

Company Limited by Guarantee  
Registration number: 08142572 (England and Wales)

**NEWBURY ACADEMY TRUST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**



**NEWBURY ACADEMY TRUST**  
**CONTENTS TO THE FINANCIAL STATEMENTS**

---

	<b>Page</b>
Reference and Administration Information	1
Report of the Governors	2 - 15
Governance Statement	16 - 20
Statement on regularity, propriety and compliance	21
Statement of Governors Responsibilities	22
Independent Auditors' Report	23 - 24
Independent Auditors' Report on Regularity	25
Statement of Financial Activities	26
Balance Sheet	27
Cash Flow Statement	28
Notes to the Financial Statements	29 - 50

---

**NEWBURY ACADEMY TRUST  
REPORT OF THE GOVERNORS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

<b>Trustees</b>	Mrs S Loy Mr N Cornish Mr P G Dick
<b>Directors</b>	Mrs S Loy (Chair) Mr N Cornish Mr P G Dick Mrs C Wilson Mr N Awbery Mrs A Creed Mr J Rigby Mrs Zimmerman Mr C Arlott
<b>Local Governing Body - Trinity</b>	Mrs S Loy Mr N Cornish Mrs A Creed Mrs C Rees Mrs L Lewis Mr J Rigby Mr E Collett Mrs C Wilson
<b>Local Governing Body – Fir Tree</b>	Mr N Awbery Mr S Durrant Mr C Arlott Mrs A Allenby Mrs K Dougal Mrs S Hornblow Mrs G Zimmerman Mrs M Seymour Mrs M Wyrembak
<b>Company Secretary</b>	Mrs S Pryor
<b>Registered Office</b>	Newbury Academy Trust
<b>Company Registration Number</b>	08142572
<b>Auditors</b>	Crowe Clark Whitehill LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL

**NEWBURY ACADEMY TRUST  
REPORT OF THE GOVERNORS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

The directors present their annual report together with the financial statements and auditor's report of the Charitable Company for the period ended 31 August 2013

The financial statements have been prepared in accordance with the accounting policies on pages 24-27 of the financial statements, and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities," (SORP 2005), and the Academies Accounts Direction (May 2013)

### **Structure, Governance and Management**

#### **Constitution**

Newbury Academy Trust (NAT) is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Academy Trust. The Charitable Company was incorporated on 13<sup>th</sup> July 2012 and NAT converted to an Academy on 1<sup>st</sup> August 2012.

There are three trustees who act as Directors of the Charitable Company for the purposes of Company law. There are five further Directors of the Trust. The Charitable Company is incorporated as Newbury Academy Trust.

Details of the trustees and directors who served Newbury Academy Trust throughout 2012/13 are included in the Reference and Administrative Details on page 1.

#### **Trustees' Liability**

Each trustee 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 trustee or within one year after they cease to be a trustee, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a trustee.

#### **Trustees ('Directors') Indemnities**

As disclosed in note 10, professional indemnity insurance is paid on behalf of the directors of the Academy.

#### **Principal Activities**

Newbury Academy Trust is a Trust incorporating two schools: Trinity School a Converter Academy and Fir Tree School a Sponsored Academy. Trinity School is an 11-18 Comprehensive School with Arts specialism and graded Good by Ofsted in 2011. We were awarded Arts Mark Gold for the third time in 2013. Fir Tree is a Primary School and Nursery located on a separate site. Both schools have undergone significant improvements over the last 5 years resulting in excellent results and securing outstanding achievement for all. We are committed to improving the life chances of everyone in our community, preparing them for adult life and demanding that they be the very best they can be.

**NEWBURY ACADEMY TRUST  
REPORT OF THE GOVERNORS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**Principal Activities (continued)**

The object of Newbury Academy Trust is set out in the Company's Articles of Association, namely "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 and carrying on, managing and developing a school offering a broad and balanced curriculum"

**Method of Recruitment and Appointment or Election of Trustees/ Directors**

The Academy's Board of Directors is subject to retirement by rotation. Directors are eligible for re-election at the meeting at which they retire. The directors to retire are those who have served the longest in office since their appointment or re-election. New directors are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors'. The term of office for any director is 4 years, although this time limit does not apply to the Headteacher.

The Board of Directors who were in office on 31 August 2013 and served since 13<sup>th</sup> July 2012, the period of these accounts, are listed on Page 1.

**Policies and Procedures Adopted for the Induction and Training of Governors**

The Trust is a member of the National Governors Association, receiving up to date information and guidance. It buys into West Berkshire Council Governor Support services as and when required. Additional training from other providers is also accessed as required based on individual or collective need. External advice and support is commissioned where necessary.

**Organisation Structure**

The structure of the Trust consists of four senior levels: the Trustees, the Board of Directors, Governing Bodies for each individual school, the Headteacher of Trinity, who is the Executive Headteacher over the Trust, an additional Headteacher at Fir Tree and the broader Senior Leadership Team in each school. An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in the decision making process at all levels.

The Trustees and Board of Directors are responsible for setting the NAT policies, adopting the budgets and monitoring performance. The Governing Bodies are responsible for individual school policies adopting the School Development Plans, setting and monitoring the budgets against these plans. The Governing Bodies make major decisions about the direction of the Schools including the curriculum, the achievement and welfare of students, and staffing.

The Executive Headteacher and Senior Leadership Teams control the Schools at an executive level, implementing the policies set by the NAT and the Governing Bodies and reporting back to them.

**NEWBURY ACADEMY TRUST  
REPORT OF THE GOVERNORS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**Organisation Structure (continued)**

Each Governing Body has established two sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Executive Headteacher (The Accounting Officer) and to the Senior Management Team. The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Directors annually. The terms of reference for the Finance Sub-Committees detail each School's authorised spending limits.

The sub-committees of the Governing Bodies are the,

- Finance and Staffing Committee
- Curriculum and Pastoral Committee

Groups of directors or governors may be formally organised outside of the sub-committee structure to support the School as required, to consider

- Headteacher recruitment
- Performance management of the Headteacher of Trinity School
- Pupil Discipline
- Staff Discipline
- Complaints

**Risk Management**

The Board of Directors has considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT.

The Board of Directors have implemented a number of systems to assess and reduce risks that the School faces, especially in operational areas in relation to teaching, health and safety, (including school trips), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk.

Adequate insurance has been arranged where significant financial risk remains. The School has an effective system of internal financial control as explained in the Statement on Internal Control.

**NEWBURY ACADEMY TRUST  
REPORT OF THE GOVERNORS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**Objects and Aims of the Trust**

As described, the object of Newbury Academy Trust is set out in the Company's Articles of Association

Each Governing Body continues to set the Schools' strategic aims through the School Development Plans. These aims are monitored closely by the Governing Body by way of Headteacher and Senior Leadership Team Reports and through the work of the sub-committees

The aims and objectives for the Trust are derived from the Trust's motto which is 'Inspiring Futures, Realising Ambitions'

**Public Benefit**

In setting objectives and planning the Trust's activities, the Board of Directors confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to pay due regard to the published guidance from the Charity Commission regarding the principle of public benefit

**Achievements and Performance**

Newbury Academy Trust, was legally formed on midnight of the 13<sup>th</sup> July 2012. This Annual Report covers the Academy Trust's first period of operation. The following provides a summary of each school's performance in the Summer 2013 examination season and highlights the achievements of the Academic Year 2012-13

**Trinity School**

As described, the School was rated as Good by Ofsted in January 2011

There were 840 students on roll, (including 118 in the sixth form), on 31st August 2013. The roll is increasing as Trinity is becoming the school of choice for families in the catchment

The school achieved Artsmark Gold for the third time

The school was awarded the anti-bullying accreditation in 2012

The school works with a core group of feeder primary schools as part of the Excel group to enhance provision and provide a range of opportunities for all young people in the community including music, dance, drama and PE provision

The school partakes in a wide range of external events and enjoys success particularly in the areas of Public Speaking, Enterprise and Dance

**NEWBURY ACADEMY TRUST  
REPORT OF THE GOVERNORS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**GCSE Results**

After year on year improvements at GCSE the school were very disappointed with results in 2013. The 5A\*-C (EM) target of 64% was not met. Targets are always aspirational and are set using Fischer Family Trust (D) and an element of aspiration. The school met the raw FFTD targets (putting us in the top 25% of schools) in many areas (as seen below)

	<b>Achieved</b>	<b>FFT 'D'</b>
5 A*-C incl E&M	51%	51%
5 A*-C	70%	81%
5 A*-G	98%	97%
3LP English	72%	69%
3LP Maths	76%	64%
4LP English	29%	33%
4LP Maths	45%	29%
A*-C English	58%	64%
A*-C Maths	68%	63%

The English Language results were disappointing and dropped from 64% in 2012 to 58% in 2013. This was due to borderline students missing the C grade due to changes in coursework boundaries. Whilst not an excuse, this is an area which needs careful consideration in forthcoming years to ensure students complete coursework which is securely at a grade C or above.

**NEWBURY ACADEMY TRUST  
REPORT OF THE GOVERNORS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**AS Results**

The results were generally disappointing overall. The pass rate of 77.6% is well below last year, and well below the national figure (2012: 89%). There were some top performing students, however the overall ALPs grade was 8.

Grades	Number	%
A	22	14.5
B	24	15.8
C	26	17.1
D	25	16.4
E	21	13.8
U	34	22.4

**A2 Results**

We were very pleased with this year's results with 100% pass rate. A\*-B rate of 53.5% was the highest in the school's history as was the A\*-C rate of 79.1%. The points per entry of 217.7 were also above last year. The ALPs grade of 6 was disappointing given the raw results.

Grades	Number	%
A*	23	17.8
A	15	11.6
B	28	24.0
C	32	25.6
D	16	13.2
E	10	7.8
U	0	0.0

**NEWBURY ACADEMY TRUST**  
**REPORT OF THE GOVERNORS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

### **Attendance**

Our attendance continues to be outstanding, with an achievement of 94% against a target of 95%. Attendance was impacted by the Norovirus in term 2. The school's attendance officer works very closely with the Pastoral Deputy, the EWO, the Heads of House, Assistant Headteacher for Intervention and tutors to achieve the highest possible levels of attendance.

### **NEET**

In 2012 the school NEET (not in employment, education or training) figure was 1.68%. This can be attributed to very high quality of advice and guidance supporting students in the next stages of their lives. There is an extensive CIEAG programme in school starting in year 7 providing internal and external guidance and advice. A dedicated pastoral officer supports the CIEAG coordinator in the Summer term and the summer holidays to support students in their next steps.

**In order to raise achievement in 2013-14 there will be a focus on:**

#### **Securing Achievement for all**

- We will ensure that all students use the regular opportunities to review progress reports and set SMART targets in their planners
- We will ensure we know and provide for the differing needs of all our students
- We will ensure that we track and monitor students and intervene to ensure outstanding progress is made
- We will provide regular and consistent feedback which students will act upon to improve their progress

### **GCE AS/A2**

- Students have been matched more closely to their likely strengths at AS
- Much closer monitoring of student progress as they begin AS is taking place. Reports data will be collected in week 4, and feeds into a new academic monitoring system carried out by tutors
- Students moving from AS to A2 who achieved low grades at AS have had privileges withdrawn and are being required to work on site until we are convinced that progress is strong
- Several students who achieved poorly at AS were offered alternatives to stay on, such as re-starting BTEC courses with year 12

### **GCSE**

- We have renewed focus this year on students achieving **both English and Maths** rather than a general focus on students who may achieve 5 C grades

**NEWBURY ACADEMY TRUST**  
**REPORT OF THE GOVERNORS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

- This year's Pupil Premium cohort is generally more able than last – next year's 'gap' will be smaller. They remain a major focus for us, ensuring their progress stays at least in line with those of their non-PP peers. Miss Dowling is coordinating actions for the PP cohort.
- We continue to aspire to raise the proportion of A and A\* grades – although the new Year 11 has a smaller proportion of higher ability students on entry, so this will be a challenge. New leadership of G & T students is in place.
- A new BTEC workskills group in year 10 for those who would benefit for a more work-related approach.

**Key Stage 3**

- A much more coordinated set of interventions are in place across the school to ensure better progress in years 7 to 10 can lead to less of a necessity to focus on year 11 in the future. These include
  - Extra numeracy and literacy support for students in years 7 and 8 with low prior attainment (This is in addition to CSI and ACE support, which continues.)
  - A variety of specific and targeted interventions (such as for handwriting, jungle memory, reading mentors etc.) aimed at students in years 7 to 9 whose progress is a cause for concern.
  - Reports in KS3 now using sub-levels rather than full levels to allow progress to be more evident, measurable, and able to be monitored.

**Establishing outstanding teaching and learning**

- We will deliver exciting and challenging lessons
- We will enthuse students by developing a challenging curriculum
- We will ensure tasks and activities challenge the needs of all learners
- We will take every opportunity to develop ourselves as practitioners

**Establishing an effective learning Community**

- We will apply school rules consistently to ensure all learning is disruption free
- We will encourage and provide opportunities for students to be independent learners
- We will encourage and develop cross curricular skills in our subjects e.g. Literacy, Numeracy
- We will instil a sense of competition across the Houses so students seek rewards at every opportunity

**Developing Our Digital Skills**

- We will make best use of our VLE (FROG) to deliver innovative lessons and homework
- We will ensure we make use of FROG to aid communication
- We will investigate new opportunities to use technology to enhance our curriculum
- We will make excellent use of Accelerated Reader to instil confidence and engagement in reading independently

**NEWBURY ACADEMY TRUST  
REPORT OF THE GOVERNORS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**Fir Tree School**

At its last Ofsted Fir Tree was rated as a grade 3 school. On conversion to Academy status in April 2013, the school is classified as a new school.

In the past year Fir Tree has developed significantly in all areas. Some notable achievements are:

Increased participation in Link group sporting events and competitions.

An active member of the Excel partnership, hosting and entering various competitions and sports events through the year.

Increased extra-curricular enrichment with 30 outings / trips organised across the school including a residential for Year 5/6.

Introduction of speaking and listening events to increase communication skills and confidence.  
Introduction of curriculum team theme weeks to enrich learning.

Establishment of a School Choir and participation in external concerts.

Senior teacher passed the MaST course (Math Specialist Teacher Programme).

**Examination results**

**The Foundation Stage**

<b>Area</b>	<b>Percentage</b>
Prime Area PSED	87%
Prime Area PD	87%
Prime Area CL	76.8%
Specific Area L	Reading 87% Writing 80%
Specific Area N	83.2%
SSM	92.8%
Av Point Score	34

**NEWBURY ACADEMY TRUST**  
**REPORT OF THE GOVERNORS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**KS1**

<b>Area</b>	<b>Percentage</b>
Combined score for English and Maths L2B+	81%
Combined score for English and Maths L3	19%
Reading	L2B+ 81% L3 19%
Writing	L2B + 81% L3 19%
Maths	L2B + 81% L3 24%
FSM pupils achieving L2B+ in English and Maths	100%

In 2012 the TA was moderated by the LA who endorsed the school's judgements. This year the school has moderated with other local schools and the LA supervising and the judgements found to be secure. The results are up on last years but with further room for improvement especially at L3

**KS2 SATs**

<b>Area</b>	<b>Percentage</b>
Combined score for English and Maths L4	77%
Reading	L4+ 77% L5+ 23%
Writing	L4 + 77% L5 + 23%
Maths	L4+ 85% L5 + 38%
2 Levels of progress	100%
FSM L4+ Maths 100%	100%
FSM L4 + Writing 100%	100%
FSM L4 + Reading 84%	84%

These results were pleasing with all students making 2 levels of progress from their starting points. The goal next year is to secure level 5 grades

**Attendance**

Attendance for 2012-2013 was 95% against an ambitious target of 96%

**NEWBURY ACADEMY TRUST**  
**REPORT OF THE GOVERNORS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**In order to raise achievement in 2013-14 there will be a focus on:**

<b>Priority 1 Achievements &amp; standards</b>
<p><b>A1</b> Whole school focus on cross curricular extended writing</p> <p><b>A2</b> Introduce system for the teaching of spelling, punctuation and grammar across the school</p> <p><b>A3</b> To improve pupils abilities in problems solving with shape, space and measure</p> <p><b>A4</b> To improve outcomes for identified vulnerable group in Literacy (boys and SEN) and Maths (Girls and SEN) and FSM children across the school</p> <p><b>A5</b> Introduce new assessment tool across school to effectively track progress</p> <p><b>A6</b> Guidance and support for parents to support learning for their child</p> <p><b>A7</b> To integrate SEN assessment and IEP target systems across the school</p>
<b>Priority 2 Quality of teaching in the school</b>
<p><b>A1</b> To understand and share school data with all staff and parents</p> <p><b>A2</b> To ensure outstanding teaching across the school, learning objectives need to be consistently well matched to the task and plenary</p> <p><b>A3</b> To ensure effective feedback and marking across the school in order for children to prioritise next steps in their learning</p> <p><b>A4</b> To further develop AFL strategies – assessment provision</p> <p><b>A5</b> To instill and develop a love of reading in the pupils</p> <p><b>A6</b> To achieve the Challenge award including provision for Able, Gifted and Talented</p> <p><b>A7</b> To establish a benchmark of key skills for TAs to ensure support in the classroom is of the highest quality</p> <p><b>A8</b> For all staff to have a clear understanding of current legislation and any relevant government initiatives</p>
<b>Priority 3 Behaviour and safety of pupils at the school</b>
<p><b>A1</b> Up to date Health and Safety training for appropriate staff</p> <p><b>A2</b> Continuation of the e-safety curriculum, CEOP</p> <p><b>A3</b> To develop children's to understanding of safeguarding in school and the wider community</p> <p><b>A4</b> To embed Healthy lifestyles through the curriculum</p> <p><b>A5</b> Anti-bullying charter for West Berkshire awarded as a result of work on spiritual, moral and cultural</p>
<b>Priority 4 Quality of leadership and management of the school</b>
<p><b>A1</b> To develop the role of the Governor within the Academy</p> <p><b>A2</b> To develop the new SLT including working with the Academy</p> <p><b>A3</b> To raise the profile of the School Council to reflect a strong and valued student voice</p> <p><b>A4</b> To develop the role of middle managers to ensure impact of the creative curriculum</p> <p><b>A5</b> To use the support of the Academy to develop the leadership skills of the pupils</p>
<b>Priority 5 Premises and grounds/Whole school major development</b>
<p><b>A1</b> To establish the need for a breakfast / after school club</p> <p><b>A2</b> To establish an afternoon nursery and lunchtime provision from January 2014</p> <p><b>A3</b> To extend and replace shelter for Foundation area garden</p> <p><b>A4</b> To continue to develop a rolling program for buildings and maintenance</p> <p><b>A5</b> Establish a cycle of ICT maintenance and replacement</p>

**NEWBURY ACADEMY TRUST  
REPORT OF THE GOVERNORS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**Going Concern**

After consideration of the Trust's financial position and its financial plans, the Board of Trustees have a reasonable expectation that the Trust has and will continue to have adequate resources to enable it to be a sustainable going concern in 2014/15 and for the foreseeable future. For this reason the Trust continues to adopt the Going Concern principle in preparing its 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 and Financial Review**

Newbury Academy Trust received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during 2012/13.

**Restricted General Fund**

The majority of the Trust's income was received through Education Funding Agency (EFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Trust's charitable activities, its educational operations. These revenue grants and the associated revenue expenditure made against them, are detailed in the SOFA. General Restricted Fund income for the period was £5,547,480, expenditure against the fund was £5,315,636, giving a restricted revenue fund carry forward of £162,505 before transfers to the Restricted Fixed Fund and accounting for the pension deficit.

**Unrestricted Funds**

Income received into the Unrestricted Fund was £208,662. This was attributable to lettings income and fundraising. Expenditure against the fund was £41,341 for the period giving an Unrestricted Fund carry forward of £167,321.

**Restricted Fixed Asset (Capital) Fund**

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Trust's depreciation policy.

Income received into the fund included the value of the predecessor school's assets at £11,727,179 as well as Academies Capital Maintenance Funding and Formula Capital Funding of £176,225.

The SOFA details a £11,768,336 Restricted Fixed Asset Fund period end surplus after transfers between funds. This is detailed in note 17 to the accounts.

**NEWBURY ACADEMY TRUST**  
**REPORT OF THE GOVERNORS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**Summary of Financial Performance**

Fund balances as at 31 August 2013 totalled £11,501,059. This is comprised of £167,321 of Unrestricted Funds, £462,495 (deficit) of Restricted General Funds (after accounting for pension deficit of £625,000), £11,768,336 of Restricted Fixed Asset Funds and £27,897 of Restricted Other Funds.

**Balance Sheet**

The Trust's assets were predominantly used for providing education to school students. Some assets were let to the local community, predominately for sports activities and a holiday activity club.

The net book value of the Trust's tangible fixed assets was £11,613,179 as at 31<sup>st</sup> August 2013. The movement in this account is detailed in note 13. Cash in hand at 31<sup>st</sup> August 2013 was £602,617. The Reserves and Investment Policies are detailed below.

**Financial and Risk Management Objectives and Policies**

The objective of the Trust's Risk Management procedure is to identify the principal risks facing the Trust so that existing controls may be considered and further action taken if required, including external insurance.

The Board of Directors has a comprehensive risk management process to identify and monitor the risks faced by the Trust.

The financial risks considered include economic /financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial/statutory requirements.

The valuation of the defined benefit pension scheme is a liability of £625,000 on the balance sheet, this is offset by the Trust's reserves.

**Principal Risks and Uncertainties**

The Board of Directors has a comprehensive risk management process to identify and monitor the risks faced by the Trust. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

**Reserves Policy**

The Board of Directors reviews the Trust's Reserve Policy annually. The Board of Directors have determined that the appropriate level of free reserves should be a minimum of 2.5% of total funding. The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the EFA. The Trust's free reserves as at 31<sup>st</sup> August 2013 were £167,321. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies. In future years capital maintenance and development projects may be considered in the reserves policy review.

**NEWBURY ACADEMY TRUST  
REPORT OF THE GOVERNORS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

In respect of any surplus or deficit recognised in relation to the Trust's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employer's pension contributions over a number of years. This period a deficit of £625,000 has been recognised as a liability in the accounts, this does not present an immediately repayable debt.

**Investment Policy**

The Trust has invested the sum of £441,232 on deposit with HSBC which is low risk. The Trust does not have any endowment funds.

**Plans for Future Periods**

Newbury Academy Trust strives to continually provide quality lifelong education for all its learners, preparing them for their next steps at every stage. Ultimately preparing them to be well rounded people with the skills to be the very best they can be in whatever they choose to do.

We will continually review our working practices to ensure our learners receive the best opportunities by providing a balanced curriculum with opportunities for enrichment and challenge. We will provide high quality teaching to enable all to learn and make progress from whatever their starting points.

Our plans to continually develop will see the Trust looking at areas of curriculum design and building projects to further develop the learning environment on both sites with a new Sixth Form build for Trinity and a renovated FYSF outdoor learning environment.

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

Neither Newbury Academy Trust nor the Board of Directors/Trustees are acting as third party custodial trustees.

**NEWBURY ACADEMY TRUST**  
**GOVERNANCE STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

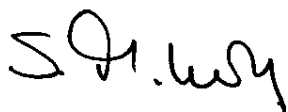
**Auditor**

In so far as the directors are aware

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

The auditors, Crowe Clark Whitehill LLP who were appointed during the period, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting

The report of the directors was approved by the members of the Directors Board on  
10 DECEMBER 2013 and signed on its behalf by



**Mrs S Loy**  
**Chair of Directors**



**Mrs C Wilson**  
**Accounting Officer**

**NEWBURY ACADEMY TRUST**  
**GOVERNANCE STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**Scope of Responsibility**

- As directors, we acknowledge we have overall responsibility for ensuring that the Newbury 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 directors have delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Newbury Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the trustees 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 directors board and local governing bodies between them have met formally five times during the period covered by these accounts. Attendance during the period at meetings of the Directors Board and local governing bodies was as follows:

**Newbury Academy Trust Board of Directors**

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs S Loy	1	1
Mr N Cornish	1	1
Mr P G Dick	1	1
Mrs C Wilson	1	1
Mr N Awbery	1	1
Mrs A Creed	1	1
Mr J Rigby	1	1
Mrs Zimmerman	1	1
Mr C Arlott	1	1

**Trinity School Local Governing Body**

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs S Loy	6	6
Mr N Cornish	6	6
Mrs A Creed	5	6
Mrs C Rees	5	6
Mrs L Lewis	5	6
Mr J Rigby	6	6
Mr E Collett	6	6
Mrs C Wilson	6	6

**NEWBURY ACADEMY TRUST**  
**GOVERNANCE STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**Fir Tree Local Governing Body**

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr N Awbery	2	2
Mr S Durrant	2	2
Mr C Arlott	1	2
Mrs A Allenby	2	2
Mrs K Dougal	2	2
Mrs S Hornblow	2	2
Mrs G Zimmerman	2	2
Mrs M Seymour	0	2
Mrs M Wyrembak	0	2

At the end of the year, Mrs Zimmerman resigned as a Director as she was no longer the Headteacher of Fir Tree School

The Finance Committees are sub-committees of the local governing bodies. Their purpose is to assist the decision making of the local governing bodies, by enabling more detailed consideration to be given to the best means of fulfilling the local governing bodies' responsibility to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity. During the period, the committees have focused on ensuring good financial practice and policy is established in the Trust's first year.

**Trinity School Trust Finance Committee**

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs C Wilson	6	6
Mrs L Lewis	5	6
Mrs S Loy	5	6
Mr J Rigby	5	6
Mr N Cornish	0	6

**Fir Tree School Finance Committee**

Fir Tree School did not commence Committee meetings until September 2013

**NEWBURY ACADEMY TRUST**  
**GOVERNANCE STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**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 Newbury Academy Trust for the period ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

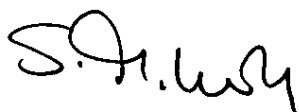
**Capacity to Handle Risk**

The Directors' Board 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 Directors' Board 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 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 Directors' Board.

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



**Mrs S Loy**  
**Chair of Directors**

**NEWBURY ACADEMY TRUST**  
**GOVERNANCE STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

The Directors' Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Crowe Clark Whitehill, 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 and has been fully delivered in line with the EFA's requirements. On a termly basis, the RO reports to the Bursar on the operation of the systems of control and on the discharge of the Directors' Board financial responsibilities. During the period, no material control issues have been identified requiring remedial action.

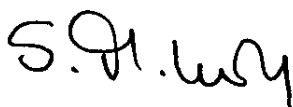
**Review of Effectiveness**

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

- the work of the Responsible Officer,
- The Academies Financial Handbook,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the School Bursar within the academy trust who has 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 Committees and the Responsible Officer and is pleased to report that no weaknesses have been identified. A programme of further review will however ensure continuous development of the system is in place.

Approved by order of the members of the Directors' Board on **10 DECEMBER 2013** and signed on its behalf by



**Mrs S Loy**  
**Chair of Directors**



**Mrs C Wilson**  
**Accounting Officer**

**NEWBURY ACADEMY TRUST**  
**STATEMENT ON REGULARITY, PROPRIETRY AND COMPLIANCE**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

As Accounting Officer of Newbury Academy Trust I have considered my responsibility to notify the academy trust Directors' Board 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 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.

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a series of loops and a wavy line extending to the right.

**Mrs C Wilson**  
**Accounting Officer**

**NEWBURY ACADEMY TRUST**  
**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

The Governors (some of whom who are also directors of Newbury Academy Trust for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards)

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

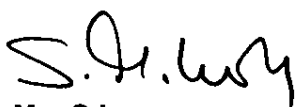
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures 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 charitable company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Directors' Board on **10 DECEMBER 2013**  
and signed on its behalf by



**Mrs S Loy**  
**Chair of Directors**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWBURY ACADEMY TRUST**

---

We have audited the financial statements of Newbury Academy Trust for the period ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 27

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 Annual 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 company's 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 Statement of Governors' Responsibilities, the governors (some of whom are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

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

### **Scope of the audit of the financial statements**

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

In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWBURY ACADEMY TRUST (CONTINUED)**

---

### **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, including the Annual Accounts Direction 2013 issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors Report for the financial 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
- 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



Alastair Lyon  
Senior Statutory Auditor

For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire  
RG1 1PL

10 December 2013

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

---

In accordance with the terms of our engagement letter dated 25 July 2012 and amended on 3 October 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 7 July 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to 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 Board of Directors 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 7 July 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

## **Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction 2013 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 7 July 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Alastair Lyon  
Senior Statutory Auditor

For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire  
RG1 1PL

10 December 2013

**NEWBURY ACADEMY TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Notes	Un- restricted Funds £	Restricted Funds General £	Restricted Fixed Asset Funds £	Restricted Funds Other £	2013 Total £
<b>Incoming resources</b>						
Received on conversion	2	-	75,239	11,727,179	-	11,802,418
Donations	2	-	-	-	52,395	52,395
<i>Incoming resources from generated funds</i>						
Activities for generating funds	3	208,060	-	-	-	208,060
Investment income	4	602	-	-	-	602
<i>Incoming resources from Charitable activities</i>						
Funding for the Academy's educational operations	5	-	5,472,241	176,225	23,168	5,671,634
<b>Total incoming resources</b>		<u>208,662</u>	<u>5,547,480</u>	<u>11,903,404</u>	<u>75,563</u>	<u>17,735,109</u>
<b>Resources expended</b>						
<i>Cost of generating funds</i>						
Costs of generating voluntary income		41,341	-	-	28,527	69,868
<i>Charitable activities</i>						
Academy's educational operations	8	-	5,297,465	204,407	19,139	5,521,011
Governance costs	12	-	18,171	-	-	18,171
<b>Total resources expended</b>	6	<u>41,341</u>	<u>5,315,636</u>	<u>204,407</u>	<u>47,666</u>	<u>5,609,050</u>
<b>Net incoming/(outgoing) resources before transfers</b>		167,321	231,844	11,698,997	27,897	12,126,059
Gross transfers between funds	16	-	(69,339)	69,339	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>		<u>167,321</u>	<u>162,505</u>	<u>11,768,336</u>	<u>27,897</u>	<u>12,126,059</u>
<b>Other recognised gains and losses</b>						
Pension scheme deficit brought forward on conversion		-	(421,000)	-	-	(421,000)
Actuarial (losses)/gains on defined benefit pension schemes	27	-	(204,000)	-	-	(204,000)
<b>Net movement in funds</b>		<u>167,321</u>	<u>(462,495)</u>	<u>11,768,336</u>	<u>27,897</u>	<u>11,501,059</u>

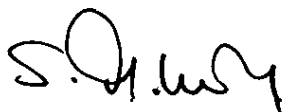
All the Academy's activities are derived from acquisitions and continuing operations in the current financial period

The notes on pages 29 – 50 form part of these financial statements

COMPANY NUMBER 7661205  
**NEWBURY ACADEMY TRUST**  
**BALANCE SHEET**  
**31 AUGUST 2013**

	Note	2013 £
<b>Fixed assets</b>		
Tangible assets	13	<u>11,613,179</u>
<b>Current assets</b>		
Debtors	14	133,096
Cash at bank and in hand		<u>602,617</u>
		735,713
<b>Current liabilities</b>		
<b>CREDITORS:</b> amounts falling due within one year	15	<u>(222,833)</u>
<b>Net current assets</b>		<u>512,880</u>
<b>Total assets less current liabilities</b>		<u>12,126,059</u>
<b>Net assets excluding pension liability</b>		
Pension scheme liability	27	<u>(625,000)</u>
<b>Net assets including pension liability</b>		<u>11,501,059</u>
<b>Restricted funds</b>		
General fund		162,505
Pension deficit		(625,000)
Fixed asset fund		11,768,336
Other restricted fund		<u>27,897</u>
<b>Total restricted funds</b>	17	11,333,738
<b>Unrestricted funds</b>		
General funds	17	<u>167,321</u>
<b>Total funds</b>		<u>11,501,059</u>

The financial statements on pages 26 to 28 were approved by the Directors and authorised for issue on **10 DECEMBER 2013** and are signed on their behalf by



**Mrs S Loy**  
**Chair of Directors**

The notes on pages 29 – 50 form part of these financial statements

**NEWBURY ACADEMY TRUST**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

	Note	2013 £
<b>Net cashflow from operating activities</b>	<b>23</b>	<b>440,957</b>
Cash transferred on conversion to an academy trust	<b>18</b>	<b>75,239</b>
Returns on investments and servicing of finance	<b>24</b>	<b>602</b>
Capital expenditure	<b>25</b>	<b>85,819</b>
<b>Increase in cash before use of liquid resources</b>		<b><u>602,617</u></b>
<b>Management of liquid resources</b>		
Transfer to short-term deposits		-
<b>Increase in cash in the period</b>		<b><u>602,617</u></b>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase in cash		<b><u>602,617</u></b>
Change in net funds		<b>602,617</b>
<b>Net funds at 31 August 2013</b>		<b><u>602,617</u></b>
<b>Analysis of changes in net funds</b>		
		<b>At 31 August 2013</b>
Cash in hand and at bank		<b><u>602,617</u></b>
Net funds		<b>602,617</b>

All the Academy's cashflows are derived from acquisitions and continuing operations in the current financial period

The notes on pages 29 – 50 form part of these financial statements

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**1. 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 EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**Going Concern**

The 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 company to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

**Conversion to an Academy Trust**

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

The assets and liabilities transferred on conversion to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Newbury Academy Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of specific elements of the transaction are set out in the accounting policies below.

**Incoming resources**

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

**Grants Receivable**

Grants receivable 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.

**General Annual Grant**

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

**Capital Grants**

Capital grants are recognised when relievable 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 Sheet in the restricted fixed asset fund.

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**Incoming resources (continued)**

**Sponsorship Income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable

**Donations**

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date

**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

Interest receivable is included within the statement of financial activities on a receivable basis

**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 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 the Academy's policies

In respect of buildings transferred to the Academy from its previous form as a Maintained School, the open market value of this has been included within voluntary income under the Restricted Fixed Asset Fund. The cost of the building is depreciated over 50 years

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**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 a particular heading they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

**Costs of generating funds**

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

**Charitable activities**

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

**Governance/Directors' costs**

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

Assets costing £1,000 or more, which have been acquired since the Academy was established, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Freehold Land and Buildings that were acquired when the Academy was established are now valued at depreciated replacement cost. The governors are not expecting to revalue the property in the future.

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 the 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 life, as follows:

Freehold land and buildings	2%
Fixtures and fittings	20%
Motor Vehicles	20%
Plant and machinery	20%
Computer equipment	33%

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**Tangible Fixed Assets (continued)**

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.

**Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in trading profit.

**Operating Leases**

Rentals under operating leases are charged to the Statement of Financial Activities 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 Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Teachers' Pension Scheme**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**Local Government Pension Scheme**

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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**

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Directors.

Restricted funds comprise grants from the EFA and other donors which are to be used for specific purposes.

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**2. VOLUNTARY INCOME (INCLUDING INCOME TRANSFERRED FROM LOCAL AUTHORITY ON CONVERSION)**

	Unrestricted Funds £	Restricted Funds £	Total £
Donations	-	52,395	52,395
In kind support – transfer of buildings on conversion	-	11,727,179	11,727,179
Local Authority Surplus	<u>-</u>	<u>75,239</u>	<u>75,239</u>
	<u>-</u>	<u>11,854,813</u>	<u>11,854,813</u>

**3 ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total £
Hire of facilities and lettings	91,969	-	91,969
Sales materials	18,276	-	18,276
Examination fees	1,013	-	1,013
Other income	<u>96,802</u>	<u>-</u>	<u>96,802</u>
	<u>208,060</u>	<u>-</u>	<u>208,060</u>

**4. INVESTMENT INCOME**

	Unrestricted Funds £	Restricted Funds £	Total £
Bank interest	<u>602</u>	<u>-</u>	<u>602</u>

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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

	Unrestricted Funds £	Restricted Funds £	Total £
<b>Capital grants</b>			
Devolved formula capital grant	-	23,255	23,255
Academies capital maintenance fund	-	152,970	152,970
<b>DfE / EFA revenue grants</b>			
General Annual Grant (GAG)	-	4,209,279	4,209,279
Other DfE / EFA grants	-	822,159	822,159
<b>Other Government grants</b>			
Local authority	-	211,799	211,799
Other grants	-	229,004	229,004
Total grants	-	5,648,466	5,648,466
Trip income	-	23,168	23,168
<b>Total</b>	-	5,671,634	5,671,634

**6. RESOURCES EXPENDED**

	Staff costs £	Premises £	Other costs £	2013 Total £
Costs of generating voluntary income	-	-	69,868	69,868
<b>Academy's educational operations</b>				
Direct costs	3,582,702	-	649,669	4,232,371
Allocated support costs	615,009	368,930	304,701	1,288,640
Governance costs including allocated support costs	-	-	18,171	18,171
<b>Total</b>	4,197,711	368,930	1,042,409	5,609,050

The method used for the apportionment of support costs is disclosed in the accounting policies (note 1)

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**7. SURPLUS FOR THE PERIOD**

Surplus for the period is stated after charging -

	2013 £
Operating leases - other	33,822
Depreciation	204,406
Auditor's remuneration for audit services	<u>12,500</u>

**8. ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £	Restricted Funds £	Total 2013 £
<b>Direct costs</b>			
Teaching and educational support staff costs	-	3,582,702	3,582,702
Depreciation	-	204,207	204,207
Educational supplies	-	61,035	61,035
Examination fees	-	70,694	70,694
Staff development	-	39,832	39,832
Other direct costs	<u>-</u>	<u>273,901</u>	<u>273,901</u>
	<u>-</u>	<u>4,232,371</u>	<u>4,232,170</u>
<b>Allocated support costs</b>			
Support staff costs	-	615,009	615,009
Recruitment and support	-	18,277	18,277
Marketing and advertising	-	25,672	25,672
Maintenance of premises and equipment	-	221,710	221,710
Cleaning	-	107,542	107,542
Rent & rates	-	28,934	28,934
Insurance	-	44,417	44,417
Security and transport	-	10,744	10,744
Professional and consultancy	-	67,552	67,552
Postage	-	6,754	6,754
Catering	-	38,390	38,390
School trips	-	19,139	19,139
Other support costs	<u>-</u>	<u>84,500</u>	<u>84,500</u>
	<u>-</u>	<u>1,288,640</u>	<u>1,288,640</u>
	<u>-</u>	<u>5,521,011</u>	<u>5,521,011</u>

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**9. STAFF COSTS**

	2013 £
Staff costs during the period were	
Wages and salaries	3,519,079
Social security costs	253,033
Pension costs	<u>425,599</u>
	<u><u>4,197,711</u></u>

	2013 No.
<b>Charitable Activities</b>	
Teachers	72
Administration and support	80
Management	<u>8</u>
	<u><u>160</u></u>

	2013 No.
* The number of employees whose emoluments fell within the following bands was	
£70,000 - £80,000	1
£60,001 - £70,000	1
Both of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these members of staff amounted to £18,900	

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**10. GOVERNORS' REMUNERATION AND EXPENSES**

The Executive Headteacher, Fir Tree Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher, Headteacher and staff and not in respect of their services as governors

The value of the Executive Headteacher's remuneration was £70,000 to £80,000\*  
The value of the Fir Tree Headteacher's remuneration was £55,000 to £60,000\*

In accordance with the Accounts Direction 2013 no disclosure has been given in respect of Staff Governors as they are not trustees of the charitable company

During the period ended 31 August 2013, travel and subsistence expenses totalling £97 were reimbursed to 1 governor

Related party transactions involving governors are set out in note 26

\* figures have been pro-rated to represent a 12 month period

**11. DIRECTORS', GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect directors, governors 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 period ended 31 August 2013 was approximately £5,881

The cost of insurance is included in total insurance costs

**12. GOVERNANCE COSTS**

	2013 £
Auditors remuneration	
Audit of financial statements	12,500
Non-audit services	<u>5,671</u>
	<u><u>18,171</u></u>

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**13. TANGIBLE FIXED ASSETS**

	Freehold Buildings £	Freehold Land £	Furniture fittings and equipment £	Computer Equipment £	Motor Vehicles £	2013 Total £
<b>Cost</b>						
Transfer on conversion	8,752,620	2,930,000	44,559	-	-	11,727,179
Additions	-	-	11,354	65,467	13,585	90,406
Disposals	-	-	-	-	-	-
At 31 August 2013	<u>8,752,620</u>	<u>2,930,000</u>	<u>55,913</u>	<u>65,467</u>	<u>13,585</u>	<u>11,817,585</u>
<b>Depreciation</b>						
Charged in period	(171,620)	-	(8,466)	(21,604)	(2,716)	(204,406)
Disposals	-	-	-	-	-	-
At 31 August 2013	<u>(171,620)</u>	<u>-</u>	<u>(8,466)</u>	<u>(21,604)</u>	<u>(2,716)</u>	<u>(204,406)</u>
<b>Net book value</b>						
At 31 August 2013	<u>8,581,000</u>	<u>2,930,000</u>	<u>47,447</u>	<u>43,863</u>	<u>10,869</u>	<u>11,613,179</u>

Reconciliation of fixed assets to the restricted fixed asset fund

£

Value per fixed assets (note 13)	11,613,179
Add Capital grants received but not yet invested	155,157
Balance per restricted fixed asset fund (note 17)	<u>11,768,336</u>

Included within Fixed Assets is recognition of the value of the land and buildings transferred to the Academy from its predecessor form as a Maintained School. The Academy has used the site valuation provided by West Berkshire Council at the date of conversion.

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**14. DEBTORS**

	2013 £
Trade debtors	-
Other debtors	101,909
Prepayments	<u>31,187</u>
	<u><u>133,096</u></u>

**15. CREDITORS:** amounts falling due within one year

	2013 £
Trade creditors	16,461
Other taxation and social security	77,575
Other creditors	6,213
Accruals	<u>122,584</u>
	<u><u>222,833</u></u>

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**16. STATEMENT OF FUNDS**

	Incoming Resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31 August 2013 £
<b>Restricted General Funds</b>				
General Annual Grant	5,031,438	(4,839,527)	(69,339)	122,572
Cash received on conversion	75,239	(75,239)	-	-
Pension reserve	-	-	(625,000)	(625,000)
Other EFA grants	440,803	(400,870)	-	39,933
	<u>5,547,480</u>	<u>(5,315,636)</u>	<u>(694,339)</u>	<u>(462,495)</u>
<b>Restricted Fixed Asset Fund</b>				
Donated on conversion	11,727,179	(204,407)	69,339	11,592,111
DfE/EFA capital grants	176,225	-	-	176,225
	<u>11,903,404</u>	<u>(204,407)</u>	<u>69,339</u>	<u>11,768,336</u>
<b>Restricted Other Funds</b>				
School Fund	75,563	(47,666)	-	27,897
<b>Unrestricted Funds</b>				
Unrestricted funds	208,662	(41,341)	-	167,321
<b>Total funds</b>	<u>17,735,109</u>	<u>(5,609,050)</u>	<u>(625,000)</u>	<u>11,501,059</u>

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

Restricted General Funds - EFA grants (including GAG), which must be used to meet the cost of running Newbury Academy Trust

Restricted Other Funds - represents donations and fundraising income generated by the school, which is for restricted use as stipulated by the donor

Unrestricted Funds - represents income generated by the school (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Directors' Board

Transfer of £69,339 into the restricted fixed asset fund from the restricted general fund represents capital additions purchased from the GAG income

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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

Fund balances at 31 August 2013 were allocated as follows

	Total £
Trinity School	9,885,919
Fir Tree Primary	<u>1,615,140</u>
<b>Total</b>	<b><u>11,501,059</u></b>

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Restricted Other Fund £	Total £
Tangible fixed assets	-	-	11,613,179	-	11,613,179
Current assets	167,321	385,338	155,157	27,897	735,713
Current liabilities	-	(222,833)	-	-	(222,833)
Pension scheme liability	<u>-</u>	<u>(625,000)</u>	<u>-</u>	<u>-</u>	<u>(625,000)</u>
	<u>167,321</u>	<u>(462,495)</u>	<u>11,768,336</u>	<u>27,897</u>	<u>11,501,059</u>

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**18. CONVERSION TO AN ACADEMY TRUST**

On 7 July 2012 Newbury Academy Trust converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Newbury Academy Trust from the West Berkshire Local Authority for £nil consideration. The transfer has been accounted for using the acquisition method. The assets and liabilities transferred on conversion have been valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

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

	Un- restricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Restricted Other Fund £	2013 Total £
Tangible fixed assets –freehold (pre-revaluation)	-	-	17,048,612	-	17,048,612
Tangible fixed assets - other	-	-	44,559	-	44,559
Budget surplus on LA funds	-	75,239	-	-	75,239
Pension scheme liability	-	(421,000)	-	-	(421,000)
Net assets/liabilities	-	(345,761)	17,093,171	-	16,747,410

**19. CAPITAL COMMITMENTS**

At 31 August 2013 there were capital commitments of £40,256 in respect of future building works.

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**20. FINANCIAL COMMITMENTS**

**Operating leases**

	2013 £
<b>Other</b>	
Expiring within one year	18,395
Expiring within two and five years inclusive	18,618
Expiring in over five years	<u>-</u>
	<u><u>37,013</u></u>

**21. CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the Academy is required either to reinvest the proceeds or to repay to the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to -

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

**22. MEMBERS' LIABILITIES**

Every member of the charitable company undertakes to contribute such amount as may be required (such amount not exceeding £10) to the assets of the company in the event of it being wound up while he or she is a member or within one year after he or she ceases to be a member, for the payment of the Trust's debts and liabilities before he or she ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of contributions amongst themselves

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**23. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2013 £
Net income	11,501,059
Cash transferred on conversion to an academy trust	(75,239)
In kind support - buildings	(11,727,179)
Depreciation	204,406
Capital grant received	(176,225)
Movement in FRS 17 liability	625,000
Interest received	(602)
(Increase) in debtors	(133,096)
Increase in creditors	<u>222,833</u>
<b>Net cash inflow from operating activities</b>	<b><u>440,957</u></b>

**24. RETURNS ON INVESTMENT AND SERVICING OF FINANCE**

	2013 £
Interest received	<u>602</u>
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b><u>602</u></b>

**25. CAPITAL EXPENDITURE**

	2013 £
Purchase of tangible fixed assets	(90,406)
Capital grants received	<u>176,225</u>
<b>Net cash inflow from capital expenditure</b>	<b><u>85,819</u></b>

**26. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations and the composition of the Board of Directors being linked to local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Directors or a Governor may have an interest

There were no related party transactions in the period ended 31 August 2013

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**27. PENSIONS AND SIMILAR OBLIGATIONS**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government would be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

On 31 January 2013, the Department for Education published the outcome of the consultation on further contributions increases that will apply to members of the TPS in financial year 2013-14 as well as the removal of provisions governing scheme valuations and cap and share arrangements. A revised eight tier salary and employee contribution rate structure has been introduced from 1 April 2013 with employee rates varying between 6.4% and 11.2%. Employer contributions will continue for this period at the current rate 14.1%.

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions.

In light of the new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share processes.

The pension charge for the period includes contributions payable to the TPS of £327,795. At the year-end £nil was accrued in respect of contributions to this scheme.

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**27 PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)**

**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 period ended 31 August 2013 was £131,000, of which employer's contributions totalled £95,000 and employees' contributions totalled £36,000. The agreed contribution rates for future years are 18.3 per cent for employers and from 5.5 to 7.5 per cent for employees depending on salary.

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

<b>Principal actuarial assumptions</b>	<b>At 31 August 2013</b>
Rate of increase in salaries	4.9%
Rate of increase of pensions in payment / inflation	2.9%
Discount rate for scheme liabilities	4.7%
Inflation Assumption (CPI)	2.9%

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>
Retiring today - males	23.1
Retiring today - females	25.7
Retiring in 20 years - males	25.1
Retiring in 20 years - females	27.6

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)**

The academy trust's (combining Trinity School and Fir Tree Primary) 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 £'000
Equities	42%	181
Gilts	1%	4
Other bonds	21%	90
Property	9%	39
Cash	1%	4
Alternative assets	26%	<u>112</u>
<b>Total market value of assets</b>		430
Present value of scheme liabilities		
- Funded		<u>(1,055)</u>
<b>Surplus/(deficit) in the scheme</b>		<u><u>(625)</u></u>

The actual return on scheme assets was £31,000

**The amounts included within the Statement of Financial Activities would be as follows:**

	2013 £'000
Current service cost	(123)
Past service gain	<u>-</u>
Total operating charge	<u><u>(123)</u></u>
<b>Analysis of pension finance income / (costs)</b>	
Expected return on scheme assets	14
Interest on pension liabilities	<u>(32)</u>
<b>Pension finance income / (costs)</b>	<u><u>(18)</u></u>

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)**

Newbury Academy Trust expects to contribute £125,000 to its defined benefit pension scheme in 2013. The actuarial gains and losses for the current period (£267,000 loss) are recognised in the statement of financial activities. The cumulative amount of gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £267,000 loss.

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

	2013 £'000
Current service cost	694
Interest cost	123
Estimated benefits paid (net of transfers in)	32
Employee contributions	36
Actuarial (gain)/loss	<u>170</u>
<b>At 31 August 2013</b>	<b><u>1,055</u></b>

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

	2013 £'000
Opening balance	273
Expected return on assets	14
Actuarial gain/(loss)	12
Estimated benefits paid (net of transfers in)	-
Employer contributions	95
Employee contributions	<u>36</u>
<b>At 31 August 2013</b>	<b><u>430</u></b>

**NEWBURY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)**

The history of experience adjustments is as follows:

	2013 £'000
Present value of defined benefit obligations	(1,055)
Fair value of share of scheme assets	<u>430</u>
Deficit in the scheme	<u>(625)</u>
Experience adjustments on share of scheme assets	
Amount £'000	<u>12</u>
Experience adjustments on scheme liabilities.	
Amount £'000	<u>-</u>

As described above the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.