

**SYCAMORE ACADEMY  
(A Company Limited by Guarantee)  
ANNUAL REPORT & FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**Registered Number 07842293 (England and Wales)**



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COMPANIES HOUSE

**SYCAMORE ACADEMY**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2013**

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**SYCAMORE ACADEMY**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**PERIOD ENDED 31 AUGUST 2013**

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<b>Trustees</b>	R Walker (Chair) (appointed 10 July 2013) E Cole (Vice Chair) (appointed 1 August 2013) S Booth (resigned 31 July 2013) J Fry* K Clegg M Lee (resigned 1 January 2013) M Stokes (resigned 31 August 2013) R Huffadine (Staff Trustee) K Hardy (Staff Trustee) (appointed 1 September 2012) R Edwards (resigned 1 September 2012)* A Sharp (resigned 1 September 2012) M Semak* (resigned 1 October 2013) P Worley (Headteacher and Accounting Officer)* E Osman (appointed 10 July 2013)  * Members of the Finance, Personnel and General Purpose Committee
<b>Company Secretary</b>	A Picker
<b>Senior Management Team</b>	
Headteacher	P Worley
Deputy Headteacher	E Collins
Assistant Headteacher	E Young
Assistant Headteacher	D Haddon
Upper KS2 Co-Ordinator	J Colvin
SENCO	A Cross
<b>Principal and Registered Office</b>	Abbotsford Drive Nottingham Nottinghamshire NG3 4QP
<b>Company Registration Number</b>	07842293 (England and Wales)
<b>Independent Auditor</b>	Baker Tilly Audit Limited The Poynt 45 Wollaton Street Nottingham NG1 5FW
<b>Bankers</b>	Lloyds TSB plc Old Market Square Nottingham NG1 6FD
<b>Solicitors</b>	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

**SYCAMORE ACADEMY**  
**TRUSTEES' REPORT (*continued*)**  
**YEAR ENDED 31 AUGUST 2013**

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The Governors 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 Trust is a company limited by guarantee (registration number 07842293) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors act as the Trustees for the charitable activities of Sycamore Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Sycamore Academy.

Details of the directors and Trustees who served throughout the period are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

A Governor (Trustee) may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors 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 Trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of Trust or breach of duty or which was committed by the Governors 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 Governors in their capacity as directors of the Academy Trust.

Principal Activities

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.

Method of Recruitment and Appointment or Election of Trustees

Subject to Articles 48-49 and 64, the Academy Trust shall have the following Governors:

- a) Up to ten LEAD Governors appointed under Article 50
  - b) Up to two Staff Governors, appointed under Article 58a,
  - c) Four Parent Governors appointed under Articles 53-58,
  - d) The Head teacher,
  - e) The Executive Principal
- The LEAD Academy Trust can appoint up to 10 LEAD Trustees, but only if a "material event" detailed in the partnership agreement between the Academy Trust and the LEAD Academy Trust has been breached
  - The Head of School and the Executive Principal shall be treated as ex officio Trustees
  - Parent Governors shall be elected by parents of registered pupils at the Academy. The Governors shall make all necessary arrangements for, and determine all other matters, relating to the election of Parent Governors
  - The Secretary of State may appoint additional Trustees if the Trustees fail to comply with a Secretary of State warning notice or if the school falls 2 Ofsted grades

**SYCAMORE ACADEMY**  
**TRUSTEES' REPORT (*continued*)**  
**YEAR ENDED 31 AUGUST 2013**

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**Structure, Governance and Management (*continued*)**

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for each new Trustee will depend on their existing experience. The Academy Trust purchases support in that provides for individual and full Governing Body training through an annual Course Directory which is reviewed each year to reflect any changes in practice and legislation. The Academy Trust will perform an annual skills audit of governors, should any gaps be identified training courses are offered to address these issues.

Organisational Structure

Sycamore Academy is an individual Academy Trust and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors of the school are also the Trustees and directors of the Trust. This group sets the strategy for the Trust and monitors and challenges the progress at regular meetings. A sub group of the governors also meet as the finance committee 3 times per annum and they have a role of reviewing and agreeing finance reports to be presented to the full Governing body.

Sycamore Academy is also part of the LEAD Academy Trust. This is an umbrella Trust which was founded in October 2012 by Huntingdon Academy, St Ann's Well Academy, and Edna G Olds Academy. Huntingdon Academy is the outstanding school within the Trust. The relationship between the LEAD Academy Trust and Sycamore Academy is governed by a partnership agreement. The partnership agreement provides the LEAD Academy Trust with certain step in rights that are triggered by critical events.

Risk Management

The Trustees have adopted the statement of recommended practice (SORP) approach to identifying and managing the risks of the Trust. The schedule of risks will be tabled at all Finance committee meetings and mitigating actions agreed as required. The full Trustee group will review the risk log on an annual basis.

Connected Organisations

Sycamore Academy is part of the LEAD Academy Trust as mentioned in organisation structure above.

**Objectives and Activities**

Objects and Aims

Our vision is that through outstanding leadership we will provide the highest quality education to enable every pupil to realise their full potential.

Objectives, Strategies and Activities

Everything we do at Sycamore is about giving each of our children an outstanding education which will transform their lives. At our nationally recognised, culturally diverse school, every child really does matter, every child **can** achieve.

The first thing you will notice when we welcome you to Sycamore is the vibrant, happy, calm environment. We have worked very hard to achieve this because our children deserve an environment which inspires them to learn and helps them to discover their unique talents.

The quality of our teaching and learning is based on a genuine partnership between staff, children and the community. Through inspirational teaching, a genuine concern for wellbeing and a rich abundance of learning opportunities within and outside school, we nurture high aspirations in our children for themselves, their school and their community.

**SYCAMORE ACADEMY**  
**TRUSTEES' REPORT (*continued*)**  
**YEAR ENDED 31 AUGUST 2013**

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**Objectives and Activities (*continued*)**

Our children understand they are responsible for the choices they make. They know that making the right choices, self-belief, high expectations and working hard will empower them to shape the future they want. They respect themselves, their peers, their school and their community. In turn, each one knows they are valued.

Public Benefit

The Trust Governors have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

Going Concern

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

**Achievements and Performance**

Sycamore Academy achieved its highest ever results in 2013, significant improvements were made in English. Pupils attained above the national average in English and Maths but well above in Science. The progress that pupils made in Key Stage 2 was outstanding compared to their Key Stage 1 results with significant value added.

Boys outperformed girls at Sycamore Academy, the gender gap is greater than the performance gap nationally and within the city. Both boys and girls made significantly more progress at Sycamore Academy than nationally.

Special Educational Needs (SEN) pupils performed significantly higher and made better than expected progress when compared to national figures. School action pupils performed better than average for all pupils.

Pupils from other ethnic backgrounds attained well and made as good progress compared to all pupils.

Free School Meal Pupils (FSM) attained highly and made better progress than non-free school meals. Sycamore Academy progress figures were above the national average. The attainment gap between FSM and the school average was narrower than for other Nottingham schools.

The performance of FSM pupils has shown a consistent improvement since the 2012 results. The gap between FSM and non-FSM pupils for both attainment and progress has narrowed since last year. This continues a trend which started with the 2010 results.

Higher Ability pupils were below the national average for Level 5s but this is improving.

English as an additional language (EAL) pupils attained similarly to other pupils with some making significantly more than expected progress.

**SYCAMORE ACADEMY**  
**TRUSTEES' REPORT (*continued*)**  
**YEAR ENDED 31 AUGUST 2013**

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**Financial Review**

Sycamore Academy's annual income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of a General Annual Grant (GAG). The use of which is restricted for particular purposes. Such grants and all associated expenditure are shown as restricted funds in the statement of financial activities for the year ending 31 August 2013.

During the year ending 31 August 2013 the excess of income over expenditure from DfE grants amounted to £nil (2013 £44,000).

The Academy Finance Policy sets out key financial responsibilities. All expenditure of the Academy Trust is made in line with this Policy which supports the provision of Education of all pupils on role.

Financial and Risk Management Objectives and Policies

The Academy manages its risks appropriately. We consider that risks such as the uncertainty over the LGPS deficit and future changes to GAG funding possibly due to the introduction of a national funding formula will feature in the financial risk register as the main areas of concern.

Principal Risks and Uncertainties

The Academy Trust has undertaken a financial risk assessment based on potential key risks identified as:

- Not operating within its budget and running a deficit
- Changes in funding
- Inappropriate or insufficient financial controls and systems
- Fraudulent activity
- Financial commitments made without adequate authorisation

The key controls used by the Academy to reduce risk include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels

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 existing commitments.

Unrestricted reserves at the 31 August 2013 were £223,000 (2012 £197,000).

Investment Policy

Governors have adopted an Investment Policy which is included in the Finance Policy. It allows for surplus funds to be invested in low risk short term bonds with high street banks.

**SYCAMORE ACADEMY**  
**TRUSTEES' REPORT (*continued*)**  
**YEAR ENDED 31 AUGUST 2013**

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**Plans for Future Periods**

The Academy will continue to work towards delivering the following core characteristics

- the highest standards of behaviour and conduct,
- outstanding teaching and learning,
- a fully inclusive approach where all children are equally important,
- a climate of mutual respect between the children, staff and community,
- positive relationships,
- high aspirations for all involved with the school – a 'can do' attitude,
- a wide range of enrichment opportunities for all to get involved,
- a celebration of all the cultures and faiths represented in the school,
- an organisation where there are no excuses for underachievement

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

There are no funds held as Custodian Trustee on behalf of others

**Auditor**

In so far as the Trustees are aware

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

Approved by order of the directors and Trustees on 19 December 2013 and signed on their behalf by

E Cole  
Vice Chair



**SYCAMORE ACADEMY**  
**GOVERNANCE STATEMENT**  
**PERIOD ENDED 31 AUGUST 2013**

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**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Sycamore Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met six times during the period. Attendance at meetings of the board of Trustees during the year were as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
S Booth (Chair)	6	6
J Fry	5	6
K Clegg	5	6
M Stokes	4	6
R Huffadine (Staff Governor)	6	6
K Hardy (Staff Governor)	6	6
M Semak	5	6
P Worley (Head Teacher & Accounting Officer)	9	9

The Finance, Personnel and General Purposes Committee is a sub-committee of the main governing body. Attendance at meetings in the period were as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
S Booth (Chair)	3	3
J Fry	2	3
R Edwards (Staff Governor)	2	3
M Semak	2	3
P Worley (Headteacher & Accounting Officer)	3	3

**SYCAMORE ACADEMY**  
**GOVERNANCE STATEMENT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2013**

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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 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 Sycamore Academy for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The 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 year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

**The Risk and Control Framework**

The Academy 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 K Slater 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. The detailed testing element of the RO's role has been outsourced to Baker Tilly. This 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.

**SYCAMORE ACADEMY**  
**GOVERNANCE STATEMENT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2013**

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**Review of Effectiveness**

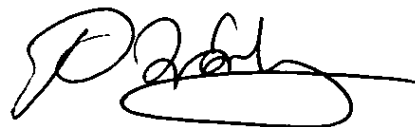
As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by

- 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 improvement of the system is in place

Approved by order of the members of the board of Trustees on 19 December 2013 and signed on its behalf by

E Cole  
Vice Chair



P Worley  
Accounting Officer

## **SYCAMORE ACADEMY**

### **STATEMENT ON REGULARITY, PROPERIETY AND COMPLIANCE**

**YEAR ENDED 31 AUGUST 2013**

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As Accounting Officer of Sycamore Academy, I have considered my responsibility to notify the Academy Trust 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 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 board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

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



**P Worley**  
**Accounting Officer**

19 December 2013

**SYCAMORE ACADEMY**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**YEAR ENDED 31 AUGUST 2013**

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The Trustees (who act as Trustees for charitable activities of Sycamore Academy 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 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 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 statement 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 in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

The 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 of both 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 on 19 December 2013 signed on its behalf by

E Cole  
Vice Chair



**SYCAMORE ACADEMY**  
**INDEPENDENT AUDITOR'S REPORT**  
**YEAR ENDED 31 AUGUST 2013**

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**Independent Auditor's Report on the Financial Statements to the Board of Trustees of Sycamore Academy**

We have audited the financial statements of Sycamore Academy for the period ended 31 August 2013 on pages 14 to 31. 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 charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the Trustees (who are also the directors of the charitable company 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 Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 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,
- have been prepared in accordance with the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency.

**Opinion on other requirement of 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.

**SYCAMORE ACADEMY**  
**INDEPENDENT AUDITOR'S REPORT**  
**YEAR ENDED 31 AUGUST 2013**

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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

- the charity has not kept adequate accounting records, 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



**Richard Eccles**  
**Senior Statutory Auditor**  
for and on behalf of

**Baker Tilly Audit Limited**  
**Statutory Auditor**  
**The Poynt**  
**45 Wollaton Street**  
**Nottingham**  
**NG1 5 FW**

**20 December 2013**

**Prior to 30 September 2013 Baker Tilly Audit Limited was named RSM Tenon Audit Limited**

# SYCAMORE ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES

(including Income and Expenditure Account and Statement of Recognised gains and losses)

FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2013 £'000	Total 2012 £'000
<b>Incoming resources</b>						
<i>Income resources from generated funds</i>						
Transfer from Local Authority on conversion		-	-	-	-	1,105
Activities for generating funds	3	52	-	-	52	30
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	4	-	1,569	-	1,569	971
<b>Total incoming resources</b>		<u>52</u>	<u>1,569</u>	<u>-</u>	<u>1,621</u>	<u>2,106</u>
<b>Resources expended</b>						
<i>Charitable activities</i>						
Academy's educational operations	6	-	1,600	50	1,650	955
Governance costs	7	-	6	-	6	18
<b>Total resources expended</b>	5	<u>-</u>	<u>1,606</u>	<u>50</u>	<u>1,656</u>	<u>973</u>
<b>Net incoming/(outgoing) resources before transfers</b>	14	52	(37)	(50)	(35)	1,133
Gross transfers between funds		(26)	(44)	70	-	-
<b>Net income for the year</b>		<u>26</u>	<u>(81)</u>	<u>20</u>	<u>(35)</u>	<u>1,133</u>
<i>Other recognised gains and losses</i>						
Actuarial losses on defined benefit pension scheme	21	-	(27)	-	(27)	(106)
<b>Net movement in funds</b>		26	(108)	20	(62)	1,027
Total funds brought forward at 1 September 2013		<u>197</u>	<u>(507)</u>	<u>1,337</u>	<u>1,027</u>	<u>-</u>
<b>Total funds carried forward at 31 August 2013</b>	14	<u>223</u>	<u>(615)</u>	<u>1,357</u>	<u>965</u>	<u>1,027</u>

All of the Academy's activities derive from continuing activities in the current 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 17 to 32 form part of these financial statements

**SYCAMORE ACADEMY**  
**BALANCE SHEET AT 31 AUGUST 2013**  
**COMPANY NUMBER 07842293**

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
<b>Fixed assets</b>					
Tangible assets	11		1,357		1,337
<b>Current assets</b>					
Debtors	12	49		31	
Cash at bank and in hand		220		266	
		<u>269</u>		<u>297</u>	
<b>Liabilities</b>					
Creditors amounts falling due within one year	13	<u>(46)</u>		<u>(56)</u>	
<b>Net current assets</b>			<u>223</u>		<u>241</u>
<b>Total assets less current liabilities</b>			1,580		1,578
Pension scheme liability	21		<u>(615)</u>		<u>(551)</u>
<b>Net assets including pension liability</b>			<u>965</u>		<u>1,027</u>
<b>Funds of the Academy.</b>					
<b>Restricted funds</b>					
Fixed asset fund	14	1,357		1,337	
General fund	14	-		44	
Pension reserve	14,21	<u>(615)</u>		<u>(551)</u>	
<b>Total restricted funds</b>			742		830
<b>Unrestricted funds</b>					
General fund	14		<u>223</u>		<u>197</u>
<b>Total funds</b>			<u>965</u>		<u>1,027</u>

The financial statements on pages 14 to 32 were approved by the Trustees and authorised for issue on 19 December 2013 and are signed on their behalf by

E Cole  
Vice Chair



The notes on pages 17 to 32 form part of these financial statements

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

	Notes	2013 £'000	2012 £'000
<b>Net cash inflow from operating activities</b>	17	24	103
Capital expenditure	18	(70)	(22)
<b>(Decrease)/Increase in cash in the year</b>	19	<u>(46)</u>	<u>81</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2012		266	-
Cash transferred on conversion to an Academy Trust		-	185
Increase in cash in the year		<u>(46)</u>	<u>81</u>
<b>Net funds at 31 August 2013</b>		<u>220</u>	<u>266</u>

All of the cash flows are derived from acquisitions in the current financial period

The notes on pages 17 to 32 form part of these financial statements

**SYCAMORE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS (*continued*)**  
**YEAR ENDED 31 AUGUST 2013**

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**1. Statement of Accounting Policies**

**Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. The Statement of Financial Activities as set out on page 15 identifies the identical information as that of the Income and Expenditure Statement. As such, no separate Income and Expenditure Statement has been prepared.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**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 Trust to continue as a going concern. The Trustees make this assessment each year in respect of a period of one year from the date of approval of the financial statements.

**Incoming resources**

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

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

- **Donations**

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

- **Other income**

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

- **Donated services and gifts in kind**

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

**SYCAMORE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS (*continued*)**  
**YEAR ENDED 31 AUGUST 2013**

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**1 Statement of Accounting Policies (*continued*)**

**Resources expended**

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

- **Cost of generating funds**

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

- **Charitable activities**

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

- **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Long leasehold buildings	- 50 years
Furniture and equipment	- 5 years
Computer equipment	- 4 years

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

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

Impairment losses are recognised in the Statement of Financial Activities.

# SYCAMORE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

YEAR ENDED 31 AUGUST 2013

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### 1. Statement of Accounting Policies (*continued*)

#### **Leased Assets**

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

#### **Taxation**

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

#### **Pensions Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS'), the Local Government Pension Scheme ('LGPS') and a defined contribution pension scheme. These first two 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 Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the government actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

#### **Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency 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 or the Department for Education.

# SYCAMORE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

### YEAR ENDED 31 AUGUST 2013

#### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG that could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/ capital purposes.

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

#### 3. Activities for Generating Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
Other income	52	-	52	30

#### 4 Funding for Academy's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	1,293	1,293	819
Start Up Grants	-	-	-	25
Other DfE/EFA Grants	-	276	276	122
Capital grant	-	-	-	5
	-	1,569	1,569	971

**SYCAMORE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS (*continued*)**  
**YEAR ENDED 31 AUGUST 2013**

**5. Resources expended**

	<b>Staff costs £'000</b>	<b>Non pay expenditure Premises costs £'000</b>	<b>Other costs £'000</b>	<b>Total 2013 £'000</b>	<b>Total 2012 £'000</b>
Academy's education operations					
Direct costs	933	50	48	1,031	68
Allocated support costs	178	145	296	619	266
	<u>1,111</u>	<u>195</u>	<u>344</u>	<u>1,650</u>	<u>955</u>
Governance costs	-	-	6	6	18
	<u>1,111</u>	<u>195</u>	<u>350</u>	<u>1,656</u>	<u>973</u>

**Incoming/outgoing resources for the year include**

	<b>2013 £'000</b>	<b>2012 £'000</b>
Fees payable to auditor		
- Audit	4	4
- Other services (including Responsible Officer visits)	4	8
Depreciation of fixed assets	<u>51</u>	<u>38</u>

# SYCAMORE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2013

### 6 Charitable Activities – Academy's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
<b>Direct costs</b>				
Teaching and educational support staff costs	-	933	933	627
Depreciation	-	50	50	38
Educational supplies	-	36	36	19
Educational consultancy	-	12	12	5
		1,031	1,031	689
<b>Allocated support costs</b>				
Support staff costs	-	178	178	81
Maintenance of premises and equipment	-	116	116	31
Cleaning	-	7	7	2
Rent and rates	-	37	37	21
Insurance	-	12	12	28
Security and transport	-	2	2	1
LEAD charges	-	36	36	30
Catering	-	86	86	13
Bank interest and charges	-	19	19	-
Other support costs	-	126	126	59
	-	619	619	266
<b>Total</b>	-	1,650	1,650	955

### 7 Governance Costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
Legal and professional fees	-	-	-	12
Auditor's remuneration				
- Audit of financial statements	-	4	4	4
- Responsible officer audit	-	2	2	2
	-	6	6	18

**SYCAMORE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 AUGUST 2013**

**8 Staff costs**

Staff costs during the period were

	2013 £'000	2012 £'000
Wages and salaries	869	571
Social security costs	64	41
Pension costs	121	68
	<u>1,054</u>	<u>680</u>
Supply teacher costs	57	28
	<u>1,111</u>	<u>708</u>

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

	2013 No.	2012 No
<b>Charitable activities</b>		
Teachers	30	31
Administration and support	20	20
Management	3	2
	<u>53</u>	<u>53</u>

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

	2013 No	2012 No
£60,001 - £65,000	<u>1</u>	<u>-</u>

**9. Governors' remuneration and expenses**

The Headteacher and staff Trustees' only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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 Trustees' remuneration was as follows

P Worley (Headteacher)	£65,001 - £70,000 (2012 £35,001 - £40,000)
K Hardy (Staff Trustee)	£15,001 - £20,000 (2012 £nil)
R Huffadine (Staff Trustee)	£35,001 - £40,000 (2012 £15,001 - £20,000)

During the year ended 31 August 2013, no travel and subsistence expenses were reimbursed to the Trustees (2012 £nil)

Other related party transactions involving the Trustees are set out in note 22

# SYCAMORE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 AUGUST 2013

#### 10. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,000 (2012 £1,000)

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

#### 11 Tangible Fixed Assets

	Long leasehold buildings £'000	Furniture and equipment £'000	Computer equipment £'000	2013 Total £'000
<b>Cost</b>				
At 1 September 2012	1,298	49	28	1,375
Additions	-	34	36	70
Disposals	-	-	-	-
At 31 August 2013	<u>1,298</u>	<u>83</u>	<u>64</u>	<u>1,445</u>
<b>Depreciation</b>				
At 1 September 2012	26	7	5	38
Charged in year	26	14	10	50
Disposals	-	-	-	-
At 31 August 2013	<u>52</u>	<u>21</u>	<u>15</u>	<u>88</u>
<b>Net book values</b>				
At 31 August 2013	<u>1,246</u>	<u>62</u>	<u>49</u>	<u>1,357</u>
At 31 August 2012	<u>1,272</u>	<u>42</u>	<u>23</u>	<u>1,337</u>

#### 12 Debtors

	2013 £'000	2012 £'000
Prepayments and other debtors	18	31
VAT repayment	31	-
	<u>49</u>	<u>31</u>

All amounts included within debtors fall due for payment within one year

#### 13 Creditors amounts falling due within one year

	2013 £'000	2012 £'000
Other taxation and social security	18	18
Other creditors	12	12
Accruals and deferred income	16	26
	<u>46</u>	<u>56</u>

# SYCAMORE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 AUGUST 2013

### 14 Funds

	Balance at 31 August 2012 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2013 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	44	1,293	(1,293)	(44)	-
Other DfE/EFA grants	-	276	(276)	-	-
Pension reserve	(551)	-	(37)	(27)	(615)
	<u>(507)</u>	<u>1,569</u>	<u>(1,606)</u>	<u>(71)</u>	<u>(615)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	5	-	-	-	5
Capital expenditure from GAG	22	-	-	-	22
Academy main building	1,310	-	(50)	70	1,330
	<u>1,337</u>	<u>-</u>	<u>(50)</u>	<u>70</u>	<u>1,357</u>
<b>Total restricted funds</b>	<u>830</u>	<u>1,569</u>	<u>(1,691)</u>	<u>(1)</u>	<u>742</u>
<b>Unrestricted funds</b>					
General funds	197	52	-	(26)	223
<b>Total funds</b>	<u>1,027</u>	<u>1,621</u>	<u>(1,656)</u>	<u>(27)</u>	<u>965</u>

### 15. Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets	-	-	1,357	1,357
Current assets	223	46	-	269
Current liabilities	-	(46)	-	(46)
Pension scheme liability	-	(615)	-	(615)
<b>Total net assets</b>	<u>223</u>	<u>(615)</u>	<u>1,357</u>	<u>965</u>

### 16. Capital commitments

	2013 £000	2012 £000
Contracted for, but not provided in the financial statements	-	22

# SYCAMORE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

### YEAR ENDED 31 AUGUST 2013

#### 17. Reconciliation of net income to net cash inflow from operating activities

	2013 £000	2012 £000
Net income/(deficit) for the period	(35)	1,133
Depreciation (note 11)	50	38
Capital grants from DfE and other capital income	-	(5)
FRS 17 pension cost less contributions payable (note 21)	18	4
FRS pension finance costs (note 21)	19	13
Increase in debtors	(18)	(31)
(Decrease)/increase in creditors	(10)	56
Transfer on conversion	-	(1,105)
<b>Net cash inflow from operating activities</b>	<b>24</b>	<b>103</b>

#### 18 Capital expenditure and financial investment

	2013 £000	2012 £000
Purchase of tangible fixed assets	(70)	(27)
Capital grants from DfE/EFA	-	5
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(70)</b>	<b>(22)</b>

#### 19. Analysis of changes in net funds

	At 31 August 2012 £000	Cash flows £000	At 31 August 2013 £000
Cash in hand and at bank	266	(46)	220

#### 20 Members' Liabilities

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

#### 21. 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 Nottinghamshire County Council Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010 There were no outstanding or prepaid contributions at either the beginning or the end of the financial year

**SYCAMORE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS (*continued*)**  
**YEAR ENDED 31 AUGUST 2013**

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

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' Pension 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.

**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.

## SYCAMORE ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS (*continued*)

#### YEAR ENDED 31 AUGUST 2013

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##### **21 Pension and similar obligations (*continued*)**

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

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is 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 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 investigation, 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 build 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 – 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently 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 the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, 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. The cost sharing agreement also introduced (effective for the first time for the 2008 valuation) a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate will range between 6.4% and 8.8% depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are therefore currently suspended. The Government however has set out a future process for determining the employer contribution rate under the new scheme and this process will involve a full actuarial valuation.

# SYCAMORE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

### YEAR ENDED 31 AUGUST 2013

#### 21. Pension and similar obligations (*continued*)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirements 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 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 2013 was £62,000 (2012 £41,000) of which employer's contributions totalled £46,000 (2012 £31,000) and employees' contributions totalled £16,000 (2012 £10,000). The agreed contribution rates for future years are 18.3% for employers and 7.5% for employees.

#### **Principal Actuarial Assumptions**

	<b>At 31 August 2013</b>	<b>At 31 August 2012</b>
Rate of increase in salaries	5.1%	4.1%
Rate of increase for pensions in payment / inflation	2.9%	1.9%
Discount rate for scheme liabilities	4.7%	3.9%
Inflation assumption (CPI)	2.9%	1.9%

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

	<b>At 31 August 2013</b>	<b>At 31 August 2012</b>
<i>Retiring today</i>		
Males	18.7	18.6
Females	22.8	22.7
<i>Retiring in 20 years</i>		
Males	20.7	20.6
Females	24.6	24.5

**SYCAMORE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 AUGUST 2013**

**21. Pension and similar obligations (continued)**

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

	Expected return at 31 August 2013	Fair value at 31 August 2013	Expected return at 31 August 2012	Fair value at 31 August 2012
Equities	6.2%	288	5.5%	199
Bonds	4.4%	52	3.9%	42
Property	5.2%	49	4.5%	39
Cash	0.5%	8	0.5%	12
Other	6.2%	8	5.5%	6
<b>Total market value of assets</b>		<u>405</u>		<u>298</u>
Present value of scheme liabilities				
Funded		(1,020)		(849)
<b>Deficit in the scheme</b>		<u>(615)</u>		<u>(551)</u>

The actual return on scheme assets was £46,000 (2012 £13,000)

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

	2013 £'000	2012 £'000
Current service cost (net of employee contributions)	(64)	(35)
Past service cost		-
<b>Total operating charge</b>	<u>(64)</u>	<u>(35)</u>

**Analysis of pension finance costs**

	2013 £'000	2012 £'000
Expected return on pension scheme assets	16	9
Interest on pension liabilities	(35)	(22)
<b>Pension finance costs</b>	<u>(19)</u>	<u>(13)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £133,000 loss.

**SYCAMORE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 AUGUST 2013**

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

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

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
<b>At 1 September</b>	849	671
Current service cost	64	35
Employee contributions	16	10
Actuarial loss	56	111
Interest cost	35	22
<b>At 31 August</b>	<u>1,020</u>	<u>849</u>

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

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
<b>At 1 September</b>	298	243
Expected return on assets	16	9
Actuarial gain	29	5
Employer contributions	46	31
Employee contributions	16	10
<b>At 31 August</b>	<u>405</u>	<u>298</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £47,000

**The history of experience adjustments is as follows:**

	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
Present value of defined benefit obligations	(1,020)	(849)
Fair value share of scheme assets	405	298
Deficit in the scheme	<u>(615)</u>	<u>(551)</u>
<b>Experience adjustments on share of scheme assets</b>		
Amount £'000	<u>29</u>	<u>5</u>
<b>Experience adjustments on scheme liabilities</b>		
Amount £'000	<u>-</u>	<u>-</u>

**22. 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 organisations, it is inevitable 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.

**23 Post balance sheet events**

On 1 September 2013 the assets and liabilities of the Academy were transferred to L E A D Multi-Academy Trust for £nil consideration.