>94,072</u>
	<u>220,741</u>	<u>2,319,993</u>	<u>2,540,734</u>	<u>2,321,735</u>

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

	Staff costs	Premises	Other costs	Total	Total 13 months ended 2012
	2013 £	2013 £	2013 £	2013 £	£
Education	1,354,862	84,142	181,228	1,620,232	1,580,747
Support costs	283,635	37,841	239,187	560,663	518,210
<b>CHARITABLE ACTIVITIES</b>	<u>1,638,497</u>	<u>121,983</u>	<u>420,415</u>	<u>2,180,895</u>	<u>2,098,957</u>
<b>GOVERNANCE</b>	<u>1,229</u>	<u>-</u>	<u>20,965</u>	<u>22,194</u>	<u>27,393</u>
	<u>1,639,726</u>	<u>121,983</u>	<u>441,380</u>	<u>2,203,089</u>	<u>2,126,350</u>

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly	Support costs	Total	Total 13 months ended 2012
	2013 £	2013 £	2013 £	£
Education	<u>1,620,232</u>	<u>560,663</u>	<u>2,180,895</u>	<u>2,098,957</u>

**8. DIRECT COSTS**

	Education £	Total 2012 £
Pension finance costs	8,843	17,400
Educational supplies	90,524	60,519
Educational visits	40,713	-
Supply teachers	9,995	-
Wages and salaries	1,130,891	1,162,561
National insurance	72,784	99,366
Pension cost	151,187	171,347
Depreciation	115,295	69,554
	<u>1,620,232</u>	<u>1,580,747</u>

**9 SUPPORT COSTS**

	Education £	Total 2012 £
Pension finance costs	15,157	12,600
Staff development	10,258	4,243
Other costs	13,387	2,087
Recruitment and other staff costs	9,365	2,993
Maintenance of premises and equipment	28,651	47,774
Cleaning	2,875	2,272
Rent and rates	8,483	6,687
Heat and light	24,234	19,859
Insurance	45,350	25,896
Security and transport	6,751	5,788
Catering	49,861	56,941
Technology costs	11,597	23,508
Office overheads	19,770	23,729
Legal and professional	29,950	39,244
Bank interest and charges	1,339	1,057
Wages and salaries	217,517	199,586
National insurance	10,095	9,047
Pension cost	56,023	34,899
	<u>560,663</u>	<u>518,210</u>

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**10. GOVERNANCE COSTS**

	Unrestricted funds	Restricted funds	Total funds	Total funds 13 months ended 2012
	2013 £	2013 £	2013 £	ended 2012 £
Auditors' remuneration	-	6,000	6,000	6,000
Auditors' non audit costs	2,900	10,650	13,550	5,987
Legal and Professional	-	-	-	12,527
Trustees training	-	1,415	1,415	-
Governance - wages and salaries	-	1,016	1,016	2,519
Governance - NI	-	82	82	34
Governance - pension costs	-	131	131	326
	<u>2,900</u>	<u>19,294</u>	<u>22,194</u>	<u>27,393</u>

**11 NET INCOMING RESOURCES**

This is stated after charging

	31 August 2013 £	13 months ended 31 August 2012 £
Depreciation of tangible fixed assets		
- owned by the charity	115,295	69,554
Auditors' remuneration	6,000	6,000
Auditors' remuneration - non-audit	13,550	5,987
	<u>135,845</u>	<u>81,541</u>

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**12. STAFF COSTS**

Staff costs were as follows

	<b>31 August 2013 £</b>	<b>13 months ended 31 August 2012 £</b>
Wages and salaries	<b>1,349,424</b>	<b>1,364,666</b>
Social security costs	<b>82,961</b>	<b>108,447</b>
Other pension costs	<b>207,341</b>	<b>206,572</b>
	<b><u>1,639,726</u></b>	<b><u>1,679,685</u></b>

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

	<b>31 August 2013 No.</b>	<b>13 months ended 31 August 2012 No</b>
Management	<b>2</b>	<b>2</b>
Teachers	<b>25</b>	<b>22</b>
Administrative and other support staff	<b>28</b>	<b>24</b>
	<b><u>55</u></b>	<b><u>48</u></b>

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

	<b>31 August 2013 No</b>	<b>13 months ended 31 August 2012 No</b>
In the band £60,001 - £70,000	<b>0</b>	<b>1</b>
In the band £70,001 - £80,000	<b>1</b>	<b>0</b>
	<b><u>1</u></b>	<b><u>1</u></b>

The above employee participated in the Teachers' Pension Scheme Annual equivalent pension contributions during the period ended 31 August 2012 for this staff member amounted to £10,009 (2012 £9,532)



**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**13 TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 5 Trustees (2012 5) in respect of defined contribution pension schemes

During the year, no Trustees received any benefits in kind (2012 £NIL)

During the year, no Trustees received any reimbursement of expenses (2012 £NIL)

Principal and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal or staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees

S Rowe, the Principal, received remuneration over the year of £71,275 (13 months ended 2012 £73,099) and received £10,009 (13 months ended 2012 £10,307) in respect of contributions for defined benefit pension scheme over the same period. The value of staff Trustees remuneration and pension contributions in respect of defined benefit pension schemes over the year fell into £5,000 bandings as follows: S Sage £55,000 - £60,000 (13 months ended 2012 £60,000 - £65,000), C Daplyn £35,000 - £40,000, L Craig £40,000 - £45,000 (13 months ended 2012 £45,000 - £50,000) and S Geen £15,000 - £20,000 (13 months ended 2012 £15,000 - £20,000)

**14. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,827 (2012 £1,827)

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

**15. TANGIBLE FIXED ASSETS**

	Long Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2012	3,931,515	44,564	2,666	3,978,745
Additions	386,378	7,835	101,980	496,193
At 31 August 2013	4,317,893	52,399	104,646	4,474,938
<b>DEPRECIATION</b>				
At 1 September 2012	59,974	8,913	667	69,554
Charge for the year	84,142	10,480	20,673	115,295
At 31 August 2013	144,116	19,393	21,340	184,849
<b>NET BOOK VALUE</b>				
At 31 August 2013	4,173,777	33,006	83,306	4,290,089
At 31 August 2012	3,871,541	35,651	1,999	3,909,191

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**16. DEBTORS**

	2013 £	2012 £
Prepayments and accrued income	175,114	169,253
VAT recoverable	60,818	11,819
	<u>235,932</u>	<u>181,072</u>

**17. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Trade creditors	934	-
Taxation and social security	24,615	22,796
Other creditors	19,959	20,200
Accruals and deferred income	72,850	121,989
	<u>118,358</u>	<u>164,985</u>

**18. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
Early Years Single Funding Formula (EYSFF)	36,309	132,615	(89,010)	-	-	79,914
Other unrestricted funds	140,331	121,536	(97,585)	-	-	164,282
	<u>176,640</u>	<u>254,151</u>	<u>(186,595)</u>	<u>-</u>	<u>-</u>	<u>244,196</u>

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**18 STATEMENT OF FUNDS (continued)**

**RESTRICTED FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	216,212	1,786,148	(1,695,989)	(108,644)	-	197,727
Special Education Needs (SEN)	-	43,714	(43,714)	-	-	-
Pupil premium	-	58,237	(58,237)	-	-	-
Healthy schools grant	2,242	-	(808)	-	-	1,434
Other restricted funds	-	24,738	(24,738)	-	-	-
Educational visits	-	40,713	(40,713)	-	-	-
Pension reserve	(625,000)	-	(37,000)	-	26,000	(636,000)
	<u>(406,546)</u>	<u>1,953,550</u>	<u>(1,901,199)</u>	<u>(108,644)</u>	<u>26,000</u>	<u>(436,839)</u>

**RESTRICTED FIXED ASSET FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	3,737,111	-	(64,631)	-	-	3,672,480
Fixed assets purchased from GAG and other restricted funds	10,980	-	(3,941)	82,339	-	89,378
DfE/EFA Capital grants	53,617	9,226	(22,554)	-	-	40,289
Capital Maintenance Fund	128,076	397,931	(24,169)	26,305	-	528,143
	<u>3,929,784</u>	<u>407,157</u>	<u>(115,295)</u>	<u>108,644</u>	<u>-</u>	<u>4,330,290</u>
Total restricted funds	<u>3,523,238</u>	<u>2,360,707</u>	<u>(2,016,494)</u>	<u>-</u>	<u>26,000</u>	<u>3,893,451</u>
Total of funds	<u>3,699,878</u>	<u>2,614,858</u>	<u>(2,203,089)</u>	<u>-</u>	<u>26,000</u>	<u>4,137,647</u>

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

**RESTRICTED FUNDS**

The General Annual Grant (GAG) represents funding received from the Education Funding Agency (EFA) during the period in order to fund the continuing activities of the school

Special Education Needs (SEN) funding is received from the EFA to cater for pupils with learning difficulties and other disabilities

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**18. STATEMENT OF FUNDS (continued)**

Pupil premium funding represents amounts received from the EFA to cater for disadvantaged pupils

Healthy schools grant is funding from Bristol City Council and the NHS to enable the Academy to be proactive in encouraging pupil wellbeing

Other restricted funds represents amounts received from various bodies and includes income under the following initiatives, Collaborative fund, low paid staff

Educational visits relates to contributions received by parents towards the cost of specific educational visits in the period

Pension reserve represents the academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which were inherited on conversion to an Academy. The Academy is following the recommendations of an actuary to reduce the deficit by making additional contributions over a number of years.

**RESTRICTED FIXED ASSET FUNDS**

Fixed assets transferred on conversion represent the building and equipment donated to the school from Bristol City Council on conversion to an Academy.

Fixed assets purchased from GAG represent amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/EFA Capital grants represents devolved capital funding received for the period.

Capital Maintenance grant represents funding received from the Academies Capital Maintenance Fund.

**TRANSFERS BETWEEN FUNDS**

The transfer from the restricted fund to the restricted fixed asset fund represents the total capital expenditure from General Annual Grant (GAG) during the period.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

**SUMMARY OF FUNDS**

	<b>Brought Forward</b>	<b>Incoming resources</b>	<b>Resources Expended</b>	<b>Transfers in/out</b>	<b>Gains/ (Losses)</b>	<b>Carried Forward</b>
	£	£	£	£	£	£
General funds	176,640	254,151	(186,595)	-	-	244,196
Restricted funds	(406,546)	1,953,550	(1,901,199)	(108,644)	26,000	(436,839)
Restricted fixed asset funds	3,929,784	407,157	(115,295)	108,644	-	4,330,290
	<u>3,699,878</u>	<u>2,614,858</u>	<u>(2,203,089)</u>	<u>-</u>	<u>26,000</u>	<u>4,137,647</u>

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds 13 months ended 2012
	2013 £	2013 £	2013 £	2013 £	ended 2012 £
Tangible fixed assets	-	-	4,290,089	4,290,089	3,909,191
Current assets	264,396	236,318	101,201	601,915	580,672
Creditors due within one year	(20,200)	(37,157)	(61,000)	(118,357)	(164,985)
Provisions for liabilities and charges	-	(636,000)	-	(636,000)	(625,000)
	<u>244,196</u>	<u>(436,839)</u>	<u>4,330,290</u>	<u>4,137,647</u>	<u>3,699,878</u>

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	31 August 2013 £	13 months ended 31 August 2012 £
Net incoming resources before revaluations	411,769	3,752,878
Returns on investments and servicing of finance	(930)	(340)
Net assets transferred on conversion	-	(3,529,762)
Depreciation of tangible fixed assets	115,295	69,554
Capital grants from DfE	(407,158)	(186,837)
Increase in debtors	(54,860)	(181,072)
(Decrease)/increase in creditors	(46,627)	164,985
Defined benefit pension scheme adjustments	37,000	31,000
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u>54,489</u>	<u>120,406</u>

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	31 August 2013 £	13 months ended 31 August 2012 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	<u>930</u>	<u>340</u>

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	31 August 2013 £	13 months ended 31 August 2012 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(496,193)	(177,224)
Capital grants from DfE	407,158	186,837
<b>NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE</b>	<u>(89,035)</u>	<u>9,613</u>

**22. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	399,600	(33,616)	-	365,984
<b>NET FUNDS</b>	<u>399,600</u>	<u>(33,616)</u>	<u>-</u>	<u>365,984</u>

**23 MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

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**24. PENSION COMMITMENTS**

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

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

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

**Teachers' Pension Scheme**

**Introduction**

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

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

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

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**24 PENSION COMMITMENTS (continued)**

**Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

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

**Teachers' Pension Scheme Changes**

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

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

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

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



**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**24. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £100,000, of which employer's contributions totalled £75,000 and employees' contributions totalled £25,000. The agreed contribution rates for future years are 12.9% for employers and 5.5 - 7.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	<b>31 August 2013</b>	13 months ended 31 August 2012
	£	£
Present value of funded obligations	<b>(985,000)</b>	(886,000)
Fair value of scheme assets	<b>349,000</b>	261,000
Net liability	<b><u>(636,000)</u></b>	<b><u>(625,000)</u></b>

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

	<b>31 August 2013</b>	13 months ended 31 August 2012
	£	£
Current service cost	<b>(88,000)</b>	(75,000)
Interest on obligation	<b>(40,000)</b>	(43,000)
Expected return on scheme assets	<b>16,000</b>	13,000
Total	<b><u>(112,000)</u></b>	<b><u>(105,000)</u></b>

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**24 PENSION COMMITMENTS (continued)**

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

	<b>31 August 2013 £</b>	<b>13 months ended 31 August 2012 £</b>
Opening defined benefit obligation	<b>886,000</b>	-
Current service cost	<b>88,000</b>	75,000
Interest cost	<b>40,000</b>	43,000
Contributions by scheme participants	<b>25,000</b>	25,000
Actuarial Losses	-	47,000
Benefits paid	<b>(54,000)</b>	-
Liability transferred on conversion	-	696,000
	<hr/>	<hr/>
Closing defined benefit obligation	<b>985,000</b>	886,000
	<hr/>	<hr/>

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

	<b>31 August 2013 £</b>	<b>13 months ended 31 August 2012 £</b>
Opening fair value of scheme assets	<b>261,000</b>	-
Expected return on assets	<b>16,000</b>	13,000
Actuarial gains and (losses)	<b>26,000</b>	(6,000)
Contributions by employer	<b>75,000</b>	74,000
Contributions by employees	<b>25,000</b>	25,000
Benefits paid	<b>(54,000)</b>	-
Asset transferred on conversion	-	155,000
	<hr/>	<hr/>
	<b>349,000</b>	261,000
	<hr/>	<hr/>

The cumulative amount of actuarial losses recognised in the Statement of total recognised gains and losses was £27,000 (2012 £53,000)

The Academy expects to contribute £77,000 to its Defined benefit pension scheme in 2014

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

	<b>2013</b>	<b>2012</b>
Equities	<b>64.50 %</b>	58.50 %
Bonds	<b>19.50 %</b>	24.50 %
Property	<b>7.10 %</b>	7.40 %
Cash	<b>1.80 %</b>	1.80 %
Other	<b>7.10 %</b>	7.80 %

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**24. PENSION COMMITMENTS (continued)**

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

	2013	2012
Discount rate for scheme liabilities	4.50 %	4.30 %
Expected return on scheme assets at 31 August	5.89 %	5.53 %
Rate of increase in salaries	3.90 %	3.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.20 %
Inflation assumption (CPI)	2.40 %	2.20 %

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

	2013	2012
Retiring today		
Males	22.9	22.8
Females	25.9	25.7
Retiring in 20 years		
Males	25.2	25.1
Females	28.2	28.1

Amounts for the current and previous period are as follows

Defined benefit pension schemes

	2013 £	2012 £
Defined benefit obligation	(985,000)	(886,000)
Scheme assets	349,000	261,000
Deficit	(636,000)	(625,000)
Experience adjustments on scheme liabilities	-	(47,000)
Experience adjustments on scheme assets	26,000	(6,000)

**25. OPERATING LEASE COMMITMENTS**

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

	2013 £	2012 £
<b>EXPIRY DATE:</b>		
Between 2 and 5 years	2,991	2,991

**WAYCROFT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

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**26. RELATED PARTY TRANSACTIONS**

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

No such transactions have occurred during the current period.

**27. CONTROLLING PARTY**

The company is under the joint control of the Trustees. There is no ultimate controlling party.