

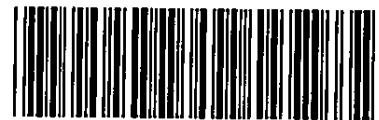
# **Samuel Ward Academy Trust**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2013**

WEDNESDAY



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15/01/2014

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COMPANIES HOUSE

**Company Registration Number: 07400386**  
**(England and Wales)**

## Samuel Ward Academy Trust 07400386

**Contents**

	<b>Page</b>
Reference and Administrative Details	2
Governors' Report	3 - 7
Governance Statement	8 - 9
Statement on Regularity, Propriety and Compliance	10
Statement of Governors' Responsibilities	11
Independent Auditor's Report on the Financial Statements	12 - 13
Independent Auditor's Report on Regularity	14
Statement of Financial Activities incorporating Income & Expenditure Account	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Financial Statements, incorporating	
Statement of Accounting Policies	18 - 20
Other Notes to the Financial Statements	21 - 35

Samuel Ward Academy Trust 07400386

**Reference and Administrative Details of the Academy Trust, its Governors and Advisors**

**Governors/Directors/Trustees**

\* = members of the Finance and Premises committee

\*\* = staff governors

Simon Ash  
Tom Harrison  
Roger Horne  
Damian Howard\*  
Elizabeth Hunte \*\*  
Vicky Jury \*\*  
Howard Lay  
Linda Maidment\*  
Tim Marks  
Kate McDowell\*  
Lisa McGerty  
June Mcnaughton  
Adnan Morgan\*  
Tim Nash\*  
Robert Shepstone\*  
Kira Staddon \*\*  
Peter Thomas\*  
Julie Warner\* \*\*

**Members**

Linda Maidment  
Robert Shepstone  
Peter Thomas

**Secretary**

Peter Thomas

**Senior Managers**

- Principal
- Vice Principal
- Director of Finance

Howard Lay  
Andy Prestoe  
Debbie Willson

**Registered Office**

Chalkstone Way  
Haverhill  
Suffolk  
CB9 0LD

**Company Registration Number**

07400386

**Independent Auditor**

Crowe Clark Whitehill LLP  
Carrick House  
Lypiatt Road  
Cheltenham  
GL50 2QJ

**Bankers**

Lloyds TSB  
8 High Street  
Haverhill  
Suffolk  
CB9 8BA

**Solicitors**

Stone King  
Wellington House  
East Road  
Cambridge  
CB1 1BH

Samuel Ward Academy Trust 07400386

## **Governors' Report**

The Governors present their annual report together with the financial statements and Auditor's Report of the Charitable Company for the year ended 31<sup>st</sup> August 2013

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

Samuel Ward Arts and Technology College converted to Academy status on 1<sup>st</sup> November 2010

A new Master Funding Agreement was signed on 9<sup>th</sup> August 2013 to incorporate Samuel Ward Academy Trust and Churchill Special Free School

## **Structure, Governance and Management**

### Constitution

The Academy Trust is a company limited by guarantee (registration number 07400386) and an exempt Charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

Three Directors have been appointed to the Academy Trust for the purposes of company law. Sixteen Governors act as the Trustees for the charitable activities of Samuel Ward Academy Trust. (The Charitable Company is known as Samuel Ward Academy Trust)

Details of the Governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 2.

### Members' Liability

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

### Governors' Indemnities

There were no provisions required for third party indemnity.

### Method of Recruitment and Appointment or Election of Governors

The management of the Academy Trust is the responsibility of the Governors who are appointed under the terms of the Articles of Association.

Governors are subject to retirement after a term of 4 years. After the term they are eligible for re-election at the meeting at which they retire.

### Principal Activities

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum for 11-18 years old.

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

Governors have determined that the induction and training of Governors is provided by Suffolk County Council Governor training services and have adopted their handbook and policies.

### Organisational Structure

The management structure consists of three levels, the Governors, Governing Body Committees and the Leadership Team.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy Trust by the use of budgets and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments. Committees of the Governing Body have delegated responsibilities. Committees exist for Audit, Personnel, Steering, Curriculum, Operations and Assets, Hearings, Appeals, Pupil Discipline and Admissions.

The Leadership team consists of the Executive Head, Head of School and 6 Achievement Directors. These Managers control the Academy Trust at an executive level implementing the policies laid down by the Governors and reporting back to them. The Executive Head is the Accounting Officer.

## Samuel Ward Academy Trust 07400386

### Governors' Report (continued)

#### 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 Academy Trust faces, especially in the operational areas (eg 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 (eg vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise 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 following statement.

This effective risk management provides the Governing Body with assurance that -

- The financial responsibilities of the Governing Body are being properly discharged,
- Resources are being managed in an efficient, economical and effective manner;
- Sound systems of internal financial control are being maintained, and
- Financial considerations are fully taken into account in reaching decisions.

These arrangements can provide only reasonable and not absolute assurance that assets are safe guarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

As an Academy Trust, the level of financial risk mainly occurs around certainty of year on year funding, cash flow and actuarial assessed pension fund deficit.

The Academy Trust has identified these areas and manages the impact of cash flow by projecting cash flow based on cash inflows and outflows at the start of the year and reviewing the bank balance. Future budgets are monitored in line with staffing levels/costs. The Academy Trust is repaying the pension deficit as per the actuary advice for Suffolk Pension Fund over 7 years.

#### Connected Organisations, including Related Party Relationships

Samuel Ward Academy Trust is part of a multi-academy trust comprising of Samuel Ward Academy Trust, Westfield Primary School and Churchill Special Free School. Churchill Special Free School opened on 1<sup>st</sup> September 2013 and Westfield Primary opened on 1<sup>st</sup> October 2013.

The Academy Trust is part of a soft federation of Schools called The Samuel Ward Partnership. It consists of 7 Primary Schools.

Kedington Primary School, New Cangle Primary School, Coupals Primary School, Wickambrook Primary School, Thurlow Primary School, Hundon Primary School and Clare Primary School. The Partnership is governed by a steering group comprising representative Governors and Leadership Team Members from each School and is funded by an agreed amount of money per capita. The objectives of the Partnership are to create coherence of provision across the federation, ensure standards continue to improve and that every School strives for outstanding in Ofsted. The Academy Trust also works with West Suffolk College in order to develop its vocational provision and Castle Manor Community School on specific Post 16 courses. Independent learning is enhanced by

- Being innovative and creative, and
- Developing and using new technologies.

#### Objectives and Activities

- To improve outcomes for boys at Key Stage 4,
- To improve the level of A\* - C grades including English and Maths,
- To ensure that the number of pupils gaining A\*/A grades significantly increases,
- To further improve Post 16 outcomes,
- To develop and implement a new Key Stage 3 curriculum,
- To implement a new approach to tutorials and the role of the tutor across the Academy Trust,
- To increase the % of outstanding lessons,
- To reduce exclusions and increase attendance,
- To review the Academy Trust values,
- To increase progression post 16 and % going to Higher Education, and
- To restructure pupil groupings in order to integrate years 7 and 8.

Samuel Ward Academy Trust 07400386

## Governors' Report (continued)

### Public Benefit

The Academy Trust Governors have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission

### **Achievements and Performance**

The Academy had a hugely successful year and met most of its key targets

- The Academy achieved outstanding in each category for Ofsted
- 5 A\*-C grades at GCSE including English and Maths were 68% - significantly above the national average and with rates of progress far in excess of the national and county average
- 100% of year 11 pupils achieved 5 A\*- C passes
- Outstanding teaching was maintained
- The post 16 curriculum was remodelled, tutoring enhanced and the facilities improved which has increased focus and motivation post 16
- Exclusions have fallen and attendance has increased
- The Samuel Ward Multi Academy Trust has been established and a Free Special School Churchill opened
- The Leadership team has been remodelled to increase capacity and this is further strengthening accountability
- International Status has been achieved
- Pupil leadership, meeting time and enrichment approaches have been embedded in the 'Mid-Bac' which has improved pupil confidence and sense of responsibility

### Going Concern

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

### Key Financial Performance Indicators

Samuel Ward converted to Academy Trust status in November 2010, a School rated "outstanding" by OFSTED in October 2012

The total number of students on role in the year ended 31<sup>st</sup> August 2013 numbered 1184 (includes 190 6<sup>th</sup> form). From 1<sup>st</sup> September 2010 the Academy had a PAN (Pupil Admissions Number) of 220. From 1<sup>st</sup> September 2011/2012 the PAN was 190.

Actual number of students on roll was as follows

Academic Year	Year 7	Year 8	Year 9	Year 10	Year 11
2011	190	190	190	220	220
2012	200	187	190	207	212
2013	200	183	188	208	215

Intake was at and above PAN, due to demographic issues intake numbers were reduced within years 8 and 9. In the future this has been resolved by widening the intake area and improvements made to transport provided for children.

## Samuel Ward Academy Trust 07400386

### Governors' Report (continued)

#### Financial Review

Most of the Academy Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to a particular purpose. These grants were received from the Education Funding Agency (EFA) during the year ended 31st August 2013 and the associated expenditure is shown in restricted funds in the Statement of Financial Activities.

The Academy Trust also has been in receipt of capital grants from the EFA through the bid process for Capital maintenance funds. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2013, total expenditure of £7,354,119 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension fund) was £200,647.

At 31 August 2013 the net book value of fixed assets was £14,338,629. Movements in tangible fixed assets are shown in the note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Assets of £2,602,506 were acquired during the year ended 31<sup>st</sup> August 2013 of which £1,647,624 were financed by Capital Grants. Assets of £158,353 were funded using current year General Annual Grant (GAG) and other restricted funds.

In accordance with FRS17, the Academy Trust received an actuarial assessment of pension scheme deficit. The deficit balance is included within the Balance Sheet as at 31<sup>st</sup> August 2013 and supporting notes to the accounts 24.

#### Reserves Policy

Governors expect to maintain a positive balance of GAG and to use the grant in the period that it has been granted to ensure no claw back. The Governors have determined that a surplus of unrestricted funds equivalent to one month's total salary commitment should be saved up to enable the Academy Trust to react to budget changes within a manageable period without the use of cash flow advances from EFA and that will support the plans in the future detailed below.

#### Plans for Future Periods

Over the year the Academy Trust will focus on the following key objectives:

#### STRATEGIC OBJECTIVES 2013- 2014

##### Successful Learning

- Ensure that 95% of Key Stage 4 pupils gain 5 A\*-C grades, 75% gain 5 A\*-C grades with English and Maths and 40% gain the English Baccalaureate
- Increase the % of pupils making 4 levels of progress in English and Maths,
- Ensure Post 16 'A' level outcomes are above national average, A\*-C grades are 78% and points per entry is 230 and points per candidate is 630+,
- Continue to support in science to further improve performance,
- Ensure that all Year 8 pupils reach age related levels in English, Maths and Science,
- Ensure that high attaining pupils make four levels of progress and ensure higher education aspirations are met by early identification and intervention.

Samuel Ward Academy Trust 07400386

**Governors' Report (continued)**

Enjoyable Learning

- Further improve quality of feedback, differentiation and use of technologies to support teaching,
- Ensure teaching remains outstanding

Inclusive Learning

- Increase attendance to 96%
- Increase the participation post 16 to 60% in school and 90% overall and significantly reduce the number not in education, employment or training – 1%,
- To ensure that pupil premium is successful in allowing all pupils to attain the expected level, irrelevant of circumstances

Community Learning

- Support Partner Schools to improve outcomes,
- Ensure external support to other schools does not weaken internal capacity,
- Ensure that a successful Teaching School application is made

Value Based Learning

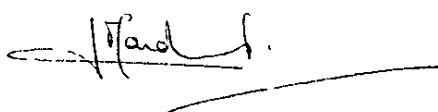
- Play a lead role in building town/community learning capacity,
- Partner with University to expand Higher Education progression,
- Increase retention of year 11, 12 and 13 through a new post 16 curriculum,
- Further improve Information, Advice and Guidance strategy

Auditor

Insofar as the Governors are aware

- There is no relevant audit information of which the Chantable Company's Auditor is unaware , and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information

Approved by order of the Board of Governors on 18<sup>th</sup> December 2013 and signed on its behalf by



Linda Maidment  
Chair of Governors



Samuel Ward Academy Trust 07400386

## Governance Statement

### Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the 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 Samuel Ward Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Peter Thomas	3	3
Adrian Morgan	2	3
Robert Shepstone	3	3
June McNaughton	3	3
Damian Howard	1	3
Chns Delicate	1	1
Lisa McGerty	3	3
Simon Ash	3	3
Tim Nash	1	3
Julie Warner	2	3
Linda Maidment (Chair)	3	3
Kate McDowell	3	3
Roger Horne	1	1
Vicky Jury	3	3
Kira Staddon	2	3
Elizabeth Hunte	3	3
Tim Marks	3	3
Tom Harrison	2	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 Samuel Ward for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

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

**The Risk and Control Framework**

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Tim Nash, a Governor, as Responsible Officer ('RO'). To assist with this role Governors have procured the Responsible Officer Support Service from Customer Services Direct (CSD). On a quarterly basis CSD undertake an independent review of the financial systems and provide a written report providing feedback on how the Academy Trust's financial affairs are being discharged. The appointed RO Governor then presents this report to all the Governors. The report includes action points identifying any areas for improvement.

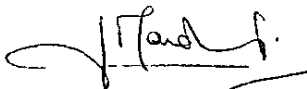
**Review of Effectiveness**

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

- the work of the Responsible Officer
- the work of the external Auditor
- the financial management and governance self-assessment process and
- 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 Operations and Asset Committee and a plan to address the weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Member of the Governing Body on 18<sup>th</sup> December 2013 and signed on its behalf by



**Linda Maidment**  
Chair of Governors



**Howard Lay**  
Accounting Officer

Samuel Ward Academy Trust 07400386

**Statement of Regularity, Propriety and Compliance**

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

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

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

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

**Howard Lay**  
Accounting Officer

Samuel Ward Academy Trust 07400386

### Statement of Governors' Responsibilities

The Governors (who act as Trustees of Samuel Ward Academy Trust and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

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

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

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

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

Approved by the order of the members of the Governing Body on 18<sup>th</sup> December 2013 and signed on its behalf by



Linda Maidment  
Chair of Governors

Samuel Ward Academy Trust 07400386

## **Independent Auditor's Report on the Financial Statements to the Members of Samuel Ward Academy Trust**

We have audited the financial statements of Samuel Ward Academy Trust for the year ended 31 August 2013 set out on pages 15 to 35

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies' Accounts Direction 2013 issued by the Education Funding Agency

This report is made solely to the Chantable 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 Chantable 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 Chantable Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

### **Respective responsibilities of governors and auditor**

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the Directors of the Chantable Company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

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

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

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

In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

### **Opinion on financial statements**

In our opinion the financial statements

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

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

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Samuel Ward Academy Trust 07400386

**Independent Auditor's Report on the Financial Statements to the Members of Samuel Ward Academy Trust (continued)**

**Matters on which we are required to report by exception**

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

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



**Guy Biggin**  
Senior Statutory Auditor  
For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham GL50 2QJ

Date 23 December 2013

Samuel Ward Academy Trust 07400386

**Independent Reporting Auditor's Assurance Report on Regularity to the Governing Body of Samuel Ward Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 12 November 2012 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 the Samuel Ward Academy Trust during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

**Respective responsibilities of Samuel Ward Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Samuel Ward Academy Trust's funding agreement with the Secretary of State of Education dated on 9<sup>th</sup> August 2013 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

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

**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. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy Trust's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review

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

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House

Lypiatt Road

Cheltenham GL50 2QJ

Date 23 December 2013.

Samuel Ward Academy Trust 07400386

**Statement of Financial Activities for the year ended 31 August 2013**  
**(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £	Total 2012 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds</i>						
- Voluntary income	2	12,518	6,940	22,425	41,883	65,950
- Activities for generating funds	3	423,815	141,384	-	565,199	371,863
- Investment income	4	546	-	-	546	7,252
<i>Incoming resources from charitable activities</i>						
- Funding for the Academy Trust's educational operations	5	350	6,882,244	1,647,624	8,530,218	7,822,679
<b>Total incoming resources</b>		<b>437,229</b>	<b>7,030,568</b>	<b>1,670,049</b>	<b>9,137,846</b>	<b>8,267,744</b>
<b>Resources expended</b>						
<i>Cost of generating funds</i>						
- Fundraising trading		87,527	1,815	-	89,342	42,186
<i>Charitable activities</i>						
- Academy Trust educational operations	7	316,622	6,567,260	365,545	7,249,427	6,839,763
- Governance costs	8	-	15,350	-	15,350	30,524
<b>Total resources expended</b>	6	<b>404,149</b>	<b>6,584,425</b>	<b>365,545</b>	<b>7,354,119</b>	<b>6,912,473</b>
<b>Net incoming resources before transfers</b>		<b>33,080</b>	<b>446,143</b>	<b>1,304,504</b>	<b>1,783,727</b>	<b>1,355,271</b>
Gross transfers between funds	16	-	(293,576)	293,576	-	-
<b>Net income for the year</b>		<b>33,080</b>	<b>152,567</b>	<b>1,598,080</b>	<b>1,783,727</b>	<b>1,355,271</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses) gains on defined benefit pension schemes	16, 24	-	76,000	-	76,000	(144,000)
<b>Net movement in funds</b>		<b>33,080</b>	<b>228,567</b>	<b>1,598,080</b>	<b>1,859,727</b>	<b>1,211,271</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2012	16	-	(293,144)	11,668,835	11,375,691	10,164,420
<b>Funds carried forward at 31 August 2013</b>	16, 17	<b>33,080</b>	<b>(64,577)</b>	<b>13,266,915</b>	<b>13,235,418</b>	<b>11,375,691</b>

All of the Academy Trust's activities derive from continuing operations during the above two financial periods

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

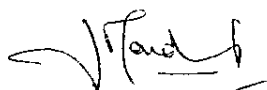


Samuel Ward Academy Trust 07400386

**Balance Sheet as at 31 August 2013**

	Notes	2013 £	2012 £
<b>Fixed Assets</b>			
Tangible assets	12	<u>14,338,629</u>	<u>12,101,668</u>
		<u>14,338,629</u>	<u>12,101,668</u>
<b>Current assets</b>			
Stock	13	30,873	-
Debtors	14	496,014	115,577
Cash at bank and in hand		<u>40,276</u>	<u>26,748</u>
		<u>567,163</u>	<u>142,325</u>
<b>Liabilities</b>			
Creditors Amounts falling due within one year	15	<u>(1,373,374)</u>	<u>(502,602)</u>
<b>Net current assets</b>		<u>(806,211)</u>	<u>(360,277)</u>
<b>Total assets less current liabilities</b>		<u>13,532,418</u>	<u>11,741,391</u>
<b>Creditors: amounts falling due after more than one year</b>			
Long term liabilities	15	-	(7,700)
Pension scheme liability	24	(297,000)	(358,000)
<b>Net assets including pension liability</b>		<u>13,235,418</u>	<u>11,375,691</u>
<b>Funds of the academy trust:</b>			
<b>Restricted income funds</b>			
- Fixed asset fund	16	13,266,915	11,668,835
- General fund	16	232,423	64,856
- Pension reserve	16	<u>(297,000)</u>	<u>(358,000)</u>
<b>Total restricted funds</b>		<u>13,202,338</u>	<u>11,375,691</u>
<b>Unrestricted funds</b>			
- General fund	16	33,080	-
<b>Total unrestricted funds</b>		<u>33,080</u>	<u>-</u>
<b>Total funds</b>		<u>13,235,418</u>	<u>11,375,691</u>

The financial statements on pages 15 to 35 were approved by the Governing Body, and authorised for issue on 18th December 2013 and are signed on their behalf by



Linda Mardment  
Chair of Governors

Samuel Ward Academy Trust 07400386

**Cash Flow Statement for the year ended 31 August 2013**

	Notes	2013 £	2012 £
<b>Net cash inflow from operating activities</b>	20	<b>945,439</b>	<b>223,759</b>
Returns on investments and servicing of finance	21	546	7,252
Capital expenditure	22	(932,457)	(300,056)
<b>Increase/(Decrease) in cash in the period</b>		<b><u>13,528</u></b>	<b><u>(69,045)</u></b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2012	23	26,748	95,793
<b>Net funds at 31 August 2013</b>		<b><u>40,276</u></b>	<b><u>26,748</u></b>

Samuel Ward Academy Trust 07400386

## Notes to the Financial Statements for the Year Ended 31 August 2013

### 1 Statement of Accounting Policies

#### Basis of Preparation

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

#### Going Concern

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

#### Incoming Resources

All incoming resources are recognised when the 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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital Grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Sponsorship Income**

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

- **Donations**

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

- **Other income**

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

- **Donated services and gifts in kind**

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

Samuel Ward Academy Trust 07400386

## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

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

#### Resources Expended

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

- **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.

#### Tangible Fixed Assets

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

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

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

Leasehold Buildings	2%
Plant and Machinery	20%
Furniture and Equipment	10%
Computer Equipment and Software	33%
Motor Vehicles	20%

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

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

#### Leased Assets

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

#### Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

#### 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.

#### Recognition of liabilities

Liabilities are recognised when either a constructive or legal obligation exists.

Samuel Ward Academy Trust 07400386

## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

### 1 Statement of Accounting Policies (continued)

#### 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 24, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

#### Fund Accounting

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

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

Samuel Ward Academy Trust 07400386

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****2 Voluntary Income**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2013</b>	<b>Total 2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations - Revenue	-	-	-	21,525
Summer School 2013	12,518	6,940	19,458	-
Other	-	22,425	22,425	44,425
	<b>12,518</b>	<b>29,365</b>	<b>41,883</b>	<b>65,950</b>

**3 Activities for Generating Funds**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2013</b>	<b>Total 2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Hire of Facilities	15,425	-	15,425	9,076
Items Sold	50,714	-	50,714	42,186
Academy Trips	-	116,964	116,964	94,074
Catering Income	150,405	-	150,405	-
Income from Services Provided	207,271	24,420	231,691	226,527
	<b>423,815</b>	<b>141,384</b>	<b>565,199</b>	<b>371,863</b>

**4 Investment Income**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2013</b>	<b>Total 2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank Interest	546	-	546	7,252
	<b>546</b>	<b>-</b>	<b>546</b>	<b>7,252</b>

Samuel Ward Academy Trust 07400386

## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

## 5 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>DfE/EFA Capital Grants</b>				
Samuel Ward DFC	-	24,351	24,351	18,226
Churchill - Capital Grant Building	-	1,586,535	1,586,535	-
Churchill Computer Equipment	-	36,738	36,738	-
PFS Capital Grant	-	-	-	1,356,229
	-	1,647,624	1,647,624	1,374,455
<b>DfE/EFA Revenue Grants</b>				
General Annual Grant (GAG)	-	6,278,072	6,278,072	6,219,019
Pupil Premium	-	139,357	139,357	-
Other DfE	-	299,779	299,779	77,292
	-	6,717,208	6,717,208	6,296,311
<b>Other Government Grants</b>				
Special Educational Projects	-	87,196	87,196	151,913
HypHop	350	8,565	8,915	-
Training & Development Agency	-	5,642	5,642	-
Budget Share	-	12,867	12,867	-
EFA	-	4,433	4,433	-
Ormiston Sudbury Academy	-	5,000	5,000	-
High Needs Tariff	-	41,333	41,333	-
	350	165,036	165,386	151,913
	350	8,529,868	8,530,218	7,822,679

## 6 Resources Expended

	Non Pay Expenditure			Total	Total
	Staff Costs	Premises	Other Costs	2013	2012
	£	£	£	£	£
Costs of activities for generating funds	-	-	89,342	89,342	42,186
• Direct Costs	4,149,960	365,545	869,798	5,385,303	5,244,888
• Allocated Support Costs	912,325	92,727	859,072	1,864,124	1,594,875
	5,062,285	458,272	1,818,212	7,338,769	6,881,949
Governance costs (including allocated support costs)	-	-	15,350	15,350	30,524
	5,062,285	458,272	1,833,562	7,354,119	6,912,473

## Incoming resources for the year include

		2013	2012
		£	£
Fees payable to auditor	- audit	15,350	16,602

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)**
**7 Charitable Activities - Academy's Educational Operations**

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>Direct Costs</b>				
Teaching and educational support staff costs	1,521	4,148,439	4,149,960	4,116,881
Depreciation	-	365,545	365,545	289,264
Educational supplies	11,102	192,637	203,739	243,575
Examination fees	1,353	140,384	141,737	151,003
Staff development	19,096	67,081	86,177	91,980
Educational consultancy	5,388	42,935	48,323	9,542
Other direct costs	79,509	310,313	389,822	342,643
	<u>117,969</u>	<u>5,267,334</u>	<u>5,385,303</u>	<u>5,244,888</u>
<b>Allocated Support Costs</b>				
Support staff costs	-	912,325	912,325	837,609
Depreciation	-	-	-	6,104
Technology costs	-	21,763	21,763	27,485
Recruitment and support	-	16,759	16,759	16,603
Maintenance of premises and equipment	-	86,507	86,507	130,410
Cleaning	-	8,682	8,682	9,319
Rent, rates and water	-	29,227	29,227	44,204
Energy costs	-	113,544	113,544	96,097
Insurance	-	92,791	92,791	98,716
Travel and subsistence	41,858	8,068	49,926	14,577
Catering	153,138	31,838	184,976	26,370
Bank interest and charges	-	2,400	2,400	163
Other support costs	3,657	341,567	345,224	287,218
	<u>198,653</u>	<u>1,665,471</u>	<u>1,864,124</u>	<u>1,594,875</u>
	<u>316,622</u>	<u>6,932,805</u>	<u>7,249,427</u>	<u>6,839,763</u>

**8 Governance Costs**

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Legal and professional fees	-	-	-	13,922
Auditor's remuneration	-	-	-	-
- Audit of financial statements	-	15,350	15,350	16,602
	<u>-</u>	<u>15,350</u>	<u>15,350</u>	<u>30,524</u>



**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****9 Staff Costs**

	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Staff costs during the period were		
Wages and salaries	4,141,281	4,093,899
Social security costs	307,449	310,535
Pension costs	613,555	550,056
	<u>5,062,285</u>	<u>4,954,490</u>
Supply Teacher costs	897	8,761
Compensation payments	-	9,062

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

	<b>2013 No</b>	<b>2012 No</b>
<b>Charitable Activities</b>		
Teachers	69	62
Administration and support	54	56
Management	11	10
	<u>134</u>	<u>128</u>

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

	<b>2013 No.</b>	<b>2012 No</b>
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £29,388 (2012 £31,593)

**10 Related Party Transactions - Governors' Remuneration and Expenses**

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Governors. The value of Governors' remuneration was as follows

H Lay (Principal)	£105,000 - £110,000	(2012 £90,000 - £95,000)
J Warner (Staff Governor)	£55,000-£60,000	(2012 £55,000-£60,000)
K Staddon (Staff Governor)	£40,000 - £45,000	(2012 £40,000 - £45,000)
V Jury (Staff Governor)	£10,000 - £15,000	(2012 £10,000 - £15,000)
E Hunte (Staff Governor)	£10,000 - £15,000	(2012 £10,000 - £15,000)

Other related party transactions involving the trustees are set out in note 25

Samuel Ward Academy Trust 07400386

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****11 Trustees' and Officers' Insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £882 (2012 £1,540)

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

**12 Tangible Fixed Assets**

	Leasehold Land and Buildings £	Plant and Machinery £	Furniture and Equipment £	Computer Equipment and Software £	Vehicles £	Assets Under Construction £	Total £
<b>Cost</b>							
At 1 September 2012	12,170,999	54,627	91,088	213,650	11,700	-	12,542,064
Additions	22,092	-	48,007	124,992	-	2,407,415	2,602,506
At 31 August 2013	<b>12,193,091</b>	<b>54,627</b>	<b>139,095</b>	<b>338,642</b>	<b>11,700</b>	<b>2,407,415</b>	<b>15,144,570</b>
<b>Depreciation</b>							
At 1 September 2012	348,709	5,879	11,109	72,749	1,950	-	440,396
Charged in year	243,558	11,918	23,102	84,627	2,340	-	365,545
At 31 August 2013	<b>592,267</b>	<b>17,797</b>	<b>34,211</b>	<b>157,376</b>	<b>4,290</b>	<b>-</b>	<b>805,941</b>
<b>Net Book Values</b>							
At 31 August 2013	<b>11,600,824</b>	<b>36,830</b>	<b>104,884</b>	<b>181,266</b>	<b>7,410</b>	<b>2,407,415</b>	<b>14,338,629</b>
At 31 August 2012	<b>11,822,290</b>	<b>48,748</b>	<b>79,979</b>	<b>140,901</b>	<b>9,750</b>	<b>-</b>	<b>12,101,668</b>

**13 Stock**

	2013 £	2012 £
Uniform	30,873	-
	<b>30,873</b>	<b>-</b>

**14 Debtors**

	2013 £	2012 £
Trade debtors	26,180	2,370
VAT recoverable	368,863	45,625
Prepayments and accrued income	100,971	67,582
	<b>496,014</b>	<b>115,577</b>

Samuel Ward Academy Trust 07400386

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****15 Creditors amounts falling due within one year**

	2013	2012
	£	£
Trade creditors	52,242	393,075
Other creditors - Loan	22,000	36,725
Accruals and deferred income	1,299,132	72,802
	<u>1,373,374</u>	<u>502,602</u>

**Deferred Income (included within the above)**

	2013	2012
	£	£
Deferred income at 1 September 2012	25,907	-
Resources deferred in the year	18,690	25,907
Amounts released from previous years	(25,907)	-
Deferred income at 31 August 2013	<u>18,690</u>	<u>25,907</u>

Deferred income of £18,690 includes Schools Sports Partnership funding of £12,017 and Rates funding of £6,673 relating to 2013-2014

**Creditors amounts falling due after more than one year**

	2013	2012
	£	£
Amounts falling due between two and five years - Loan	-	7,700
	<u>-</u>	<u>7,700</u>

Samuel Ward Academy Trust 07400386

## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

## 16 Statement of Funds

	Balance at 1 September 2012 £	Incoming Resources £	Resources Expended £	Transfers in/out £	Gains / Losses £	Balance at 31 August 2013 £
<b>Restricted general funds</b>						
General Annual Grant	-	6,278,072	(5,670,399)	(472,276)	-	135,397
Other DfE/EFA grants	19,470	439,136	(249,847)	-	-	208,759
Other restricted funds	45,386	174,003	(328,822)	(2,300)	-	(111,733)
Pupil Premium	-	139,357	(139,357)	-	-	-
Pension reserve	(358,000)	-	(196,000)	181,000	76,000	(297,000)
	<b>(293,144)</b>	<b>7,030,568</b>	<b>(6,584,425)</b>	<b>(293,576)</b>	<b>76,000</b>	<b>(64,577)</b>
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	1,599,774	-	(43,873)	-	-	1,555,901
Capital expenditure - GAG	(90,337)	-	(110,751)	291,276	-	90,188
Other capital income	10,159,398	46,776	(208,581)	-	-	9,997,593
Churchill Capital Grant	-	1,623,273	-	-	-	1,623,273
Capital expenditure - Unrestricted	-	-	(2,340)	2,300	-	(40)
	<b>11,668,835</b>	<b>1,670,049</b>	<b>(365,545)</b>	<b>293,576</b>	<b>-</b>	<b>13,266,915</b>
<b>Total restricted funds</b>	<b>11,375,691</b>	<b>8,700,617</b>	<b>(6,949,970)</b>	<b>-</b>	<b>76,000</b>	<b>13,202,338</b>
<b>Unrestricted funds</b>						
Unrestricted funds	-	437,229	(404,149)	-	-	33,080
<b>Total unrestricted funds</b>	<b>-</b>	<b>437,229</b>	<b>(404,149)</b>	<b>-</b>	<b>-</b>	<b>33,080</b>
<b>Total funds</b>	<b>11,375,691</b>	<b>9,137,846</b>	<b>(7,354,119)</b>	<b>-</b>	<b>76,000</b>	<b>13,235,418</b>

The restricted general fund is subject to specific expenditure within the Academy Trust's declared objectives. DfE grants relate to Government funding for the provision of education by the Academy.

The Government capital funds are provided by the government for specific capital projects.

The fund transfers include £158,353 of revenue funds used to finance fixed assets in the current financial year. £135,223 of General Annual Grant was used to finance fixed asset purchases made in previous financial years. Other recognised gains and losses include the change in value of the Local Government Pension Scheme for the year arising from changes to underlying actuarial assumptions see note 24 for further information.

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.

Samuel Ward Academy Trust 07400386

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****16 Statement of Funds (continued)****Analysis of Academies by fund balance**

Fund balances as at 31 August 2013 were allocated as follows

	Total £
Samuel Ward Academy Trust	208,923
Churchill	56,580
Total before fixed assets and pension reserve	<u>265,503</u>
Restricted fixed asset fund	13,266,915
Pension Reserve	(297,000)
Total	<u>13,235,418</u>

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

**Analysis of Academies by cost**

Expenditure incurred by each academy during the year was as follows

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
Samuel Ward Academy Trust	4,115,790	875,153	598,662	1,272,076	6,861,681
Churchill	34,170	37,172	32,692	22,859	126,893
Academy Trust	<u>4,149,960</u>	<u>912,325</u>	<u>631,354</u>	<u>1,294,935</u>	<u>6,988,574</u>

Samuel Ward Academy Trust 07400386

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****17 Analysis of Net Assets between Funds**

Fund balances at 31 August 2013 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2013 £
Tangible fixed assets	-	-	14,338,629	14,338,629
Current assets	66,915	337,231	163,017	567,163
Current liabilities	(33,835)	(104,808)	(1,234,731)	(1,373,374)
Pension scheme liability	-	(297,000)	-	(297,000)
<b>Total net assets</b>	<b>33,080</b>	<b>(64,577)</b>	<b>13,266,915</b>	<b>13,235,418</b>

**18 Capital Commitments**

	2013 £	2012 £
Contracted for, but not provided in the financial statements		
QSF Interiors - Media Room	20,038	-
Churchill - Balance funded by EFA	1,755,453	-
	<b>1,775,491</b>	<b>-</b>

**19 Financial Commitments****Operating Leases**

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

	2013 £	2012 £
<b>Other</b>		
Expiring within two and five years inclusive	35,009	30,779
	<b>35,009</b>	<b>30,779</b>

Samuel Ward Academy Trust 07400386

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****20 Reconciliation of Net Income to Net Cash Inflow from Operating Activities**

	2013 £	2012 £
Net income	1,783,727	1,355,271
Depreciation (note 12)	365,545	295,368
Capital grants from DfE and other capital income	(1,670,049)	(1,418,880)
Interest receivable (note 4)	(546)	(7,252)
FRS17 pension cost less contributions payable (note 24)	5,000	(29,000)
FRS17 pension finance income/(cost) (note 24)	10,000	7,000
(Increase)/decrease in stocks	(30,873)	-
(Increase)/decrease in debtors	(380,437)	352,020
Increase/(decrease) in creditors	863,072	(330,768)
<b>Net cash Inflow from Operating Activities</b>	<b>945,439</b>	<b>223,759</b>

**21 Returns on Investments and Servicing of Finance**

	2013 £	2012 £
Interest received	546	7,252
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>546</b>	<b>7,252</b>

**22 Capital Expenditure and Financial Investment**

	2013 £	2012 £
Purchase of tangible fixed assets	(2,602,506)	(1,718,936)
Capital grants	1,647,624	1,374,455
Capital funding received from sponsors and other donations	22,425	44,425
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(932,457)</b>	<b>(300,056)</b>

**23 Analysis of Changes in Net Funds**

	At 1 September 2012 £	Cash flows £	At 31 August 2013 £
Cash in hand and at bank	26,748	13,528	40,276
	26,748	13,528	40,276

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****24 Pension and Similar Obligations**

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

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

**Teachers' Pension Scheme****Introduction**

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

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

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

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

**Valuation of the Teachers' Pension Scheme**

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at 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.



Samuel Ward Academy Trust 07400386

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****24 Pension and Similar Obligations (continued)**

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these 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 is still to be determined, but 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 1/57<sup>th</sup>, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

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

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

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £231,000 of which employer's contributions totalled £181,000 and employees' contributions totalled £50,000. The agreed contribution rates for future years are 23.9% for employers and a variable % for employees dependant on the salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - £12,900	5.50%
£12,901 - £15,100	5.80%
£15,101 - £19,400	5.90%
£19,401 - £32,400	6.50%
£32,401 - £43,300	6.80%
£43,301 - £81,100	7.20%
Above £81,100	7.50%

Samuel Ward Academy Trust 07400386

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****24 Pension and Similar Obligations (continued)****Principal Actuarial Assumptions**

	<b>At 31 August 2013 p.a</b>	<b>At 31 August 2012 p.a</b>
Rate of increase in salaries	5.10%	4.50%
Rate of increase for pensions in payment/inflation	2.80%	2.20%
Discount rate for scheme liabilities	4.60%	4.10%
Expected return on assets	5.90%	4.50%

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

	<b>At 31 August 2013</b>	<b>At 31 August 2012</b>
<i>Retiring today</i>		
Males	21.4	21.4
Females	23.3	23.3
<i>Retiring in 20 years</i>		
Males	23.7	23.7
Females	25.7	25.7

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

	<b>Expected return at 31 August 2013</b>	<b>Fair value at 31 August 2013 £</b>	<b>Expected return at 31 August 2012</b>	<b>Fair value at 31 August 2012 £</b>
Equities	6.70%	1,145,000	5.50%	724,000
Bonds	4.10%	348,000	2.80%	362,000
Property	4.70%	149,000	3.70%	125,000
Cash	3.60%	17,000	2.80%	37,000
<b>Total market value of assets</b>		<b>1,659,000</b>		<b>1,248,000</b>
Present value of scheme liabilities				
- Funded		<b>(1,956,000)</b>		<b>(1,606,000)</b>
<b>Deficit in the scheme</b>		<b>(297,000)</b>		<b>(358,000)</b>

None of the fair values of the assets shown above includes any of the Academy Trust's own financial instruments or any property occupied by, or other assets used by, the Academy Trust.

The return on the Fund in market value terms for the period to 31 August 2013 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary.

Samuel Ward Academy Trust 07400386

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****24 Pension and Similar Obligations (continued)****Amounts recognised in the statement of financial activities**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Current service cost (net of employee contributions)	<b>186,000</b>	<b>155,000</b>
<b>Total operating charge</b>	<b>186,000</b>	<b>155,000</b>

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	<b>61,000</b>	<b>63,000</b>
Interest on pension liabilities	<b>(71,000)</b>	<b>(70,000)</b>
<b>Pension finance income/(costs)</b>	<b>(10,000)</b>	<b>(7,000)</b>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £10,000 loss.

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	<b>1,606,000</b>	<b>1,188,000</b>
Current service cost	<b>186,000</b>	<b>155,000</b>
Interest cost	<b>71,000</b>	<b>70,000</b>
Employee contributions	<b>50,000</b>	<b>50,000</b>
Actuarial loss	<b>43,000</b>	<b>143,000</b>
<b>Scheme liabilities at 31 August</b>	<b>1,956,000</b>	<b>1,606,000</b>

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Transfer in of scheme assets	<b>1,248,000</b>	<b>952,000</b>
Expected return on scheme assets	<b>61,000</b>	<b>63,000</b>
Actuarial gain / (loss)	<b>119,000</b>	<b>(1,000)</b>
Employers contributions	<b>181,000</b>	<b>184,000</b>
Employee contributions	<b>50,000</b>	<b>50,000</b>
<b>Fair value of scheme assets at 31 August</b>	<b>1,659,000</b>	<b>1,248,000</b>

The estimated value of employer contributions for the year ended 31 August 2014 is £189,000

Samuel Ward Academy Trust 07400386

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****24 Pension and Similar Obligations (continued)**

The history of experience adjustments is as follows:

	2013	2012	2011
	£	£	£
Present value of defined benefit obligations	(1,956,000)	(1,606,000)	(1,188,000)
Fair value of share of scheme assets	1,659,000	1,248,000	952,000
<b>Deficit in scheme</b>	<b>(297,000)</b>	<b>(358,000)</b>	<b>(236,000)</b>
	£	£	£
Experience adjustments on share of scheme assets	119,000	(1,000)	(37,000)
Experience adjustments on scheme liabilities	(43,000)	(143,000)	102,000

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

**25 Related Party Transactions**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Governor has 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:

High Fliers - a company in which Ms J McNaughton, a Governor has a majority interest - transactions totalling £63,003 (2012 - £52,380). There were no amounts outstanding at the year end.

JRWT and BDO - companies in which Mr J Ward, a Governor has a majority interest - transactions totalling £16,346 (2012 - nil). There were no amounts outstanding at the year end.