

SHERINGHAM ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 31 AUGUST 2012



A14 *A1O23S2Q* #253
18/12/2012
COMPANIES HOUSE

Company registration number:
07800153 (England and Wales)

SHERINGHAM ACADEMY TRUST

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SHERINGHAM ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISORS

Governors (Trustees):	Gill Baker Martin Adams Penelope Bevan-Jones David Brown Christine Candlish Sonya Fassih Brian Hannah Ruth Holt Miles Howard Patricia McLaren Timothy Roderick Charles Tucker Constance Tyce	(Chair of Governors) (Community Governor) (Community Governor) (Community Governor) (Parent Governor) (Parent Governor) (Community Governor) (Parent Governor) (Staff Governor) (Parent Governor) (Headteacher) (Community Governor) (Community Governor)
Company Secretary	Jo Knowlden	(Business Manager)
Leadership Team:	Tim Roderick Jayne Melhuish Andrew Richardson Adam Gibson Annmarie Sizer Janet Terry	(Headteacher) (Assistant Headteacher) (Assistant Headteacher) (Assistant Headteacher) (Senior Teacher) (Inclusion Manager)
Registered office:	Sheringham High School Holt Road Sheringham Norfolk NR26 8ND	
Company registration number:	7800153 (England and Wales)	
Auditor:	Lovewell Blake LLP Chartered Accountants and Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB	
Bankers:	HSBC 29A Church Street Cromer Norfolk NR27 9ES	
Solicitors:	Browne Jacobson LLP 44 Castle Gate Nottingham NG1 7NJ	

SHERINGHAM ACADEMY TRUST

REPORT OF THE GOVERNORS for the period ended 31 August 2012

The Governors present their report and audited financial statements for the period ended 31 August 2012

Report of the Governors

The Governors (who are Governors under the Academies Act 2010, Trustees under the Charities Act 2011 and Directors under the Companies Act 2006) present their annual report together with the financial statements of the charitable company for the period to 31 August 2012. The report has been prepared in accordance with the Charities Act 2011.

Sheringham Academy Trust was incorporated on 6 October 2011 and the Academy commenced on 1 November 2011.

The financial statements have been prepared in accordance with the accounting policies on pages 18 to 20 of the attached financial statements, and comply with the Memorandum and Articles of Association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' as issued in March 2005 ('SORP 2005') and the Academies Financial Handbook.

Structure, governance and management

Constitution

Sheringham Academy Trust is a company limited by guarantee with no share capital (registration no 7800153). The Company's Memorandum and Articles of Association dated are the prime governing documents of the Academy and are part of the Funding Agreement between the Company and the Secretary of State for Education.

Members' liability

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

Governors' indemnities

Since the incorporation of the Charitable Company on 6 October 2011 the Governors (directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in Note 12 to the Financial Statements the limit of this indemnity is £3,000,000.

Method of Recruitment and Appointment or Election of governors

The overall management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Academy's Memorandum and Articles of Association. The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected. The governors who were in office at 31 August 2012 are listed on page 1. Kerry Lowe resigned in December 2011. Patricia Harding, Paul Moss and Lisa Harvey resigned in September 2012 and Keith Wood resigned in November 2012.

SHERINGHAM ACADEMY TRUST

REPORT OF THE GOVERNORS for the period ended 31 August 2012

Structure, governance and management (continued)

Organisational structure

The Academy's organisational structure consists of two levels. The Governing Body and the Leadership team, who are responsible for the day-to-day management and operation of the school.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments.

The governing body is responsible for the curriculum of the Academy, the conduct of students, the buildings and grounds and for monitoring and evaluating all aspects of the Academy and its performance on a regular and systematic basis.

The Governing body works through three main committees: Finance and General Purposes, Curriculum and Personnel, each of which is linked to a member of the Leadership team. There are also standing committees which include the Exclusions committee. All have approved terms of reference set out in the Governing Body Standing Orders. An approved scheme of financial delegation and a Financial Management policy clearly sets out the level of financial authority delegated to the Headteacher and members of the leadership team and the Business Manager.

The Leadership team is responsible for the day-to-day running of the Academy and takes overall responsibility for all aspects of school development, management and co-ordination, in particular organising the teaching staff, facilities and students.

The Leadership team is supported by four Heads of Learning, who line manage the Heads of Subject in their curriculum areas. The Leadership team, Heads of Learning and Heads of Subjects have delegated budget management responsibilities.

Risk management

The governors have responsibility to assess the strategic risks to which the Academy is exposed and have completed a risk management register.

Chief risks identified include:

- Deficit in the Local Authority Pension Scheme, possible increase in employer's contribution rates,
- Year-on-year reductions in the per capita funding for students at the Academy, following national changes to funding arrangements.

The governors are implementing a number of systems to assess risks that the Academy faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls and this is explained in more detail in this report.

SHERINGHAM ACADEMY TRUST

REPORT OF THE GOVERNORS for the period ended 31 August 2012

Structure, governance and management (continued)

Connected organisations, including related party relationships

The Academy has an interest in a charitable organisation, Sheringham Community Smallholding Ltd – also known as the Patch. The aim of the organisation is to provide a community smallholding project benefiting intergenerational community and school groups which will deliver training opportunities, the production and supply of healthy food, build community relationships and promote healthy physical, social and mental lifestyles through active engagement.

The Academy has an interest in Sheringham Woodfields School and its sixth form annexe, where certain facilities are shared and a lease has been granted to Norfolk County Council for this purpose.

The Academy purchased services from Norfolk County Council under normal business arrangements.

Objectives and activities

Object and Aims of the Academy

The Object of the Academy Trust Company is as follows: "The Academy Trust's object (**"the Object"**) is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum (**"the Academy"**), and to promote for the benefit of individuals living in Sheringham and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interest of social welfare and with the object of improving the condition of life of the said individuals."

The Academy aims to enable each student to develop fully his or her potential, irrespective of academic ability or social background.

The Academy offers a balanced and broadly based curriculum until the age of 16 and an 'A' Level curriculum from age 16 to 18. The Academy prepares children for external examination and subsequent entry to higher education in a very wide range of academic disciplines. Students are mainly drawn from the Norfolk area at age 11. As well as academic work, the Academy offers a successful programme of extra-curricular activities for students across the entire age range.

Objectives, Strategies and Activities

The Academy's Mission statement is:

To create an atmosphere of mutual respect and academic challenge in which individuals are encouraged to achieve their full potential within a secure and caring environment.

This is articulated through the following aims:

- Ensure all students are accorded equal regard and equality of opportunity
- Encourage a positive attitude to learning including increasing student's responsibility for their own learning
- Help all students to acquire respect for religious and moral values and an unprejudiced view of other ethnic groups, religions or ways of life
- Encourage the personal, social and moral development of every student including the nurturing of self-discipline, self-respect, a respect for others and the human and natural environment
- Help all students to develop a lively, enquiring mind and the ability to question and argue rationally and to foster habits of responsibility and self-discipline

SHERINGHAM ACADEMY TRUST

REPORT OF THE GOVERNORS for the period ended 31 August 2012

Objectives, Strategies and Activities (continued)

- Create a caring community, exercising concern and respect for the safety and welfare of others
- Provide a broad, balanced and relevant curriculum for all students
- Promote student and staff well-being
- Enable all students to fulfil their educational potential and to pursue excellence in preparation for work and leisure
- Help all students to acquire the skills and knowledge relevant to adult life and employment in a fast changing world
- Foster the notion of education as a continuous lifetime process
- Position the school at the heart of the community

Every individual who is part of the school, from the Headteacher to the youngest student is encouraged to behave, at all times and in all circumstances, with care, courtesy and consideration

Public Benefit

The key public benefit delivered by Sheringham High School is the maintenance and delivery of high quality education to the children of Norfolk and the surrounding areas and parishes

The Governors confirm that they have had due regard to the Charity Commission's guidance on public benefit

Achievements and performance

Examination results in 2012 demonstrated that the Academy is a high performing school, with GCSE results above Norfolk and national averages. The school is currently judged "Good" in all categories by Ofsted. See the following websites for the School's achievements

- DfE <http://www.education.gov.uk/schools/performance/index.html> and,
- Ofsted www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/ELS/121214

Going concern

After making appropriate enquiries, the Governing Body 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 Statement of Accounting Policies.

Key Financial Performance Indicators

The Academy met its aims and objectives within the grant income received for the period. The effective management of cash flow and scheduling of capital expenditure meant that the Academy's cash balances were never exceeded by commitments.

SHERINGHAM ACADEMY TRUST

REPORT OF THE GOVERNORS for the period ended 31 August 2012

Financial review

Most of the Academy's income is obtained from the Department for Education via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities, on page 15.

From 1 November 2011, the assets, liabilities and funds of the Governing Body of Sheringham High School were transferred to the Academy.

During the period ended 31 August 2012, total expenditure of £3,639,053 was covered by recurrent grant funding together with other incoming resources and cash balances held on transfer to Academy status.

Reserves Policy

The Governors' Finance Committee has reviewed reserve levels and believes that they should provide sufficient working capital to cover delays between spending and receipt of grants to allow for unexpected situations such as urgent maintenance work.

Reserves from the Academy's first 10 months of operation are intended to be used to establish a prudent level of general reserves to manage risks and unforeseen costs in the future. They will also be used to allow phased and controlled repair, maintenance and replacement of its aging and life expired infrastructure.

As at 31 August 2012 the Academy had free reserves of £148,667, calculated as net assets shown in note 17.

Investment Policy

With the exception of cash held for the operation of the Academy, Sheringham Academy Trust, has no realisable investments as at 31 August 2012. The Governing Body has adopted a low risk strategy to cash holdings operating an interest bearing account with the Academy's bankers. It is the intention to invest any surplus funds in low risk short-term bank deposits.

Plans for future periods

Each year Governors adopt a school improvement and development plan (available on request) that details the aims and objectives over the coming academic years.

Auditors

Lovewell Blake LLP were appointed as auditors during the period and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The report of the Governors was approved by the Governors on their behalf by

27/11/12

and signed on



Gill Baker
Chair of Governors

SHERINGHAM ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Sheringham 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 governing body has delegated the day-to-day responsibility to the head teacher, 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 Sheringham Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities. The Full Governing Body has formally met three times during the year.

Attendance during the period at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Constance Tyce (Community Governor)	2	3
Charles Tucker (Community Governor)	3	3
Sonya Fassih (Parent Governor)	2	3
Ruth Holt (Parent Governor)	2	3
Martin Adams (Community Governor)	2	3
Brian Hannah (Community Governor)	1	3
Keith Wood (Staff Governor)	2	3
Patricia Harding (Staff Governor)	1	3
Miles Howard (Staff Governor)	1	3
Paul Moss (Community Governor)	2	3
Penelope Bevan-Jones (Community Governor)	3	3
Lisa Harvey (Parent Governor)	2	3
Kerry Lowe (Parent Governor)	1	2
Patricia McLaren (Parent Governor)	3	3
Christine Candlish (Parent Governor)	1	3
David Brown (Community Governor)	3	3
Gill Baker (Chair of Governors)	3	3
Timothy Roderick (Headteacher)	3	3

There are currently two parent governor vacancies which are in the process of being filled.

SHERINGHAM ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

The finance and general purpose committee is a committee of the main governing body. Its purpose is to review and plan the strategic financial planning and expenditure of the academy budget.

Attendance at Finance Committee meetings in the period from 1 November 2011 to 31 August 2012 was as follows:

Governor	Meetings attended	Out of a possible
David Brown (Chairman)	5	5
Martin Adams	3	5
Gill Baker	5	5
Trish McClaren	4	5
Charles Tucker	5	5
Brian Hannah	3	5
Christine Candlish	1	5

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The Risk and Control Framework

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

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

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Bruce Carman, Business Manager for Cromer Academy Trust, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

SHERINGHAM ACADEMY TRUST

GOVERNANCE STATEMENT

Review of Effectiveness

As accounting officer, Tim Roderick, has responsibility for reviewing the effectiveness of the system of internal control

During the year in question the review has been informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy trust who have responsibility for the development
- and maintenance of the internal control framework

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

Approved by order of members of the Governing Body on its behalf by



Gill Baker
Chair of Governors

27/11/12

and signed on



Tim Roderick
Accounting Officer

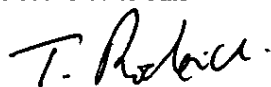
SHERINGHAM ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



27/11/12

Tim Roderick
Accounting Officer

SHERINGHAM ACADEMY TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as Trustees for charitable activities of Sheringham Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Requirements 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of 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 Governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy 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 Governors 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 charitable purposes

The Governors 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 Governing Body on
behalf by

27/11/12

and signed on its



Gill Baker
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHERINGHAM ACADEMY TRUST

We have audited the financial statements of Sheringham Academy Trust for the period ended 31 August 2012 on pages 15 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Governors' Responsibilities Statement set out on page 11, the Governors (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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Academy's affairs as at 31 August 2012, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors for the period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or 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 governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHERINGHAM ACADEMY TRUST
(continued)**

Opinion on other matters prescribed by the Academy's funding agreement with the Secretary of State for Education

- The financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Education in respect of the relevant financial period,
- Proper accounting records have been kept, and
- Grants made by the Department of Education have been applied for the purposes intended
- Grants made by the Education Funding Agency have been applied for the purposes intended

MARK PROCTOR ACA DChA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

13/12/12

**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF
SHERINGHAM ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 3 February 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 6 October 2011 to 31 August 2012 have been applied to the purposes identified by parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the governing body and auditors

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's financial handbook and accounts direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 6 October 2011 to 31 August 2012 have not been applied to purposes intended by parliament and the financial transactions do not conform to the authorities which govern them.

Basis of opinion

We conducted our review in accordance with the academies handbook and the accounts direction issued by the EFA.

Opinion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 6 October 2011 to 31 August 2012 has not been applied to purposes intended by parliament and the financial transactions do not conform to the authorities which govern them.

MARK PROCTOR ACA DChA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

13/12/12

SHERINGHAM ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES for the period ended 31 August 2012
(including Income and expenditure account)

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2012 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	9,060,861	(215,000)	71,466	8,917,327
Activities for generating funds	3	20,770	-	-	20,770
Investment income	4	4,350	-	-	4,350
Incoming resources from charitable activities					
Funding for the Academy's educational operations	5	-	3,632,037	-	3,632,037
Catering income		71,126	-	-	71,126
Total incoming resources		9,157,107	3,417,037	71,466	12,645,610
Resources expended					
Charitable activities					
Academy's educational operations	7	343,005	3,107,138	136,469	3,586,612
Governance costs	8	-	52,441	-	52,441
Total resources expended	6	343,005	3,159,579	136,469	3,639,053
Net outgoing resources before transfers		8,814,102	257,458	67,487	9,006,557
Transfers between funds	16	-	(142,331)	142,331	-
Net incoming resources before other recognised gains and losses		8,814,102	115,127	77,328	9,006,557
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	16/25	-	(71,000)	-	(71,000)
Funds carried forward at 31 August 2012	16	8,814,102	44,127	77,328	8,935,557

All of the Academy's activities derive from continuing operations during the financial period

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

The notes on pages 18 to 32 form part of these financial statements

SHERINGHAM ACADEMY TRUST**BALANCE SHEET at 31 August 2012**

	Note	£	2012 £
Fixed Assets			
Tangible Assets	13		8,818,552
Current Assets			
Debtors	14	76,642	
Cash at bank and in hand		<u>735,520</u>	
		812,162	
Current liabilities			
Creditors Amounts falling due within one year	15	<u>404,157</u>	
Net current assets			<u>408,005</u>
Net assets excluding pension liability			9,226,557
Pension scheme liability	25		<u>(291,000)</u>
Net assets including pension liability	16		<u>8,935,557</u>
Funds			
Restricted funds			
Restricted fixed asset fund	16		77,328
Restricted funds	16		335,127
Pension reserve	16		<u>(291,000)</u>
			121,455
Unrestricted funds			
General fund	16		<u>8,814,102</u>
			<u>8,935,557</u>

The financial statements were approved by the Governors, and authorised for issue on
and are signed on their behalf by

27/11/12.

G.P. Baker

Gill Baker
Chair of Governors

The notes on pages 18 to 32 form part of these financial statements

SHERINGHAM ACADEMY TRUST

CASH FLOW STATEMENT for the period ended 31 August 2012

	Notes	2012 £
Net cash flow from operating activities	20	483,306
Returns on investments and servicing of finance	21	4,350
Capital expenditure	22	<u>(131,353)</u>
Increase in cash in the period	23	356,303
Reconciliation of net cash flow to movement in net funds		
Cash transferred from Sheringham High School at 1 November 2011	23	<u>196,733</u>
Net funds at 31 August 2012	23	<u>553,036</u>

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

1. Statement of accounting policies

a) Basis of preparation

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

b) Going concern

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

c) Incoming resources

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

Grants receivable

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

Donations

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

Donated services and gifts in kind

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

Interest receivable

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

Other income

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

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

1. Statement of accounting policies (continued)

d) 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 charged allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred relating to activities to generate funds.

Charitable activities

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

Governance costs

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

e) Tangible fixed assets

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

f) Depreciation

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

Freehold buildings	2% straight line
Fixtures and fittings	15% straight line
Motor vehicles	25% straight line
Computer equipment and software	25% straight line

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

g) Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

1. Statement of accounting policies (continued)

h) 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.

i) Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective method. As stated in note 25, 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.

Local Government Pension Scheme

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

J) 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 Governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency (Department of Education) and other donors which are to be used for specific purposes.

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

1A. GENERAL ANNUAL GRANT (GAG)	2012 £
a Results and Carry Forward for the Year	
GAG allocation for current year	<u>3,167,903</u>
Total GAG available to spend	3,167,903
Recurrent expenditure from GAG	(2,690,445)
Fixed assets purchased from GAG	<u>(142,331)</u>
GAG carried forward to next year	<u>335,127</u>

GAG carried forward to next year is intended to be used to establish a prudent level of reserves to manage risks and unforeseen costs. It will also be used to allow phased and controlled repair, maintenance and replacement of the Academy's aging and life expired infrastructure.

2 VOLUNTARY INCOME	Unrestricted £	Restricted £	2012 £
Assets transferred from Sheringham High School on conversion	9,052,810	(169,277)	8,883,533
DfE/EFA Capital Grants	-	25,743	25,743
Donations	8,050	-	8,050
	<u>9,060,861</u>	<u>(143,534)</u>	<u>8,917,327</u>

3 ACTIVITIES FOR GENERATING FUNDS	Unrestricted £	Restricted £	2012 £
Hire of facilities	20,717	-	20,717
Other income	53	-	53
	<u>20,770</u>	<u>-</u>	<u>20,770</u>

4. INVESTMENT INCOME	Unrestricted £	Restricted £	2012 £
Bank interest	4,350	-	4,350

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

5 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Note	Unrestricted £	Restricted £	2012 £
DfE/EFA revenue grants				
• General Annual Grant (GAG)	1A	-	3,167,903	3,167,903
• Start up grant		-	25,000	25,000
• Other DfE/EFA Grants		-	285,474	285,474
		-	3,478,377	3,478,377
Other Government grants				
• Local authority grants		-	153,661	153,661
		-	3,632,037	3,632,037

6. RESOURCES EXPENDED

	Note	Staff costs £	Depreciation £	Other costs £	Total 2012 £
Charitable activities:					
Academy's educational operations					
• Direct costs		2,354,866	240,344	234,994	2,830,204
• Allocated support costs		215,102	-	536,306	751,408
• FRS17 pension costs		5,000	-	-	5,000
Governance costs including allocated support costs	8	-	-	52,441	52,441
		2,574,968	240,344	823,741	3,639,053

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

7 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Note	Unrestricted £	Restricted £	2012 £
Direct costs				
Teaching and educational support staff costs		-	2,354,866	2,354,866
Depreciation		236,365	3,979	240,344
Educational supplies		-	151,109	151,109
Examination fees		-	68,213	68,213
Staff development		-	13,905	13,905
Other direct costs		-	1,767	1,767
		<u>236,365</u>	<u>2,593,839</u>	<u>2,830,204</u>
Allocated support costs				
Support staff costs		-	215,102	215,102
Recruitment and support		-	2,759	2,759
Maintenance of premises and equipment		-	220,117	220,117
Cleaning		-	57,438	57,438
Rent and rates		-	13,459	13,459
Heat and light		-	44,846	44,846
Insurance		-	34,882	34,882
Security and transport		-	15,298	15,298
Catering		106,640	-	106,640
Bank interest and charges		-	549	549
Other support costs		-	40,318	40,318
		<u>106,640</u>	<u>644,768</u>	<u>751,408</u>
FRS17 Pension costs			5,000	5,000
		<u>343,005</u>	<u>3,243,607</u>	<u>3,586,612</u>

8 GOVERNANCE COSTS

	Note	Unrestricted £	Restricted £	2012 £
Legal and professional fees		-	46,191	46,191
Auditors remuneration		-	6,250	6,250
		<u>-</u>	<u>52,441</u>	<u>52,441</u>

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

9. INCOMING RESOURCES FOR THE YEAR INCLUDE

	2012 £
Operating leases	14,632
Fees payable to auditor (note 8)	<u>6,250</u>

10. STAFF COSTS

	2012 £
Staff costs during the period were	
Wages and salaries	2,130,216
Social security costs	147,080
Pension costs	220,672
FRS17 pension costs	<u>72,000</u>
	<u>2,574,968</u>

The average number of persons (including senior management team) employed by the Academy during the period ended 31 August 2012, expressed as full time equivalents, was as follows

	2012 No
Charitable Activities	
Teachers, management, administration and support	<u>77</u>

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

	2012 No.
£70,001 - £80,000	1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for this staff member amounted to £9,756

11. GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy in respect of their role as Governors. The value of the Principal's remuneration was £69,188 in the period ended 31 August 2012. The value of staff Governor's remuneration was £76,900.

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides maximum cover up to £3,000,000 and the cost for the period 1 November 2011 to 31 August 2012 was £845.

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

13 TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Fixtures & fittings, Computer equipment £	Motor vehicles £	Total 2012 £
Cost				
Assets transferred at 1 November 2011	8,148,300	752,500	1,000	8,901,800
Additions	73,465	83,631	-	157,096
At 31 August 2012	<u>8,221,765</u>	<u>836,131</u>	<u>1,000</u>	<u>9,058,896</u>
Depreciation				
Charged in period	131,541	108,595	208	240,344
At 31 August 2012	<u>131,541</u>	<u>108,595</u>	<u>208</u>	<u>240,344</u>
Net book values				
At 31 August 2012	<u>8,090,224</u>	<u>727,536</u>	<u>792</u>	<u>8,818,552</u>

All assets are used for educational purposes

Fixed assets were transferred to the Academy on 1 November 2011. Freehold land was valued at an estimated £20,000 per acre and the buildings valuation was based on the rebuilding costs, as calculated for insurance purposes and then discounted based on the age of each block of buildings. The valuation of other fixed assets was based on the insurance value and then discounted based on the average age of each category of asset.

14 DEBTORS

	2012 £
Trade debtors	15,283
Prepayments and accrued income	7,755
Other debtors	<u>53,604</u>
	<u>76,642</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £
Trade creditors	255,510
Taxation and social security	61,459
Other creditors	26,600
Accruals and deferred income	<u>60,588</u>
	<u>404,157</u>

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

16. FUNDS

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2012 £
Restricted funds				
General Annual Grant (GAG)	3,167,903	(2,690,445)	(142,331)	335,127
Start up Grant A	25,000	(25,000)	-	-
Other DfE/EFA grants	439,134	(439,134)	-	-
Pension reserve	(215,000)	(5,000)	(71,000)	(291,000)
	<u>3,417,037</u>	<u>(3,159,579)</u>	<u>(213,331)</u>	<u>44,127</u>
Restricted fixed asset funds				
DfE/EFA capital grants	71,466	(136,469)	142,331	77,328
	<u>71,466</u>	<u>(136,469)</u>	<u>142,331</u>	<u>77,328</u>
Total restricted funds	<u>3,488,503</u>	<u>(3,296,048)</u>	<u>(71,000)</u>	<u>121,455</u>
Unrestricted funds				
General fund	9,157,107	(343,005)	-	8,814,102
Total unrestricted funds	<u>9,157,107</u>	<u>(343,005)</u>	<u>-</u>	<u>8,814,102</u>
Total funds	<u>12,645,610</u>	<u>(3,639,053)</u>	<u>(71,000)</u>	<u>8,935,557</u>

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

GAG, Start up & other DfE/EFA grants the restricted income fund is for the purpose of specific expenditure within the Academy's declared objectives. DfE grants relate to government funding for the provision of education by the Academy. Funding is repayable if the Academy does not meet all funding requirements.

DfE/EFA capital grants provided by the government for specific capital projects.

Pension reserve represents Academy's liability relating to the Local Government Pension Scheme.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2012 are represented by

	Unrestricted £	Restricted funds £	Pension Liability £	Restricted fixed asset funds £	Total 2012 £
Tangible fixed assets	8,665,435	-	-	153,117	8,818,552
Net current assets	148,667	335,127	-	(75,789)	408,005
Pension scheme liability	-	-	(291,000)	-	(291,000)
	<u>8,814,102</u>	<u>335,127</u>	<u>(291,000)</u>	<u>77,328</u>	<u>8,935,557</u>

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

18. FUND TRANSFERS

Funds transferred from Sheringham High School, following conversion to Academy Status

	£
Fixed assets	8,901,800
Cash at bank and in hand	196,733
Pension scheme liability	<u>(215,000)</u>
	<u>8,883,533</u>
	£
General reserves	9,052,810
Pension reserve	<u>(215,000)</u>
Restricted reserves	<u>45,723</u>
	<u>8,883,533</u>

19. LEASE COMMITMENTS

Operating leases

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as follows

	2012 £
Assets other than land and buildings	
Operating leases which expire	
Within two to five years	14,830
More than five years	<u>4,465</u>
	<u>19,294</u>

At 31 August 2012 the Academy had a 13 year lease in respect of land used for the purpose of a School playing field, the consideration for this lease is nil and therefore there is no annual commitment

20. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £
Net surplus	9,006,557
Assets transferred on conversion	(8,883,533)
Depreciation (note 13)	240,344
Capital grants from DfE and other capital income	(25,743)
Interest receivable (note 4)	(4,350)
FRS17 pension cost less contributions payable (note 26)	72,000
FRS17 pension finance income (note 26)	(67,000)
Increase in debtors	(259,126)
Increase in creditors	<u>404,157</u>
Net cash inflow from operating activities	<u>483,306</u>

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

21. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012
	£
Interest received	4,350
Net cash inflow from returns on investment and servicing of finance	4,350

22. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2012
	£
Capital grants from DfE/EFA	25,743
Capital expenditure	(157,096)
Net cash outflow from capital expenditure and financial investment	(131,353)

23. ANALYSIS OF CHANGES IN NET FUNDS

	Transferred at 1 November 2011 £	Cash flows £	At 31 August 2012 £
Cash in hand and at bank	196,733	356,303	553,036

24. MEMBERS' LIABILITY

Each member of the Academy undertakes to contribute to the assets of the Academy 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

25. PENSION AND SIMILAR OBLIGATIONS

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

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

There were no outstanding or prepaid contributions at the end of the financial period

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

25 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Teachers Pension Scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teachers' Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 November 2011 to 31 August 2012 the employer contribution was 14.1%. The employee rate was 6.4% for the same period.

Under the definitions set out in Financial Reporting Standard (FRS17) 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 FRS17 and 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 and the implications for the Academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2012 was £88,000 of which employer's contributions totalled £67,000 and employees' contributions totalled £21,000.

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

25. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Principal Actuarial Assumptions

	At 31 August 2012
	%
Salary increase rate	4.5
Pension increase rate	2.2
Expected return on assets	4.8
Discount rate	4.1

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

Current pensioners

Males	21.2 years
Females	23.4 years

Future pensioners

Males	23.6 years
Females	25.8 years

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

	Expected return at 31 August 2012	Fair value at 31 August 2012
	%	£
Equities	5.5	302,000
Bonds	3.6	99,000
Property	3.7	57,000
Cash	2.8	14,000
Total market value of assets		472,000
Present value of scheme liabilities – funded		(763,000)
Deficit in the scheme		(291,000)

The actuarial loss on scheme assets was £71,000

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

25 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

	2012 £
Current service cost (net of employee contributions)	<u>66,000</u>
Total operating charge	<u>66,000</u>
Analysis of pension finance income / (costs)	
Expected return on scheme assets	18,000
Interest on pension liabilities	<u>(24,000)</u>
Pension finance costs	<u>(6,000)</u>

Pension finance costs

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS17 is a £71,000 loss.

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

	2012 £
At 1 November 2011	562,000
Current service cost	66,000
Interest cost	24,000
Employee contributions	21,000
Actuarial loss	<u>90,000</u>
At 31 August 2012	<u>763,000</u>

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

	2012 £
At 1 November 2011	347,000
Expected return on assets	18,000
Actuarial gain	21,000
Employer contributions	67,000
Employee contributions	<u>19,000</u>
At 31 August 2012	<u>472,000</u>

The estimated value of employer contributions for the year ended 31 August 2013 is £82,000.

SHERINGHAM ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2012

26 RELATED PARTY TRANSACTIONS

During the year the academy paid expenses, totalling £22,780, on behalf of Sheringham Community Small Holding "The Patch," a charitable organisation in which the academy has an interest. The Academy received reimbursement in respect of these expenses amounting to £19,060 and at the balance sheet date was owed £3,720.

There were no other transactions which, in the opinion of the Governors, need to be reported for the purposes of a proper understanding of the accounts.