

Company Registration No 08320065 (England and Wales)

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2013

SATURDAY



A18 *A2YTYESR* #326
04/01/2014
COMPANIES HOUSE

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

CONTENTS

| | Page |
|---------------------------------------------------|-------------|
| Reference and administrative details | 1 - 2 |
| Trustees' report | 3 - 13 |
| Governance statement | 14 - 15 |
| Statement on regularity, propriety and compliance | 16 |
| Statement of trustees' responsibilities | 17 |
| Independent auditor's report on the accounts | 18 - 19 |
| Independent auditor's report on regularity | 20 - 21 |
| Consolidated Statement of financial activities | 22 |
| Consolidated Balance sheet | 23 |
| Company Balance sheet | 24 |
| Consolidated Cash flow statement | 25 |
| Notes to the consolidated accounts | 26 - 44 |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr G Armitage
Mrs V Armitage
Mrs P Bourne
Mr T Buckmaster
Mrs C Hale
Miss J Kervick (Resigned 23 July 2013)
Mrs K Lee
Mr V Lloyd (Chair)
Mrs R Meredith (Principal)
Mr T Molife
Miss A Munns (Resigned 23 July 2013)
Mr C Nelson (Resigned 26 February 2013)
Miss A Rehman
Father C Rushforth
Mrs D Warwick

Senior management team

| | |
|-----------------------|---------------------------------|
| - Principal | Mrs R Meredith (Executive Head) |
| - Head of School | Mrs K Lee |
| - Deputy Principal | Mrs L Clarke |
| - Assistant Principal | Mr S Mensah |
| - Business Manager | Mrs J Ogle |

Company secretary

Miss S Heesom

Company registration number

08320065 (England and Wales)

Registered office

Windmill Lane
Sneinton
Nottingham
NG2 4BQ

Independent auditor

UHY Hacker Young LLP
22 The Ropewalk
Nottingham
NG1 5DT

Bankers

Lloyds TSB plc
Market Square House
Old Market Square
Nottingham
NG1 6FD

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2013

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 January 2013 to 31 August 2013

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Sneinton St Stephen's Church of England Primary School Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sneinton St Stephen's Church of England Primary School.

Details of the trustees who served during 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 year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Details of the insurance cover are provided in note 10 to the financial statements.

Principal activities

The Academy Trust took over the operation of Sneinton St Stephen's Church of England Primary School on the school's conversion to academy status on 1st January 2013. Since then the Academy Trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 3 and 11.

1 The Academy Trust's principal objective ("the Object") as per the Articles of Association

(a) The Academy Trust's object ("The Object") is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education ("The Academy").

The principal activity of the trading subsidiary, Transform Teaching School Alliance Limited, is that of providing staff training and advice to the Educational Sector.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Method of recruitment and appointment or election of trustees

The governors are split into six categories, LA, parent, staff, DBE, co-opted and PCC. The parent governors are elected by parents or carers of registered pupils and must be such parents or carers at the time of their election. If insufficient parents stand for election the governing body can appoint parent governors. Staff governors are candidates who must be working at the school at the time of the election. Co-opted and community are elected by invitation due to their experience and community involvement. Each governor is provided with policies on their roles and responsibilities, conduct as a governor and guidance on the general principles of behaviour.

Under the terms of its Articles, the Academy Trust shall have the following Governors

- The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum
- Subject to its Articles, the Academy Trust shall have the following Governors
- No less than 9 Governors, appointed under Article 50
- Up to 1 LA Governor appointed under Article 51
- 2 Parent Governors appointed under Articles 53-58,
- Up to 2 Staff Governors appointed under Article 50A
- the Principal,
- any Additional Governors, if appointed under Article 62, 62A or 68A
- any Further Governors, if appointed under Article 63 or Article 68A
- The Academy Trust may also have any Co-opted Governor(s)
- The first Governors shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006
- Future Governors shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Governor to be appointed or elected due to the fact that an Academy has not yet been established or the Principal has not been appointed, then the relevant Article or part thereof shall not apply

Appointment of governors

- The Members shall appoint a minimum of 9 Governors of whom (a) at least two shall be nominated by the Diocesan Board of Education with one being chosen from one of the following three corporate bodies (i) the Incumbent of St Stephen's (with St Matthias), Sneinton (ii) the Incumbent of St Christopher's, Sneinton or (iii) the Incumbent of St Cyprian's, Sneinton (b) two shall be nominated by the Parochial Church Council of St Stephen's (with St Matthias), Sneinton (c) two shall be nominated by the Parochial Church Council of St Christopher's, Sneinton (d) two shall be nominated by the Parochial Church Council of St Cyprian's, Sneinton
 - The Members may appoint 2 Staff Governors through such process as they may determine
 - The LA may appoint the LA Governor
 - The Principal shall be treated for all purposes as being an ex officio Governor
 - Subject to the Articles, the Parent Governor(s) shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected
 - The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot
 - The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy
 - Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so
 - The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies
 - In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age
 - The Governing Body shall make all necessary arrangements for, and determine all matters relating to, the election and removal of Staff Governors
-

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Co-opted governors

The Governors appointed under Article 50 with the consent of the Diocesan Board of Education may appoint up to 3 Co-opted Governors for such term (not exceeding four years) and otherwise upon such conditions as they shall think fit. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby number of Governors who are employed by the Academy Trust would one third of the total number of Governors (including the Principal).

Appointment of additional governors

The Secretary of State may give a warning notice to the Governors where he is satisfied

that the standards of performance of pupils at the Academy are unacceptably low, or
that there has been a serious breakdown in the way the Academy is managed or governed, or
that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise)

For the purposes of the Articles, a 'warning notice' is a notice in writing by the Secretary of State to the Academy Trust delivered to the Office setting out

the matters referred to in the Articles,

the action which he requires the Governors to take in order to remedy those matters, and
the period within which that action is to be taken by the Governors ('the compliance period')

The Secretary of State may appoint such Additional Governors as he thinks fit if the Secretary of State has given the Governors a warning notice in accordance with the Articles, and

the Governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period

The Secretary of State may also appoint such Additional Governors (after consultation with the Diocesan Board of Education) where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by Sneinton St Stephen's Church of England Primary School (a maintained school) shall be regarded as the grade received by the Academy.

The Secretary of State may also appoint such Further Governors (after consultation with the Diocesan Board of Education) if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

Within 5 days of the Secretary of State appointing any Additional or Further Governors in accordance with Articles 62, 62A or 63, any Governors appointed under Article 50 and holding office immediately preceding the appointment of such Governors, shall resign immediately and the Members' power to appoint Governors under Article 50 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Governors.

Terms of office

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Policies and procedures adopted for the induction and training of trustees

During the period under review the Full Governing Body met 3 times and there were monthly committee meetings committee meetings. The training and induction provided for new Governors depends on their previous experience. All new Governors are given a tour of the school and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. New Governors attend an Induction course provided by Nottingham City Council and have access to a full programme of courses which they will choose to attend, based on their role and experience.

Organisational structure

The organisational structure consists of three levels: the Governors, the Core Leadership Team and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Governors and Leadership Teams control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Leadership Team always contain a Governor. Some spending control is devolved to members of the Senior Leadership Team, with limits above which a member of the Core Leadership Team must countersign.

The Senior Leadership Teams are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students. This structure empowers staff at all levels to take responsibility to improve and review their working practice.

Risk management

The Governors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to manage risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Connected organisations and related party relationships

The Academy works closely with Transform Teaching School Alliance Limited, Transform Trust Limited, NCTL, Nottingham Learning Trust as well as Nottingham University, Nottingham City LA in supporting schools. The Executive Head and Head of School hold regular sessions with the Education Improvement Partnership's Business Managers to share and improve practice and efficiency throughout the EIP.

Sneinton St Stephen's C of E Primary holds the license for a teaching school, as such Transform Teaching School Alliance Ltd was incorporated in February 2013. Transform Teaching School Alliance work in partnership with Sneinton to deliver a wide range of services including School to School Support, CPD & Leadership Programmes and Teacher Training. Due to the Academy being the license holder for the Teaching School Alliance a full set of consolidated accounts for the two entities will be produced.

Transform Teaching School Alliance Limited commenced trading on 1 March 2013 and for the period ended 31 August 2013 its income was £138,731, expenditure was £137,620, (which includes a donation to Sneinton St Stephen's C of E Primary School of £35,666) and achieved a surplus of £1,111.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Objectives and activities

Objects and aims

The Academy Trust's objectives are specifically restricted to the following

(a) The Academy Trust's object ("The Object") is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education ("The Academy")

Objectives, strategies and activities

Sneinton St Stephens's children are central to all our endeavours. We will judge everything that takes place in the school according to its impact on the children. We embrace the requirements of the "Every Child Matters" agenda, which is integral to our work as a successful Primary School.

Decisions will be made in accordance with the prime directive that Sneinton is a place of learning for the whole school community.

Our Christian values for the children subdivide into ten areas which we believe are equally essential for rounded and continued growth and development throughout childhood and into adult life. This school is underpinned by clearly expressed Christian values that lie at the heart of the school's life, making it very distinctive.

The Academy produces a Development Plan on an annual basis where it details how it intends to achieve the aims and objectives for the year.

Priorities for the period ending 31st August 2014 are -

- 1 Raise the attainment of higher achieving pupils in reading and maths throughout Key Stages 1 and 2 by increasing levels of challenge for more able pupils
- 2 Raise attainment in reading particularly for pupils in receipt of FSM
- 3 Raise attainment in grammar punctuation and spelling particularly for higher achieving pupils in key stage 2

The priorities for the period ending 31st August 2013 were

- 1 To moderate all children who have exceeded expectations in F2 in reading, writing and maths
- 2 To improve pupils spelling by developing phonics and other spelling strategies at KS2
- 3 Design, trial and implement a new transition pattern in March 2013

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making support resources available.

By involving disabled pupils, employees, parents and carers and the wider community school will get advice that will be invaluable when producing and implementing this scheme. Disabled children and adults will know and understand the barriers they face and what can be done to promote disability equality. Involvement should not be confused with consultation. Involvement is a more active concept than consultation, and school will engage with disabled children and adults from the beginning and use their views throughout the process of developing the scheme, designing a policy or reorganising a practice.

Whilst the regulations specifically require the involvement of disabled people in the development of the Scheme only, the involvement of disabled people in the implementation of various aspects of the Scheme (such as conducting impact assessments and gathering evidence) is also critical to successful implementation. We will continue to involve disabled people in all our processes of evidence gathering, impact assessment, reviewing and revising the Scheme and priorities.

Public benefit

The governors confirm that they have complied with the Charities Act 2006 to have due regard to the Charities Commission's general guidance on public benefit and in particular to its supplementary public benefit on advancing education. We have reviewed our aims and objectives and in planning our future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set.

Sneinton St Stephen's C of E Primary School is an Academy converter catering for children aged 3 to 11 and strives to promote and support the advancement of education within a Christian context. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. For example the school adopts a specialist teacher model in PE, and Music, works in conjunction with external organisations (e.g., sporting clubs) to enhance the curriculum experiences for the children, provides excellent links with local secondary schools to help transition of pupils and provide curricular/staff CPD support and also works within the local community to ensure that it is central to community cohesion.

Wherever possible the school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example Local Residents Group, Parents Group to support children.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Achievements and performance

Achievements in the year

The advancement of education is maintained by offering a varied curriculum resulting in high attainment

KS2 SATS results for 2013:

| | 2013 Prediction | 2013 Outcome |
|-----------------------------------------|-----------------|----------------|
| KS2 Combined English & mathematics | 86% | 63% |
| KS2 Progress 2 NC levels in English | 86% | 94 (w) 74@% |
| KS2 Progress 2 NC levels in mathematics | 94% | 94% |
| 5 3 Attendance | 95 5 % | 95 2 % |

KS1 SATS results for 2013

| | | |
|---------------------|-----|-------|
| KS1 Reading L2+ | 79% | 93 3% |
| KS1 Writing L2+ | 76% | 96 7% |
| KS1 Mathematics L2+ | 82% | 93 3% |
| KS1 Reading L3 | 9% | 6 7% |
| KS1 Writing L3 | 3% | 3 3% |
| KS1 Mathematics L3 | 9% | 6 7% |

Year 1 phonics – %

- In 2013, 79% of pupils achieved the expected standard in the Year One phonics test (well above LA averages and above national average)

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2013

Key performance indicators

The Governors consider that the following are key performance indicators for the Academy Trust

- Pupils numbers (leading directly to the Education Funding Agency ("EFA") funding level),
- General financial stability - aim for income to match expenditure each year,
- Percentage of income received from EFA spent on total staff costs,
- Income per pupil
- Staff costs as a percentage of grant income,
- Staff costs as a percentage of total costs,
- Introduction of specialist teachers
- Ofsted inspection results,
- Capital expenditure per pupil,
- Foundation pupil intake - admissions procedure followed due to being oversubscribed,

The Governors have been pleased that expectations for all key performance indicators listed have been successfully met during the period

Going concern

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

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Financial review

During the period the Academy Trust inherited the assets and liabilities in hand on 1 January 2013, the date of conversion to academy status. A net donation of £1,439,568, which includes a valuation of land and buildings, is included within income in the Statement of Financial Activities, in accordance with the EFA Accounts Direction. Fixed assets inherited are included in the Restricted Fixed Asset Fund, all other assets and liabilities, excluding the opening Local Government Pension Scheme position, are shown as a net donation into unrestricted funds. The opening Local Government Pension Scheme liability is shown within Restricted Funds.

Most of the Academy's recurrent income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2013, total expenditure of £975,242 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure (excluding assets inherited on conversion) for the year was £89,942.

At 31 August 2013, the net book value of fixed assets was £1,529,305 and movements in tangible fixed assets are shown in note 11 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Principal risks and uncertainties

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans.

Operational and reputational - this covers risks to the running of the Academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management.

The risks to which the Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

Financial and risk management objectives and policies

The Academy Trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Academy Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - The Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the Trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the Trust's assets.

Credit risk arises from the possibility that amounts owed to the Trust will not be repaid. The Trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Reserves policy

The Trustees review the reserve levels of the Academy Trust throughout the period. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. Devolved Capital is reserved for the use of building maintenance where appropriate.

Investment policy and powers

The Academy Trust seeks to maximise returns from investments, minimise risk and maintain flexibility and access to funds.

Summary of protocols for proposed major developments

The proposal should be supported by a three-year business plan which sets out

- a demonstration of the proposal's consistency with the strategic plans approved by the governing body and with the institution's powers under current legislation
- details of the market need and the assumptions (based on reference data) of the level of business available
- details of the business and what product or service will be delivered
- an outline plan for promoting the business to the identified market place and achieving planned levels of business
- details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues
- details of any premises and other resources required
- a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions
- contingency plans for managing adverse sensitivities
- consideration of taxation and other legislative or regulatory issues
- a three-year financial forecast for the proposal including a monthly cash flow forecast and details of the impact on the institution cash flow forecast for the financial years in question

Plans for the future

The governors have agreed to maintain a contingency reserve account in order to pay for any unexpected building issues.

Governors to review services to ensure efficiency, effectiveness and economy.

Review potential of becoming a Multi Academy Trust.

Funds held as custodian trustee

The Academy does not currently hold any funds on behalf of others.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

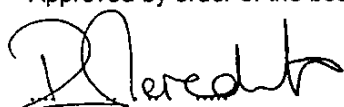
Auditor

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

A resolution proposing that UHY Hacker Young LLP be reappointed as auditor of the charitable company will be put to the members

Approved by order of the board of trustees on 20 December 2013 and signed on its behalf by



Mrs R Meredith

Principal



Mr V Lloyd

Chair

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2013

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Sneinton St Stephen's Church Of England Primary School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sneinton St Stephen's Church Of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

| Trustees | Meetings attended | Out of possible |
|-----------------------------------------|--------------------------|------------------------|
| Mr G Armitage | 2 | 2 |
| Mrs V Armitage | 3 | 3 |
| Mrs P Bourne | 2 | 3 |
| Mr T Buckmaster | 3 | 3 |
| Mrs C Hale | 2 | 3 |
| Miss J Kervick (Resigned 23 July 2013) | 2 | 3 |
| Mrs K Lee | 3 | 3 |
| Mr V Lloyd (Chair) | 3 | 3 |
| Mrs R Meredith (Principal) | 3 | 3 |
| Mr T Molife | 2 | 3 |
| Miss A Munns (Resigned 23 July 2013) | 3 | 3 |
| Mr C Nelson (Resigned 26 February 2013) | 0 | 3 |
| Miss A Rehman | 2 | 3 |
| Father C Rushforth | 2 | 3 |
| Mrs D Warwick | 3 | 3 |

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 Sneinton St Stephen's Church Of England Primary School for the period 1 January 2013 to 31 August 2013 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees 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 board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 January 2013 to 31 August 2013 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees,
- 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 board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed UHY Hacker Young LLP, the auditors, as responsible officer (RO) to perform additional checks.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the period 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 board of trustees on 20 December 2013 and signed on its behalf by



Mr V Lloyd
Chair



Mrs R Meredith
Accounting Officer

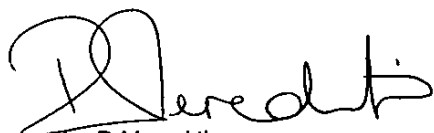
SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD ENDED 31 AUGUST 2013

As accounting officer of Sneinton St Stephen's Church of England Primary School 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 Education Funding Agency terms and conditions of funding, under the funding agreement in place between the academy trust and 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's 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.

Approved on 20 December 2013 and signed by



Mrs R Meredith
Accounting Officer

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who also act as governors for Sneinton St Stephen's Church of England Primary School and are also the directors of Sneinton St Stephen's Church of England Primary School for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

In preparing these accounts, 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 accounts, and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 20 December 2013 and signed on its behalf by



Mr V Lloyd
Chair

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

We have audited the accounts of Sneinton St Stephen's Church of England Primary School for the period ended 31 August 2013 set out on pages 22 to 44 which comprise the group statement of financial activities, the group and parent company balance sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the trustees, who are also the directors of Sneinton St Stephen's Church of England Primary School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

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

Opinion on accounts

In our opinion the accounts

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial period for which the accounts are prepared is consistent with the accounts.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company accounts 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

Elizabeth Searby

Elizabeth Searby BSc FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP

Chartered Accountants
Statutory Auditor

22 The Ropewalk
Nottingham
NG1 5DT

Dated 20 December 2013

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 14 May 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sneinton St Stephen's Church of England Primary School during the period 1 January 2013 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 Sneinton St Stephen's Church of England Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Sneinton St Stephen's Church of England Primary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Sneinton St Stephen's Church of England Primary School and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Sneinton St Stephen's Church of England Primary School's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Sneinton St Stephen's Church of England Primary School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

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

Approach

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

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants in England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of Sneinton St Stephen's Church of England Primary School for the period ended 31 August 2013 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 January 2013 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

Elizabeth Searby

**Elizabeth Searby BSc FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP**

Dated 20 December 2013

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 AUGUST 2013

| | | Unrestricted funds | Restricted funds | Fixed Asset fund | Total 2013 |
|------------------------------------------------------------|-------|-----------------------|---------------------|---------------------|------------------|
| | Notes | £ | £ | £ | £ |
| <u>Incoming resources</u> | | | | | |
| <i>Resources from generated funds</i> | | | | | |
| - Inherited on conversion | 25 | 85,206 | (269,267) | 1,623,629 | 1,439,568 |
| - Activities for generating funds | 3 | 126,493 | 9,432 | - | 135,925 |
| - Investment income | 4 | 191 | - | - | 191 |
| <i>Resources from charitable activities</i> | | | | | |
| - Funding for educational operations | 5 | - | 926,365 | 2,703 | 929,068 |
| Total incoming resources | | 211,890 | 666,530 | 1,626,332 | 2,504,752 |
| <u>Resources expended</u> | | | | | |
| <i>Costs of generating funds</i> | | | | | |
| <i>Charitable activities</i> | | | | | |
| - Educational operations | 7 | 97,706 | 708,844 | 35,759 | 842,309 |
| Governance costs | 8 | - | 132,933 | - | 132,933 |
| Total resources expended | 6 | 97,706 | 841,777 | 35,759 | 975,242 |
| Net incoming/(outgoing) resources before transfers | | 114,184 | (175,247) | 1,590,573 | 1,529,510 |
| Gross transfers between funds | | - | - | - | - |
| Net income/(expenditure) for the period | | 114,184 | (175,247) | 1,590,573 | 1,529,510 |
| <u>Other recognised gains and losses</u> | | | | | |
| Actuarial gains/(losses) on defined benefit pension scheme | 19 | - | (78,000) | - | (78,000) |
| Revaluation of fixed assets | 11 | - | - | (7,065) | (7,065) |
| Net movement in funds | | 114,184 | (253,247) | 1,583,508 | 1,444,445 |
| Fund balances at 1 January 2013 | | - | - | - | - |
| Fund balances at 31 August 2013 | | 114,184 | (253,247) | 1,583,508 | 1,444,445 |


The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the group's activities derive from continuing operations during the financial period above.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2013

| | Notes | 2013 £ | £ |
|-----------------------------------------------|-------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 11 | | 1,529,305 |
| Current assets | | | |
| Stocks | 13 | 1,115 | |
| Debtors | 14 | 356,401 | |
| Cash at bank and in hand | | 261,841 | |
| | | | |
| | | 619,357 | |
| Creditors amounts falling due within one year | 15 | (327,217) | |
| | | | |
| Net current assets | | | 292,140 |
| | | | |
| Total assets less current liabilities | | | 1,821,445 |
| Defined benefit pension liability | 19 | | (377,000) |
| | | | |
| Net assets | | | 1,444,445 |
| | | | |
| Funds of the academy trust: | | | |
| Restricted income funds | 17 | | |
| - Fixed asset funds | | | 1,583,508 |
| - General funds | | | 123,753 |
| - Pension reserve | | | (377,000) |
| | | | |
| Total restricted funds | | | 1,330,261 |
| Unrestricted funds | 17 | | 114,184 |
| | | | |
| Total funds | | | 1,444,445 |

The accounts were approved by order of the board of trustees and authorised for issue on 20 December 2013


Mr V Lloyd
Chair


Mrs R Meredith
Executive Head

Company Number 08320065

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2013

| | Notes | 2013 £ | £ |
|-----------------------------------------------|-------|-----------|-----------------|
| Fixed assets | | | |
| Tangible assets | 11 | | 1,528,194 |
| Current assets | | | |
| Stocks | 13 | 1,115 | |
| Debtors | 14 | 322,401 | |
| Cash at bank and in hand | | 261,841 | |
| | | <hr/> | |
| | | 585,357 | |
| Creditors amounts falling due within one year | 15 | (293,217) | |
| | | <hr/> | |
| Net current assets | | | 292,140 |
| Total assets less current liabilities | | | <hr/> 1,820,334 |
| Defined benefit pension liability | 19 | | (377,000) |
| | | | <hr/> |
| Net assets | | | 1,443,334 |
| | | | <hr/> |
| Funds of the academy trust | | | |
| Restricted income funds | | | |
| - Fixed asset funds | | | 1,583,508 |
| - General funds | | | 101,668 |
| - Pension reserve | | | (377,000) |
| | | | <hr/> |
| Total restricted funds | | | 1,308,176 |
| Unrestricted funds | | | 135,158 |
| | | | <hr/> |
| Total funds | | | 1,443,334 |
| | | | <hr/> |

The accounts were approved by order of the board of trustees and authorised for issue on 20 December 2013



Mr V Lloyd
Chair



Mrs R Meredith
Executive Head

Company Number 08320065

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

| | Notes | 31 August 2013 £ |
|---------------------------------------------------------------------------------------|-------|------------------------|
| Net cash inflow/(outflow) from operating activities | 20 | 107,631 |
| Cash funds transferred on conversion | | 152,550 |
| Returns on investments and servicing of finance | | |
| Investment income | | 191 |
| Net cash inflow/(outflow) from returns on investments and servicing of finance | | 191 |
| | | <u>260,372</u> |
| Capital expenditure and financial investments | | |
| Capital grants received | | 2,703 |
| Fixed assets purchased | | (1,234) |
| Net cash flow from capital activities | | <u>1,469</u> |
| Increase/(decrease) in cash | 21 | <u>261,841</u> |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2013

1 Accounting policies

1.1 Basis of preparation

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

1.2 Basis of consolidation

The consolidated accounts include the audited accounts of the company and its subsidiary undertaking up to 31 August 2013. The results of the subsidiary are included within the consolidated SOFA and intra-group transactions are eliminated on consolidation. The incoming resources of the subsidiary were £138,731 and the surplus for the year was £1,111.

1.3 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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 trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.4 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 from the maintained school to an academy trust have been valued at their fair value being a reasonable estimate of the current market values that the trustees 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 Sneinton St Stephen's Church of England Primary School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.5 Incoming resources

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

Grants receivable

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

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 and the value of the donation is measurable.

Donations

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

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

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 the academy trust's policies

1.6 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT

1.7 Tangible fixed assets and depreciation

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

The property is held under a 125 year lease. It is included in the financial statements at valuation which is calculated using the depreciated replacement cost method

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

| | |
|--------------------------------|----------|
| Land is not depreciated | |
| Long-leasehold buildings | 50 years |
| Computer equipment | 3 years |
| Fixtures, fittings & equipment | 5 years |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease

1.9 Stock

Stationery and sundry stock is valued at the lower of cost and net realisable value

1.10 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

The subsidiary company does not qualify for charitable status and therefore does comply with corporation tax legislation

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, 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 are recognised as they are paid each period.

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.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees

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

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

2 Voluntary income

| | Unrestricted funds £ | Restricted funds £ | Total 2013 £ |
|-----------------|----------------------------|--------------------------|--------------------|
| Other donations | - | - | - |

3 Activities for generating funds

| | Unrestricted funds £ | Restricted funds £ | Total 2013 £ |
|--------------------------------------|----------------------------|--------------------------|--------------------|
| Membership fees earned by subsidiary | 52,743 | - | 52,743 |
| Other income | 14,095 | 9,432 | 23,527 |
| Staff recharges | 59,655 | - | 59,655 |
| | <u>126,493</u> | <u>9,432</u> | <u>135,925</u> |

4 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2013 £ |
|---------------------|----------------------------|--------------------------|--------------------|
| Short term deposits | <u>191</u> | <u>-</u> | <u>191</u> |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2013

5 Funding for the academy trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2013 £ |
|-----------------------------------------------|----------------------------|--------------------------|--------------------|
| DfE / EFA revenue grants | | | |
| General annual grant (GAG) | - | 694,923 | 694,923 |
| Capital grants | - | 2,703 | 2,703 |
| Other DfE / EFA grants | - | 100,325 | 100,325 |
| Other DfE / EFA grants received by subsidiary | - | 85,988 | 85,988 |
| | - | 883,939 | 883,939 |
| Other government grants | | | |
| Local authority grants | - | 45,129 | 45,129 |
| Total funding | - | 929,068 | 929,068 |

6 Resources expended

| | Staff costs £ | Premises & equipment £ | Other costs £ | Total 2013 £ |
|----------------------------------------------------------|---------------------|------------------------------|---------------------|--------------------|
| Academy's educational operations | | | | |
| - Direct costs | 542,761 | - | 21,357 | 564,118 |
| - Allocated support costs | 110,396 | 53,558 | 114,237 | 278,191 |
| | 653,157 | 53,558 | 135,594 | 842,309 |
| Other expenditure | | | | |
| Governance costs | - | - | 132,933 | 132,933 |
| Total expenditure | 653,157 | 53,558 | 268,527 | 975,242 |
| Incoming/outgoing resources for the year include: | | | | 2013 £ |
| Operating leases | | | | 821 |
| Fees payable to auditor | | | | |
| - Audit and other services | | | | 11,150 |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

7 Charitable activities - the academy trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2013 £ |
|----------------------------------------------|----------------------------|--------------------------|--------------------|
| Direct costs | | | |
| Teaching and educational support staff costs | 45,355 | 497,406 | 542,761 |
| Educational supplies and services | - | 12,101 | 12,101 |
| Staff development | - | 4,410 | 4,410 |
| Other direct costs | - | 4,846 | 4,846 |
| | <u>45,355</u> | <u>518,763</u> | <u>564,118</u> |
| Allocated support costs | | | |
| Support staff costs | 52,351 | 58,045 | 110,396 |
| Depreciation | - | 35,882 | 35,882 |
| Technology costs | - | 24,787 | 24,787 |
| Maintenance of premises and equipment | - | 17,676 | 17,676 |
| Energy costs | - | 5,925 | 5,925 |
| Rent and rates | - | 932 | 932 |
| Insurance | - | 11,900 | 11,900 |
| Security and transport | - | 2,169 | 2,169 |
| Catering | - | 27,105 | 27,105 |
| Interest and finance costs | - | 9,000 | 9,000 |
| Other support costs | - | 32,419 | 32,419 |
| | <u>52,351</u> | <u>225,840</u> | <u>278,191</u> |
| Total costs | <u>97,706</u> | <u>744,603</u> | <u>842,309</u> |

8 Governance costs

| | Unrestricted funds £ | Restricted funds £ | Total 2013 £ |
|---------------------------------|----------------------------|--------------------------|--------------------|
| Legal and professional fees | - | 121,783 | 121,783 |
| Auditor's remuneration | | | |
| - Audit of financial statements | - | 8,300 | 8,300 |
| - Other services | - | 2,850 | 2,850 |
| | <u>-</u> | <u>132,933</u> | <u>132,933</u> |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

9 Staff costs

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

| | 2013 Number |
|----------------------------|----------------|
| Teachers | 13 |
| Administration and support | 14 |
| | <u>27</u> |

Costs included within the accounts:

| | 2013 £ |
|-----------------------|----------------|
| Wages and salaries | 528,796 |
| Social security costs | 39,010 |
| Other pension costs | 85,351 |
| | <u>653,157</u> |

Total staff costs

The number of employees whose annual remuneration was £60,000 or more was

| | 2013 Number |
|-------------------|----------------|
| £80,000 - £90,000 | <u>1</u> |

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows

| | | 2013 |
|---------------------------------|---------|-------|
| Teachers' Pension Scheme | Numbers | 1 |
| | £ | 8,586 |
| Local Government Pension Scheme | Numbers | - |
| | £ | - |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

10 Trustees' remuneration and expenses

The headteacher and other 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 trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the period ended 31 August 2013, travel and subsistence expenses totalling £785 were reimbursed to 4 trustees.

The value of trustees' remuneration in the 8 month period was as follows

Mrs R Meredith (Executive Head) £65,000 - £70,000
 Mrs K Lee (Head of School) £40,000 - £45,000
 Miss J Kervick (staff) £15,000 - £20,000
 Mrs P Bourne (staff) £20,000 - £25,000
 Mrs V Armitage (staff) £0 - £5,000

Other related party transactions involving the trustees are set out within the related parties note

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust 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 £679.

11 Tangible fixed assets

| | Land and buildings | Computer equipment | Fixtures, fittings & equipment | Total |
|--------------------------|-----------------------|-----------------------|--------------------------------------|-----------|
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At 1 January 2013 | - | - | - | - |
| Additions | 1,514,065 | 41,953 | 16,234 | 1,572,252 |
| Revaluation | (7,065) | - | - | (7,065) |
| At 31 August 2013 | 1,507,000 | 41,953 | 16,234 | 1,565,187 |
| Depreciation | | | | |
| At 1 January 2013 | - | - | - | - |
| Charge for the period | 11,775 | 13,984 | 10,123 | 35,882 |
| At 31 August 2013 | 11,775 | 13,984 | 10,123 | 35,882 |
| Net book value | | | | |
| At 31 August 2013 | 1,495,225 | 27,969 | 6,111 | 1,529,305 |

The net book value of the subsidiary undertaking's tangible fixed assets as at 31 August 2013 is £1,111

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

11 Tangible fixed assets

(Continued)

Included in additions is £1,571,018 (£1,514,065 for land and buildings, £15,000 for fixtures and fittings and £41,953 for computer equipment) for fixed assets transferred on conversion

The property was transferred from Nottingham City Council on 1 January 2013. In March 2013 the land and buildings were valued by a qualified firm of chartered surveyors at the direct request of the Education Funding Agency. The valuation was undertaken using the depreciated replacement cost method and resulted in a valuation at that date of £1,507,000 of which £94,000 was land. In the opinion of the trustees there has been no material movement during the period to 31 August 2013.

Land and buildings includes land valued at £94,000 which is not subject to depreciation.

12 Fixed asset investments

Transform Teaching School Alliance Limited ("TTSA") - a 100% subsidiary company of Sneinton St Stephen's C of E Primary School

On 2nd September 2013 Transform Trust, a company limited by guarantee, was incorporated. Transform Teaching School Alliance ("TTSA"), a 100% subsidiary of Sneinton St Stephen's C of E Primary School, appointed 2 of the 3 members of Transform Trust. Therefore, from 2nd September 2013, a group exists which includes Sneinton St Stephen's C of E Primary School, TTSA and Transform Trust.

13 Stocks

2013

£

Stock

1,115

The subsidiary undertaking has no stock

14 Debtors

2013

£

Trade debtors

58,068

VAT recoverable

32,536

Other debtors

223,478

Prepayments and accrued income

42,319

356,401

Included in debtors are £24,068 trade debtors, £32,536 recoverable VAT, £223,478 other debtors and £42,319 prepayments & accrued income in respect of the parent undertaking.

15 Creditors: amounts falling due within one year

2013

£

Trade creditors

53,708

EFA creditors

7,531

Accruals

36,951

Deferred income

229,027

327,217

Included in creditors are £46,837 trade creditors, £106,506 owed to subsidiary, £7,531 owed to EFA, £17,124 accruals and £115,219 deferred income in respect of the parent undertaking.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

| | | | | | | |
|-----------|-----------------------------------------------------------|---------------------|------------------|------------------|----------------------|----------------------|
| 16 | Deferred income | | | | | 2013 |
| | | | | | | £ |
| | Deferred income is included within | | | | | |
| | Creditors due within one year | | | | 229,027 | |
| | | | | | | |
| | Total deferred income at 1 January 2013 | | | | - | |
| | Amounts credited to the statement of financial activities | | | | - | |
| | Amounts deferred in the period | | | | 229,027 | |
| | | | | | | |
| | Total deferred income at 31 August 2013 | | | | 229,027 | |
| 17 | Funds | | | | | |
| | | Balance at 1 | Incoming | Resources | Gains, losses | Balance at 31 |
| | | January 2013 | resources | expended | and transfers | August 2013 |
| | Group | £ | £ | £ | £ | £ |
| | Restricted general funds | | | | | |
| | General Annual Grant | - | 694,923 | (595,255) | - | 99,668 |
| | Other DfE / EFA grants | - | 100,325 | (100,325) | - | - |
| | Other government grants | - | 45,129 | (45,129) | - | - |
| | Other restricted funds | - | 110,153 | (86,068) | - | 24,085 |
| | | | | | | |
| | Funds excluding pensions | - | 950,530 | (826,777) | - | 123,753 |
| | Pension reserve | - | (284,000) | (15,000) | (78,000) | (377,000) |
| | | | | | | |
| | | - | 666,530 | (841,777) | (78,000) | (253,247) |
| | | | | | | |
| | Restricted fixed asset funds | | | | | |
| | DfE / EFA capital grants | - | 2,703 | (35,759) | (7,065) | (40,121) |
| | Inherited fixed asset fund | - | 1,623,629 | - | - | 1,623,629 |
| | | | | | | |
| | | - | 1,626,332 | (35,759) | (7,065) | 1,583,508 |
| | | | | | | |
| | Total restricted funds | - | 2,292,862 | (877,536) | (85,065) | 1,330,261 |
| | | | | | | |
| | Unrestricted funds | | | | | |
| | General funds | - | 211,890 | (97,706) | - | 114,184 |
| | | | | | | |
| | Total funds | - | 2,504,752 | (975,242) | (85,065) | 1,444,445 |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

17 Funds

(Continued)

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

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees

Restricted fixed asset funds are resources which are applied to specific capital purposes imposed by the Education Funding Agency, Department for Education or other funders where the asset acquired or created is held for specific purpose

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

Incoming resources include the following balances transferred from the local authority on conversion to the academy

| | |
|--------------------------------------------|------------------|
| Restricted general funds - pension reserve | (284,000) |
| Restricted fixed asset funds | 1,623,629 |
| Restricted general funds | 14,733 |
| Unrestricted general funds | 85,206 |
| | <u>1,439,568</u> |

18 Analysis of net assets between funds

| | Unrestricted funds | Restricted funds | Fixed asset funds | Total funds |
|------------------------------------------------------------|--------------------|------------------|-------------------|------------------|
| | £ | £ | £ | £ |
| Fund balances at 31 August 2013 are represented by. | | | | |
| Tangible fixed assets | - | - | 1,529,305 | 1,529,305 |
| Current assets | 441,401 | 123,753 | 54,203 | 619,357 |
| Creditors amounts falling due within one year | (327,217) | - | - | (327,217) |
| Defined benefit pension liability | - | (377,000) | - | (377,000) |
| | <u>114,184</u> | <u>(253,247)</u> | <u>1,583,508</u> | <u>1,444,445</u> |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

19 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 related to the period ended 31 March 2004 and of the LGPS 31 August 2013

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

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Scheme budgeting and valuation account

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

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

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

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

19 Pensions and similar obligations

(Continued)

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

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

Teachers' Pension Scheme changes

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust 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 trust has set out above the information available on the scheme.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

19 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 contributions are as noted below. The agreed contribution rates for future years are 18 per cent for employers and various per cent for employees. The estimated value of employer contributions for the forthcoming year is £50,000.

| | 2013 £ |
|--------------------------|---------------|
| Employer's contributions | 33,000 |
| Employees' contributions | 11,000 |
| Total contributions | <u>44,000</u> |

Principal actuarial assumptions

| | 2013 % |
|------------------------------------------|-------------|
| Rate of increase in salaries | 5.10 |
| Rate of increase for pensions in payment | 2.90 |
| Discount rate for scheme liabilities | 4.70 |
| Inflation assumption (CPI) | <u>2.90</u> |

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

| | 2013 Years |
|----------------------|---------------|
| Retiring today | |
| - Males | 19 |
| - Females | 23 |
| Retiring in 20 years | |
| - Males | 21 |
| - Females | <u>25</u> |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2013

19 Pensions and similar obligations

(Continued)

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

| | 2013 Expected return % | 2013 Fair value £ |
|----------------------------------------------|-------------------------------------------|----------------------------------|
| Equities | 6.20 | 234,000 |
| Bonds | 4.40 | 13,000 |
| Gilts | 3.50 | 30,000 |
| Cash | 0.50 | 7,000 |
| Property | 5.20 | 40,000 |
| Other assets | 6.20 | 7,000 |
| | | <hr/> |
| Total market value of assets | | 331,000 |
| Present value of scheme liabilities - funded | | (708,000) |
| | | <hr/> |
| Net pension asset / (liability) | | (377,000) |
| | | <hr/> |

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period (i.e. as at 1 September 2013 for the year ended 31 August 2014)

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

Operating costs and income recognised in the statement of financial activities

| | 2013 £ |
|------------------------------------------|-------------------|
| Financial expenditure/(income) | |
| Expected return on pension scheme assets | (9,000) |
| Interest on pension liabilities | 18,000 |
| | <hr/> |
| | 9,000 |
| Other expenditure/(income) | |
| Current service cost | 39,000 |
| Past service cost | - |
| | <hr/> |
| | 39,000 |
| | <hr/> |
| Total operating charge/(income) | 48,000 |
| | <hr/> |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2013

19 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

2013
£

| | |
|----------------------------------------------------------------|---------------|
| Actuarial (gains)/losses on assets actual return less expected | (18,000) |
| Experience (gains)/losses on liabilities | 96,000 |
| (Gains)/losses arising from changes in assumptions | - |
| Total (gains)/losses | 78,000 |

| | |
|------------------------------------------|---------------|
| Cumulative (gains)/losses to date | 78,000 |
|------------------------------------------|---------------|

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

2013
£

| | |
|-------------------------------------|------------------|
| Opening defined benefit obligations | (544,000) |
| Current service cost | (39,000) |
| Interest cost | (18,000) |
| Contributions by employees | (11,000) |
| Actuarial gains/(losses) | (96,000) |
| | (708,000) |

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

2013
£

| | |
|-------------------------------------|----------------|
| Opening fair value of scheme assets | 260,000 |
| Expected return on assets | 9,000 |
| Actuarial gains/(losses) | 18,000 |
| Contributions by employers | 33,000 |
| Contributions by employees | 11,000 |
| | 331,000 |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2013

| | | |
|-----------|--------------------------------------------------------------------------------------------|--------------------|
| 19 | Pensions and similar obligations | (Continued) |
| | History of experience gains and losses. | 2013 £ |
| | Present value of defined benefit obligations | (708,000) |
| | Fair value of share of scheme assets | 331,000 |
| | Surplus / (deficit) | <u>(377,000)</u> |
| | Experience adjustment on scheme liabilities | (96,000) |
| | Experience adjustment on scheme assets | <u>18,000</u> |
| 20 | Reconciliation of net income to net cash inflow/(outflow) from operating activities | 2013 £ |
| | Net income | 1,529,510 |
| | Capital grants and similar income | (2,703) |
| | Net deficit/(surplus) transferred on conversion | (1,439,568) |
| | Investment income | (191) |
| | FRS17 pension costs less contributions payable | 6,000 |
| | FRS17 pension finance cost | 9,000 |
| | Depreciation of tangible fixed assets | 35,882 |
| | (Increase)/decrease in stocks | (1,115) |
| | (Increase)/decrease in debtors | (356,401) |
| | Increase/(decrease) in creditors | 327,217 |
| | Net cash inflow/(outflow) from operating activities | <u>107,631</u> |
| 21 | Reconciliation of net cash flow to movement in net funds | 2013 £ |
| | Increase/(decrease) in cash | 261,841 |
| | Net funds at 1 January 2013 | - |
| | Net funds at 31 August 2013 | <u>261,841</u> |

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2013

22 Analysis of net funds

| | At 1 January 2013 | Transferred on conversion | Cash flows | Non-cash changes | At 31 August 2013 |
|--------------------------|----------------------|---------------------------------|------------|---------------------|----------------------|
| | £ | £ | £ | £ | £ |
| Cash at bank and in hand | - | 152,550 | 109,291 | - | 261,841 |

23 Commitments under operating leases

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

| | 2013 £ |
|------------------------------|-----------|
| Expiry date | |
| - Between two and five years | 2,471 |

24 Related parties

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

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

Browne Jacobson - a company in which A Rehman, a governor, is employed. Transactions totalling £15,523 relating to the legal fees arising from the conversion of Sneinton St Stephen's CofE Primary School took place in the year.

SNEINTON ST STEPHEN'S CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

25 Conversion to an academy

On 1 January the Sneinton St Stephen's Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sneinton St Stephen's Church of England Primary School from the Nottingham City Council Local Authority for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities inherited on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities

| | Unrestricted funds | Restricted funds | Fixed asset funds | Total 2013 |
|--------------------------------------|-----------------------|---------------------|----------------------|---------------|
| | £ | £ | £ | £ |
| Fixed assets transferred | - | - | 1,571,018 | 1,571,018 |
| Surplus/(deficit) on LA budget funds | 85,206 | - | - | 85,206 |
| LGPS pension surplus/(deficit) | - | (284,000) | - | (284,000) |
| Other funds | - | 14,733 | 52,611 | 67,344 |
| Net assets transferred | 85,206 | (269,267) | 1,623,629 | 1,439,568 |

Net assets transferred include the following

| | £ |
|------|---------|
| Cash | 152,550 |

26 Post balance sheet events

On 2nd September 2013 Transform Trust, a company limited by guarantee, was incorporated. Transform Teaching School Alliance ("TTSA"), a 100% subsidiary of Sneinton St Stephen's CofE Primary School, appointed 2 of the 3 members of Transform Trust. Therefore, from 2nd September 2013, a group exists which includes Sneinton St Stephen's CofE Primary School, TTSA and Transform Trust.

27 Controlling party

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.

28 Members' liability

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