

Company Registration Number: 07400386

**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**SAMUEL WARD ACADEMY TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Members**

Kate McDowell (resigned 29 September 2017)  
June McNaughton (deceased 16 April 2017)  
Jon Ward (resigned 29 September 2017)  
Victoria de Naeyer (resigned 30 November 2016)  
Mike Parish (appointed 14 June 2017)  
Paul Reed (appointed 29 September 2017, resigned 11 December 2017)  
Gordon Jones (appointed 29 September 2017, resigned 11 December 2017)  
Ian Jacobs (appointed 29 September 2017, resigned 11 December 2017)  
Lesley Birch (appointed 11 December 2017)  
Paul Marshall (appointed 11 December 2017)

**Directors**

Jon Ward (resigned 31 August 2017)  
Tim Ogle (resigned 30 June 2017)  
Howard Lay (resigned 31 July 2017)  
Paul Reed  
Gordon Jones  
Ian Jacobs  
Dr. Tim Coulson (appointed 1 August 2017)  
Mike Parish (appointed 14 June 2017)  
Roger Quince (appointed 22 November 2017)  
John Smith (appointed 22 November 2017)  
Dean Sykes (appointed 22 November 2017)

**Company registered number**

07400386

**Company name**

Samuel Ward Academy Trust

**Principal and registered office**

Samuel Ward Academy Trust Offices  
Park Road  
Haverhill  
Suffolk  
CB9 7YD

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

**Chief executive officer**

Dr. Tim Coulson (appointed 1 August 2017)

Howard Lay (resigned 31 July 2017)

**Senior management team**

Darren Woodward, Director of Education (Primary)

Mark Neild, Deputy Chief Executive (from 19 July 2017); Director of Secondary Education (resigned 4 October 2017 to take up a post at another school)

Debbie Willson, Director of Operations and Principal Finance Officer

Andy Samways, Director of the Teaching School & Director of the Research School

Chris Dale, Director of Teaching and Learning

Lisa Taylor, Trust Secretary

Joy Griffiths, Director of HR

Trish Townsend, Trust Finance Manager

Pete McCarthy, Director of IT

**Independent auditor**

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

**Bankers**

Lloyds Bank plc  
8 High Street  
Haverhill  
Suffolk  
CB9 8BA

**Solicitors**

Stone King  
Wellington House  
East Road  
Cambridge  
CB1 1BH

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**SAMUEL WARD ACADEMY TRUST**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Academy Trust operates a mix of a special free school, thirteen primaries and five secondary academies in Haverhill and the surrounding area, with the aim of developing local clusters of interdependent, self-sustaining outstanding schools that develop:

Successful learners  
Confident individuals  
Responsible citizens

Its academies have a combined pupil roll of approximately 8,191.

**Structure, Governance and Management**

**a. Constitution**

The Academy is a charitable company limited by guarantee (registration number 07400386) and an exempt charity.

The charitable company's memorandum and articles of association is the primary governing document of the academy trust. The Samuel Ward Trust was incorporated on 9 August 2013. At this time it comprised of Samuel Ward Academy and Churchill Special Free School. Westfield Primary School joined the academy trust on 1 October 2013 followed by Newmarket on 1 July 2014. In January 2015 Thomas Gainsborough School, Coupals Primary School and Glensford Primary School joined the trust. Laureate and Wickhambrook Primary joined the trust on 1 July 2016. On 1 September 2016 Sybil Andrews Academy joined the trust, followed by Castle Manor Academy, Place Farm Primary Academy and Burton End Primary Academy on 1 December 2016. On 1 January 2017 Houldsworth Valley Primary School and Woodhall Primary School joined the academy trust. On 1 May 2017 Clements Primary Academy joined the trust. Kedington Primary Academy, Wells Hall Primary School and Ditton Lodge joined the academy on 1 July 2017.

The Directors of Samuel Ward Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Samuel Ward Academy Trust.

Details of the Directors who served during the year are included in the Reference and administrative details on page 1.

**b. 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.

**c. Directors' indemnities**

The Directors are directors of the charitable company for the purpose of the Companies Act 2006 and trustees for the purpose of charity legislation.

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**SAMUEL WARD ACADEMY TRUST**  
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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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Directors of the company are covered by the Education & Skills Funding Agency Risk Protection Arrangements under their directors' indemnity policy.

**d. Method of recruitment and appointment or election of Directors**

The management of the Academy is the responsibility of the Directors who are elected and co-opted under the terms of the articles of association. The members can appoint up to 6 Directors through such a process as they may determine.

Directors 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.

The make-up of the board includes experienced professionals, many of whom have a good understanding of the operational and legal requirements of running an establishment such as Samuel Ward Academy Trust.

**e. Policies and procedures adopted for the induction and training of Directors**

Directors have developed their own handbook and scheme of delegation and provided training for all Directors. Additional training has been provided by the Academy Trust, and external providers including Suffolk County Council.

**f. Organisational structure**

Samuel Ward Academy Trust has established a unified structure to enable its efficient running. The structure consists of 3 levels: the board and its audit committee; the executive group, and local governing bodies at each academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Directors is responsible for making major decisions about the strategic direction of the Trust, ensuring that its aims are met and its ethos is maintained. Specifically, this includes setting general policy, adopting an annual plan and budget, monitoring the trust's financial performance and educational outcomes, making senior staff appointments and approving major investment programmes.

There are senior leadership teams which consist of senior management at each academy. These teams are responsible for the day to day operation of the academies, in particular organising the teaching staff, facilities and students.

The local governing bodies are made up of a mix of local people including staff, parents and sponsor nominees. They act as a 'critical friend' to the principal and Academy, a 'sounding' board at a local level and Samuel Ward Academy Trust's values remain at the heart of the academy community.

Each layer of the organisation is structured according to a set of terms of reference with associated delegation of authority for all decision making matters. The board meets regularly throughout the academic year through a series of structured and systematic meetings.

**g. Pay policy for key management personnel**

Key Management Personnel salaries are set in accordance with the Trust's pay policy. The Trust's pay scales are set in accordance with the national Teaching and Support staff pay scales. These are reviewed annually in line with other trusts.

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**SAMUEL WARD ACADEMY TRUST**  
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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**h. Connected organisations, including related party relationships**

The Academy Trust operates under the Seven Principles of Public Life, known as the Nolan Principles. These are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

These principles are reflected in the way we declare and deal with related party transactions so that we are operating fairly, transparently and open to scrutiny. Potential for conflict of interest arises when an individual could gain, or be perceived to gain, from an aspect of the Academy Trust business. All potential conflicts of interest and pecuniary interests are declared at the start of each meeting. All purchasing decisions made by the Academy Trust follow the same procurement and/or commissioning procedures. Any business links with Directors or other Trust officers have been made in accordance with these procedures.

The Academy Trust Board is confident that conflict of interest is handled according to the Seven Principles of Public life and in accordance with The Academies Financial Handbook. Please see note 29 for details of related party transactions.

The Academy Trust is part of a broader group of schools called Suffolk Borders Teaching Alliance. It consists of Churchill Special Free School, thirteen primary schools and five secondary schools. The Alliance is governed by an executive group comprising of representative Governors and leadership team members from many of the schools and is funded by agreed contributions and income from training. The objectives of the Alliance are to support schools through research and development and initial teacher training, provide continuous professional development, peer to peer support, school to school support, talent and succession planning. The Academy Trust also works with West Suffolk College in order to develop vocational provision.

**Objectives and Activities**

**a. Objects and aims**

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, carry on, managing and developing a family of schools offering a broad and balanced curriculum for all pupils.

The main objectives of the Academy Trust are:

- To improve outcomes for disadvantaged pupils across all key stages
- To improve progress in English and Mathematics across all key stages
- To ensure that all schools are rated as at least good by Ofsted
- To ensure that outcomes for higher attaining pupils continue to increase
- To further improve post 16 outcomes

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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- To develop and implement new approaches to key stage three assessment
- To increase the number of outstanding lessons
- To reduce exclusions and increase attendance
- To increase progression post 16 in relation to the percentage attending higher education
- To actively engage students and staff of the academies in learning opportunities beyond the formal curriculum
- To support students in making successful transitions during their progress through the schools and from the schools to employment, further and higher education or other beneficial activities and on to adult life
- To evidence improvements against challenging goals that exceed national minimum targets for examination success and other key performance indicators, such as attendance, exclusions and the quality of spiritual, moral, social and cultural development
- To ensure that students and staff are challenged, supported and safe

**b. Objectives, strategies and activities**

Our growth strategy has been very successful with an additional ten schools joining the Trust last year and more joining next year. We have been successful in realising our aim of building four clusters of schools in the four large towns of west Suffolk. The additional schools have enabled us to increase Trust capacity and have improved transition between primary and secondary tiers. We have also been involved in leading a successful bid to open a new Sixth Form College in Bury St. Edmunds in 2018.

We have made strong progress in improving educational standards across our schools. Reviews suggest that all have made significant improvements reflected in the academic outcomes in the summer of 2017 which were very strong in most schools.

The Trust had a 'Health Check' commissioned by the National Schools Commissioner in 2016 which showed strengths across many key strategic areas, demonstrating our capacity for further growth. As a result of expansion, we are reviewing our leadership and governance structures so that we can continue to provide the immediate support that schools often require. Although the central team has grown, our strategy of limiting management costs in order to ensure that the maximum resources are spent on learning is also being realised. The Trust recharge to schools has not increased but the quality of service has improved.

The Trust has also been successful in developing a school led system. Increasing numbers of staff are applying to work across schools, bringing additional support and capacity to schools that require help in specific areas. This combined with the use of some educational consultants ensures that the full-time Trust team has remained small in number, although some key back office functions like HR and finance have grown.

The Samuel Ward Teaching Alliance has developed into the training and development 'engine' driving research and development in Trust schools. It is helping 'grow' more leaders and has played a significant role in the recruitment and retention of staff. It has been successful in a number of bids that are helping improve teaching and learning across all school phases. In the summer of 2017, the Trust was awarded Research School status.

The learning environments of many of our schools have improved as the result of investment by the Trust through our own capital monies or through external bids. Most of our schools are oversubscribed which has meant that additional accommodation has been provided in some schools by Suffolk County Council. We have also invested in IT following the development of a new IT strategy which is helping many of our schools.



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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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School Reviews continue to be a key mechanism for evaluating school progress and informing interventions. Over 75 school staff have now been trained and as the result of rigorous quality assurance the impact on school improvement has been significant.

The Trust is now in the position to play an increasingly strategic regional role. We have developed strong links with community leaders and other Trusts and Councils across the Eastern region which is informing educational strategy, improving communications, and building capacity. We are committed to supporting the DfE, the Office of the Regional Schools Commissioner and Suffolk County Council in their strategic focus of educational improvement in the East.

**c. Public benefit**

The Directors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. The Directors consider that the Academy Trust's aims are demonstrably to the public benefit.

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

Following inspections in 2015, Churchill Special Free School is rated as outstanding by Ofsted and Westfield is rated good. Following inspections in 2017, Newmarket Academy and Coupals are now rated as good. Following further inspections in 2017, Castle Manor and Burton End require improvement while Place Farm was rated as good.

**b. Going concern**

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies. The Directors believe the going concern basis adopted in preparing the financial statements is appropriate because:

- The ESFA has approved an amount of capital funding for new replacement buildings on the Samuel Ward site;
- The reasons for the tight cashflow for some schools within the Trust is due to lagged funding. The academies are having to bear the costs of higher pupil numbers and staffing without having the associated funding until the following academic year. Schools within the Trust are in consultation to reduce expenditure to bring it into line with income;
- The schools within the Trust are oversubscribed and therefore there is no risk currently that pupil numbers will drop.

**c. Fundraising activities/Income generation**

Most of the Academy Trust's income is obtained from the Education Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to educational purposes. These grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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During the year ended 31 August 2017, total expenditure of £38,172,000 (excluding restricted fixed asset funds) exceeded income from charitable activities and other trading activities of £36,259,000. This deficit of £1,913,000 is included in a reduction of restricted general funds of £5,996,000 (excluding pension reserve) and an increase in unrestricted funds of £824,000. The reduction of restricted general funds is mainly as a result of the LGPS liability inherited during the year of £4,050,000 from schools joining the Trust.

At 31 August 2017 the net book value of fixed assets was £135,914,000. Movements in intangible fixed assets are shown in note 13 and tangible assets in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Assets of £1,519,000 were acquired during the year ended 31 August 2017 of which £852,000 were financed by capital grants. Assets of £239,000 were financed using current year General Annual Grant (GAG), £324,000 were financed by other restricted funds and £104,000 were financed by unrestricted funds.

Assets of £42,398,000 were gifted by the Local Authority on conversion to the Academy Trust; and assets of £19,014,000 were transferred through academy combinations.

In accordance with FRS102, the Academy Trust received an actuarial assessment of its pension scheme deficit. The deficit balance of £7,577,000 is included within the balance sheet as at 31 August 2017 and supporting notes to the financial statements.

Deficit balances before pension and restricted fixed asset reserves:

Samuel Ward Academy: £1,558,000

The financial pressure has accumulated since September 2013 as numbers have increased rapidly. Since 2014, the school population has increased at 7% per annum. From September 2017 numbers have since stabilised to an eight form entry. Historic issues with lagged funding will be corrected by this stabilisation of numbers. Samuel Ward is currently in consultation to reduce expenditure by restructuring the staffing.

Glemsford Primary Academy: £122,000

The school has seen significant pupil increases from 161 pupils in 2015 to 221 pupils in 2017. This has caused an issue with lagged funding. The school has also taken control of a private nursery during the year that is on the school site. Income is forecast to increase in 2017/18 due to lagged funding and increased nursery income.

Newmarket Academy: £567,000

The sale of the caretakers bungalow was included in the 2016/17 budget. Unfortunately, the sale fell through very close to year end. This has contributed to a shortfall in year of £250,000. Newmarket is currently in consultation to reduce expenditure by staff restructuring, with the sale of the bungalow contributing to additional income in 2017/18.

Castle Manor Academy: £171,000

Castle Manor joined the Trust with a £90,000 deficit. Pupil numbers have been falling, but after obtaining a 'good' Ofsted rating, numbers are now improving. Costs have been reduced by not replacing staff where possible.

Central Services: £530,000

The budget set for the central trust did not take into account the rapid growth of the Trust during the year, which has impacted on the costs incurred. Schools contribute to the central fees after they join the Trust, but work is carried out with these schools prior to conversion. Also included in the central trust is the cost of operating and financing the LGPS.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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Surplus balances before pension and restricted fixed asset reserves:

Thomas Gainsborough: £159,000  
Coupals Primary: £253,000  
Churchill: £465,000  
Westfield: £299,000  
Laureate Primary: £296,000  
Wickhambrook Primary: £163,000  
Sybil Andrews: £1,000  
Place Farm: £229,000  
Burton End: £319,000  
Houldsworth Valley: £258,000  
Woodhall Primary: £95,000  
Clements Primary: £130,000  
Kedington Primary: £61,000  
Wells Hall Primary: £146,000  
Ditton Lodge Primary: £88,000

£14,000 surplus before pension and restricted fixed asset reserves.

**d. Achievements and Performance**

The Academy Trust had a very successful year meeting most of its performance targets:

**Successful Learners**

At secondary level Samuel Ward Academy Trust achieved examination results in line with the national averages. Across the Trust our data shows that SWAT achieved 36% basics at 5+ and 59% at 4+, compared to national averages of 39% and 63% respectively. Given the low prior attainment of our students, these results show progress in the secondary schools being at least Average, with one school statistically Above Average and one close to that.

Under the second year of a new national assessment system, progress and attainment was much improved in our primary schools. In Reading, 7 primaries were above the national average, with the Trust's overall average marginally below. Likewise in combined Reading, Writing and Maths, a significant increase saw the Trust close to within 5% of the national position. Maths attainment improved across the Trust at a broadly similar rate as the national increase, but remains slightly below the 2017 national average overall. Writing attainment is very close to the national average and is in line for the higher attaining element (Greater Depth). All primary schools reached the 'sufficient progress' floor standard except one school that joined the Trust in July. Progress for disadvantaged pupils is much closer to their peers than the national differential for Reading and Writing, but for Maths is almost exactly the same as the national picture.

**Confident Individuals**

There was a marked increase in attendance figures across most schools, most notably at Newmarket Academy where attendance moved to above the national average from significantly below. Exclusions fell across schools. Behaviour remains a strength across Trust schools, last year reflected strong improvements within Newmarket Academy which the Trust now judges as good.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Responsible Citizens**

Trust schools have been successful in developing a stronger sense of independence for pupils. Improvements have been most significant in Newmarket Academy where pupils are showing far greater pride in their community but all schools have engaged more positively with a values based approach and all primary schools are now implementing the International Primary Curriculum, for example.

**Financial review**

**a. Reserves policy**

The Directors have determined that a level of funds retained should be at least equivalent to one month's total salary commitment to enable the Academy Trust to react to budget changes within a manageable period without the use of cashflow advances from the ESFA. One month's salary commitment for August 2017 was £2,814,135.

The total of restricted and unrestricted funds held at 31 August 2017 was a surplus of £14,000 which was below the monthly salary commitment.

This objective was not met as at 31 August 2017. The focus has been on growing capacity in the executive group to be effective in supporting our academies and some of the trust's reserves have gone towards this. The Audit Committee are looking to address this by putting constraints on the amounts each academy uses to set their individual budgets. This will be achieved by setting a percentage of their total allocation for their own use and the remainder will sit with the trust as reserves.

The free reserves are represented by the unrestricted fund. As at 31 August 2017, the free reserves are £2,606,000.

**b. Principal risks and uncertainties**

The Directors 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 Directors have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the controls 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.

Effective risk management provides the Board of Directors 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 recognises the need to monitor the impact of cash flow and will project cash flow based on cash inflows and outflows at the start of the year and review the bank balance throughout the year. Future budgets will be monitored in line with staffing levels/costs and follow benchmarking guidelines as set out by the Education & Skills Funding Agency.

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**DIRECTORS' REPORT (continued)**  
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There is a deficit in the pension scheme of £7,577,000 as disclosed in note 25. The secretary of state has agreed that in the event of the trust closing, the local government pension scheme liabilities would be met by the Department for Education.

**Plans for future periods**

**a. Future developments**

The Academy Trust will continue to focus on improving the education of the children it is responsible for by further improving achievement, teaching and learning and leadership. Its expectation is that all its schools will be at least good in Ofsted terms. It will focus on improving writing and assessment approaches within primary schools and the new GCSE specifications at GCSE level. Middle leadership, governance and outcomes for disadvantaged pupils across all schools remain a high priority.

The Board and the Executive are working effectively with school leadership teams and local governing bodies but over the next year the Trust will continue to develop its infrastructure and centralised services and policies in order to support continued growth.

We will work with the Local Authority, Regional Schools' Commissioner and the Department of Education to identify potential schools to join the Trust that fit out criteria for growth.

We will continue to enhance our back office functions to offer academies the benefits of economies of scale and improved levels of service.

The vision for the Academy Trust is to develop four clusters of interdependent, self-sustaining, outstanding schools that adhere to a shared set of values and aims in order to ensure there are:

- successful learners
- confident individuals
- responsible citizens

**Employee Information**

In accordance with the Trust's Disability Equality Policy:

- The governing body and Head Teacher in discussion with disabled staff will endeavour to provide any aids and support that would help them to fulfil their role in the Academy.
- Disabled members of staff will be offered the same conditions of service, employment rights, promotion and training opportunities as other staff in the same roles in each Academy.
- Disabled staff are encouraged to bring any complaints about their treatment as disabled staff to the notice of the Head Teacher/Principal in the first instance. All staff may use the Academy's grievance procedure if they consider this to be the best route.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Disclosure of information to auditor**

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company Directors, on 14 December and signed on its behalf by:



**Mike Parish**  
**Chair of Trust Board**

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**SAMUEL WARD ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

As Directors, 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 Board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Board of Directors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The Board of Directors has formally met 6 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Jon Ward	6	6
Tim Ogle	4	6
Howard Lay	6	6
Paul Reed	4	6
Gordon Jones	6	6
Ian Jacobs	4	6
Dr. Tim Coulson	1	1
Mike Parish	2	2

The Audit Committee is a sub-committee of the main Board of Directors. Its purpose is:

- to monitor the integrity of the financial statements of the Trust and any formal announcements relating to the company's financial performance, reviewing significant financial reporting judgements contained in them;
- to review the Trust's internal financial controls and the company's internal control and risk management systems;
- to monitor and review the effectiveness of the company's internal audit function;
- to make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- to report to the Board on how it has discharged its responsibilities.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Jon Ward	3	5
Gordon Jones	5	5
Ian Jacobs	3	5
Victoria DeNaeyer	2	2

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**GOVERNANCE STATEMENT (continued)**

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**Review of Value for Money**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- long term contracts being regularly reviewed and compared against other providers, in order to achieve the best price without compromising quality;
- a full tender process took place to review the Trusts occupational health provision which resulted in a better service at a lower price;
- as a multi academy trust we are able to save money using economies of scale with purchases for example broadband and IT equipment;
- we have also undertaken a review of external services we are currently purchasing to look at opportunities to provide services internally and therefore save money.

**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 ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Directors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.



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**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT (continued)**

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**The Risk and Control Framework**

The Academy'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 Directors;
- regular reviews by the Audit 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 Directors has considered the need for a specific internal audit function and has decided to appoint Schools' Choice as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

Review of financial systems in the following areas:

Payroll; petty cash; bank reconciliations; income testing; and governance.

On a quarterly basis, the internal auditor reports to the Board of Directors through the audit committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

**Review of Effectiveness**

As Accounting Officer, the Chief Executive Officer 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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 19/12/2017 and signed on their behalf, by:



**Mike Parish**  
Chair of Trust Board



**Dr. Tim Coulson**  
Accounting Officer

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**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

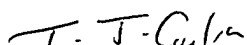
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As Accounting Officer of Samuel Ward Academy Trust I have considered my responsibility to notify the Academy Trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Directors 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 2016.

The Accounting Officer of Samuel Ward Academy Trust prior to 1 August 2017 was Howard Lay. At the date of resignation, an interim statement of regularity, propriety and compliance was signed. This acknowledges that prior to 1 August 2017 Howard Lay was responsible for the public funds under their control and confirms that no instances of material irregularity, impropriety or funding non-compliance had been discovered to that date.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have since been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Directors and ESFA.



**Dr. Tim Coulson**  
**Accounting Officer**

19 December 2017

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**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Directors (who act as Governors 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 Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions 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 Directors 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Directors on 19/12/17 and signed on its behalf by:



**Mike Parish**  
**Chair of Trust Board**

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**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SAMUEL WARD ACADEMY TRUST**

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**Opinion**

We have audited the financial statements of Samuel Ward Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SAMUEL WARD ACADEMY TRUST**

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**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

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**SAMUEL WARD ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SAMUEL WARD ACADEMY TRUST**

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**Responsibilities of trustees**

As explained more fully in the Statement of Directors' responsibilities, the Directors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

Guy Biggin (Senior statutory auditor)

for and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

Carrick House

Lypiatt Road

Cheltenham

GL50 2QJ

19 December 2017

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**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SAMUEL  
WARD ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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*In accordance with the terms of our engagement letter dated 26 April 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Samuel Ward Academy Trust during the year 1 September 2016 to 31 August 2017 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 Samuel Ward Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Samuel Ward Academy Trust and the ESFA 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 Samuel Ward Academy Trust and the ESFA, for our 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 for Education dated 11 June 2014, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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's income and expenditure.

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**SAMUEL WARD ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SAMUEL  
WARD ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**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 year 1 September 2016 to 31 August 2017 have 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

19 December 2017



**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>Income from:</b>						
Donations and capital grants	2	1,106	(4,022)	62,919	60,003	5,426
Charitable activities	3	1,785	33,456	-	35,241	22,505
Other trading activities	4	880	136	-	1,016	1,009
Investments	5	2	-	-	2	2
<b>Total income</b>		<b>3,773</b>	<b>29,570</b>	<b>62,919</b>	<b>96,262</b>	<b>28,942</b>
<b>Expenditure on:</b>						
Raising funds		912	541	-	1,453	175
Charitable activities		1,345	35,366	2,411	39,122	25,625
Other expenditure		8	-	-	8	-
<b>Total expenditure</b>	6	<b>2,265</b>	<b>35,907</b>	<b>2,411</b>	<b>40,583</b>	<b>25,800</b>
<b>Net income / (expenditure) before transfers</b>		<b>1,508</b>	<b>(6,337)</b>	<b>60,508</b>	<b>55,679</b>	<b>3,142</b>
Transfers between Funds	19	(684)	341	343	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>824</b>	<b>(5,996)</b>	<b>60,851</b>	<b>55,679</b>	<b>3,142</b>
Actuarial gain / (losses) on defined benefit pension schemes		-	4,199	-	4,199	(2,482)
<b>Net movement in funds</b>		<b>824</b>	<b>(1,797)</b>	<b>60,851</b>	<b>59,878</b>	<b>660</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,782	(8,372)	74,859	68,269	67,609
<b>Total funds carried forward</b>		<b>2,606</b>	<b>(10,169)</b>	<b>135,710</b>	<b>128,147</b>	<b>68,269</b>

The notes on pages 27 to 63 form part of these financial statements.

**SAMUEL WARD ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07400386**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	<b>Note</b>	<b>£000</b>	<b>2017 £000</b>	<b>£000</b>	<b>2016 £000</b>
<b>Fixed assets</b>					
Intangible assets	13		172		80
Tangible assets	14		135,742		74,967
			<u>135,914</u>		<u>75,047</u>
<b>Current assets</b>					
Stocks	15	120		82	
Debtors	16	2,549		2,188	
Cash at bank and in hand		1,555		317	
		<u>4,224</u>		<u>2,587</u>	
<b>Creditors:</b> amounts falling due within one year	17	(4,228)		(2,510)	
<b>Net current (liabilities)/assets</b>			<u>(4)</u>		<u>77</u>
<b>Total assets less current liabilities</b>			<u>135,910</u>		<u>75,124</u>
<b>Creditors:</b> amounts falling due after more than one year	18		(186)		(190)
<b>Net assets excluding pension scheme liabilities</b>			<u>135,724</u>		<u>74,934</u>
Defined benefit pension scheme liability	25		(7,577)		(6,665)
<b>Net assets including pension scheme liabilities</b>			<u><u>128,147</u></u>		<u><u>68,269</u></u>

**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

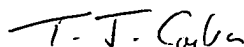
**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2017**

	Note	£000	2017 £000	£000	2016 £000
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	19	(2,592)		(1,707)	
Restricted fixed asset funds	19	135,710		74,859	
Restricted income funds excluding pension liability		133,118		73,152	
Pension reserve		(7,577)		(6,665)	
Total restricted income funds			125,541		66,487
Unrestricted income funds	19		2,606		1,782
<b>Total funds</b>			<b>128,147</b>		<b>68,269</b>

The financial statements on pages 23 to 63 were approved by the Directors, and authorised for issue, on 19/12/17 and are signed on their behalf, by:



**Mike Parish**  
Chair of Trust Board



**Dr. Tim Coulson**  
Accounting Officer

The notes on pages 27 to 63 form part of these financial statements.

**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	21	(98)	(1,115)
Cash transferred on conversion to an academy trust		1,446	603
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		2	2
Purchase of intangible fixed assets		(92)	(78)
Purchase of tangible fixed assets		(1,519)	(525)
Capital grants from DfE/ESFA		1,498	610
Capital funding received from Local Authority		-	5
Proceeds from sale of tangible fixed assets		-	1
<b>Net cash (used in)/provided by investing activities</b>		<b>(111)</b>	<b>15</b>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(27)	(42)
Cash inflows from new borrowing		28	45
<b>Net cash provided by financing activities</b>		<b>1</b>	<b>3</b>
<b>Change in cash and cash equivalents in the year</b>		<b>1,238</b>	<b>(494)</b>
Cash and cash equivalents brought forward		317	811
<b>Cash and cash equivalents carried forward</b>	22	<b>1,555</b>	<b>317</b>

The notes on pages 27 to 63 form part of these financial statements.

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**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. Accounting Policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

The company is a private company (limited by guarantee), which is incorporated and registered in England and Wales (no. 07400386). The address of the principal office is Samuel Ward Academy Trust, Park Road, Haverhill, Suffolk, CB9 7YD.

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Samuel Ward Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors believe the going concern basis adopted in preparing the financial statements is appropriate because:

- The ESFA has approved an amount of capital funding for new replacement buildings on the Samuel Ward site;
- The reasons for the tight cashflow for some schools within the trust is due to lagged funding. The academies are having to bear the costs of higher pupil numbers and staffing without having the associated funding until the following academic year. Schools within the Trust are in consultation to reduce expenditure to bring it into line with income;
- The schools within the Trust are oversubscribed and therefore there is no risk currently that pupil numbers will drop.

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**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. Accounting Policies (continued)**

**1.3 Income**

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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 of the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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

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

**Transfer on conversion**

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

**Transfer of existing academies into the trust**

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

**Donated fixed assets**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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**SAMUEL WARD ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. Accounting Policies (continued)**

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.5 Intangible fixed assets and amortisation**

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer Software	-	20%
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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. Accounting Policies (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold and leasehold property	-	2%
Plant and machinery	-	10 - 20%
Motor vehicles	-	20%
Furniture & Equipment	-	20%
Computer hardware	-	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 incorporating income and expenditure account.

**Useful economic lives of intangible and tangible assets**

The annual amortisation and depreciation charges for the tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See above for the useful lives for each class of asset.

**1.7 Leasing assets**

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

**1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.



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**1. Accounting Policies (continued)**

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.10 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payment for the goods or services it must provide.

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits, and an obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts to settle the obligation. Where the effect of time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.12 Financial instruments**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised costs as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.13 Taxation**

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

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**1. Accounting Policies (continued)**

**1.14 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.15 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. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from various schools to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting Policies (continued)**

**1.16 Agency arrangements**

The academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

The academy trust is also acting as an agent to distribute a one-off amount from the Combined Cadet Force Association. These funds are being held on behalf of the cadets and will be drawn down by the cadets from the academy trust. These funds have been excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds.

The funds received and paid and any balances held are disclosed in note 28.

**1.17 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 Directors.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

**1.18 Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**2. Income from donations and capital grants**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Donations	123	-	9	132	65
Funds inherited on conversion	608	(2,758)	42,398	40,248	4,750
Funds inherited from academy combinations	375	(1,264)	19,014	18,125	-
Government grants	-	-	852	852	611
Other capital grants	-	-	646	646	-
	<u>1,106</u>	<u>(4,022)</u>	<u>62,919</u>	<u>60,003</u>	<u>5,426</u>
<i>Total 2016</i>	<u>608</u>	<u>(225)</u>	<u>5,043</u>	<u>5,426</u>	

Included in restricted funds is the net liability of £4,050,000 inherited in relation to the Local Government Pension Scheme. Further details of this are given in note 23 and note 30.

**3. Income from charitable activities**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Funding for Educational Operations	1,640	33,456	35,096	22,505
Uniform Sales	145	-	145	-
	<u>1,785</u>	<u>33,456</u>	<u>35,241</u>	<u>22,505</u>
<i>Total 2016</i>	<u>887</u>	<u>21,618</u>	<u>22,505</u>	

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**Funding for Academy's educational operations**

**Samuel Ward Academy Trust**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	<i>Total funds 2016 £000</i>
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	29,189	29,189	18,417
DfE/ESFA Grants	-	423	423	208
Pupil Premium	-	1,550	1,550	867
Universal Infant Free School Meals	-	361	361	107
Pre Opening Grant & Start up grants	-	75	75	721
Teaching School Grant	-	80	80	31
	-	31,678	31,678	20,351
<b>Other government grants</b>				
High Needs Funding	-	983	983	713
Early Years Funding	-	310	310	181
Other Local Authority	-	381	381	348
Pre-Opening Funding from LA	-	-	-	25
	-	1,674	1,674	1,267
<b>Other funding</b>				
Academy Trips	469	-	469	288
Other Income	239	104	343	-
Catering Income	932	-	932	599
	1,640	104	1,744	887
	1,640	33,456	35,096	22,505
<i>Total 2016</i>	887	21,618	22,505	

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**4. Other trading activities**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Other Income: self generated	468	136	604	581
Lettings Income	278	-	278	223
Staff Services	6	-	6	-
Music Services	43	-	43	-
Catering Income	-	-	-	15
Sponsor Income	2	-	2	-
Sale of Goods	83	-	83	190
	<u>880</u>	<u>136</u>	<u>1,016</u>	<u>1,009</u>
<i>Total 2016</i>	<u>868</u>	<u>141</u>	<u>1,009</u>	

**5. Investment income**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Investment income	2	-	2	2
	<u>2</u>	<u>-</u>	<u>2</u>	
<i>Total 2016</i>	<u>2</u>	<u>-</u>	<u>2</u>	

**6. Expenditure**

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Expenditure on raising funds & charitable activities	-	-	1,453	1,453	175
Funding for Educational Operations:					
Direct costs	24,436	2,058	2,546	29,040	19,006
Support costs	5,777	-	4,305	10,082	6,619
	<u>30,213</u>	<u>2,058</u>	<u>8,304</u>	<u>40,575</u>	<u>25,800</u>
<i>Total 2016</i>	<u>19,068</u>	<u>2,412</u>	<u>4,320</u>	<u>25,800</u>	

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**7. Analysis of expenditure by activities**

	Activities undertaken directly 2017 £000	Support costs 2017 £000	Total 2017 £000	Total 2016 £000
Funding for Educational Operations	29,040	10,082	39,122	25,625
<i>Total 2016</i>	<i>19,006</i>	<i>6,619</i>	<i>25,625</i>	

**Analysis of support costs**

	Funding for Educational Operations £000	Total 2017 £000	Total 2016 £000
Staff costs	5,777	5,777	3,306
Teaching and educational support staff costs	20	20	-
Educational supplies	22	22	-
Support staff costs	295	295	33
Maintenance of premises and equipment	246	246	366
Cleaning	204	204	3
Rent & rates	223	223	103
Insurance	167	167	125
Security and transport	282	282	210
Professional fees	802	802	251
Other support costs	1,387	1,387	2,222
Recruitment & support	137	137	-
School trips	520	520	-
	<b>10,082</b>	<b>10,082</b>	<b>6,619</b>
<i>At 31 August 2016</i>	<i>6,619</i>	<i>6,619</i>	

Included within professional fees are governance costs of £125,000 (2016 - £77,000) associated with the strategic management, as opposed to day to day management, of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

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**8. Net income/(expenditure)**

This is stated after charging:

	2017 £000	2016 £000
Amortisation of intangible fixed assets	10	4
Depreciation of tangible fixed assets:		
- owned by the charity	2,068	1,273
Auditor's remuneration - audit	64	44
Auditor's remuneration - other services	44	18
Operating lease rentals	198	128
	<u>          </u>	<u>          </u>



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**9. Staff costs**

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	22,385	14,793
Social security costs	2,029	1,197
Operating costs of defined benefit pension schemes	4,823	2,603
	<u>29,237</u>	<u>18,593</u>
Apprenticeship levy	46	-
Supply teacher costs	793	413
Staff restructuring costs	137	62
	<u><u>30,213</u></u>	<u><u>19,068</u></u>

Staff restructuring costs comprise:

	2017 £000	2016 £000
Redundancy payments	103	-
Severance payments	30	62
Other restructuring costs	4	-
	<u>137</u>	<u>62</u>

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £137,000 (2016 - £62,000).

Individually, the payments were (in ascending order) £543; £643; £925; £1,287; £1,917; £5,340; £5,808; £6,716; £7,828; £10,000; £11,104; £19,390; £19,600; £21,449; £24,626.

The average number of persons employed by the academy during the year was as follows:

	2017 No.	2016 No.
Teachers	432	265
Administration and support	602	350
Management	18	30
	<u><u>1,052</u></u>	<u><u>645</u></u>

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**9. Staff costs (continued)**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017 No.	<i>Restated</i> 2016 No.
In the band £60,001 - £70,000	8	0
In the band £70,001 - £80,000	4	6
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	2	1
In the band £110,001 - £120,000	0	1

17 (2016 - 9) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these members of staff amounted to £207,001 (2016 - £120,294)

The key management personnel of the academy comprises the Senior Management Team as detailed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £770,571 (2016 - £501,139).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Central services**

The trust has provided the following central services to its academies during the year:

- financial administration services (Finance, ICT Manager, PA to Principal)
- management services (Executive Principal and Business Manager)
- legal and professional services
- learning improvement and educational support services (director of teaching and learning, teaching and learning advisors, quality assurance and teaching and learning handbooks)

The trust charges for these services on the following basis:

Business Manager, financial and administration service costs are allocated to the whole trust on the basis of time as a % of FTE;

Executive Principal, learning improvement and educational support, legal and professional services are directly allocated to the Whole Trust;

All whole trust costs are charged to each academy on the basis of each Academy's funding as a proportion of their total funding. The flat rate for the year ending 31 August 2017 was 3.9% of total funding.

The actual amounts charged during the year were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Samuel Ward Academy	239	223
Churchill Special Free School	32	25
Westfield Primary Academy	57	69
Newmarket Academy	125	161
Thomas Gainsborough School	242	253
Coupals Primary Academy	37	51
Glemsford Primary Academy	25	41
Laureate Primary Academy	35	6
Wickhambrook Primary Academy	22	4
Sybil Andrews Academy	68	-
Castle Manor Academy	93	-
Place Farm Primary Academy	43	-
Burton End Primary Academy	43	-
Houldsworth Valley Primary Academy	27	-
Woodhall Primary School	38	-
Clements Primary Academy	16	-
Kedington Primary Academy	7	-
Wells Hall Primary School	11	-
Ditton Lodge Primary School	5	-
	<b>1,165</b>	<b>833</b>
Total	<b>1,165</b>	<b>833</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Directors' remuneration and expenses**

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

		<b>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>
Howard Lay CEO (employed to 31 December 2016)	Remuneration	<b>35-40</b>	<b>110-115</b>
	Pension contributions paid	<b>5-10</b>	<b>15-20</b>
Tim Coulson CEO (employed from 2 July 2017; appointed Director on 1 August 2017)	Remuneration	<b>10-15</b>	
	Pension contributions paid	<b>0-5</b>	

During the year ended 31 August 2017, travel and subsistence expenses totalling £489 were reimbursed or paid directly to 1 directors. (2016 - £2,761 to 1 Directors).

**12. Directors' and Officers' Insurance**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme.

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**13. Intangible fixed assets**

	Computer Software £000
<b>Cost</b>	
At 1 September 2016	101
Additions	92
Transfer on conversion to the Trust	10
At 31 August 2017	203
<b>Amortisation</b>	
At 1 September 2016	21
Charge for the year	10
At 31 August 2017	31
<b>Carrying amount</b>	
At 31 August 2017	172
At 31 August 2016	80

**14. Tangible fixed assets**

	Freehold property £000	Long-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Furniture & Equipment £000
<b>Cost</b>					
At 1 September 2016	62,548	13,789	442	33	571
Additions	426	3	16	-	172
Transfer on conversion to the Trust	21,502	39,430	1	-	282
Transfer between classes	-	156	-	-	-
At 31 August 2017	84,476	53,378	459	33	1,025
<b>Depreciation</b>					
At 1 September 2016	2,259	353	133	18	239
Charge for the year	1,069	513	47	7	191
At 31 August 2017	3,328	866	180	25	430
<b>Net book value</b>					
At 31 August 2017	81,148	52,512	279	8	595
At 31 August 2016	60,289	13,436	309	15	332

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**14. Tangible fixed assets (continued)**

	Computer Hardware £000	Assets under construction £000	Total £000
<b>Cost</b>			
At 1 September 2016	1,065	156	78,604
Additions	658	244	1,519
Transfer on conversion to the Trust	99	-	61,314
Transfer between classes	-	(156)	-
At 31 August 2017	<u>1,822</u>	<u>244</u>	<u>141,437</u>
<b>Depreciation</b>			
At 1 September 2016	635	-	3,637
Charge for the year	231	-	2,058
At 31 August 2017	<u>866</u>	<u>-</u>	<u>5,695</u>
<b>Net book value</b>			
At 31 August 2017	<u>956</u>	<u>244</u>	<u>135,742</u>
At 31 August 2016	<u>430</u>	<u>156</u>	<u>74,967</u>

Included within fixed assets is recognition of the value of land and buildings transferred to the Academy Trust. The value includes £50,611,000 of land which is not depreciated.

**15. Stocks**

	2017 £000	2016 £000
Finished goods and goods for resale	<u>120</u>	<u>82</u>

**16. Debtors**

	2017 £000	2016 £000
Trade debtors	176	113
Other debtors	851	751
Prepayments and accrued income	1,522	1,324
	<u>2,549</u>	<u>2,188</u>

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**17. Creditors: Amounts falling due within one year**

	2017 £000	2016 £000
Trade creditors	1,487	783
Other taxation and social security	600	371
Other creditors	887	631
Accruals and deferred income	1,254	725
	<u>4,228</u>	<u>2,510</u>
	2017 £000	2016 £000
<b>Deferred income</b>		
Deferred income at 1 September 2016	197	187
Resources deferred during the year	821	197
Amounts released from previous years	(197)	(187)
Deferred income at 31 August 2017	<u>821</u>	<u>197</u>

Deferred income at 31 August 2017 includes Universal Infant Free School Meals funding of £309,000 (2016 - £86,000); ESFA Rates Relief of £93,000 (2016 - £58,000); income for educational trips of £123,000 (2016 - £43,000); Suffolk County Council advance funding of £275,000 for additional places; and other balances totalling £21,000 (2016 - £11,000).

Included in other creditors is a balance due to the ESFA in relation to abatement of GAG of £137,000 (2016 - £137,000), and Salix loans of £25,000 (2016 - £27,000).

**18. Creditors: Amounts falling due after more than one year**

	2017 £000	2016 £000
Salix Loans	134	135
Other creditors	52	55
	<u>186</u>	<u>190</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £000	2016 £000
Repayable by instalments	17	41

Salix loans are loans from the ESFA. No interest is charged on these loans.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**19. Statement of funds**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
<b>Unrestricted funds</b>						
General Funds - all funds	1,782	3,773	(2,265)	(684)	-	2,606
<b>Restricted funds</b>						
General Annual Grant (GAG)	(3,220)	29,189	(31,330)	360	-	(5,001)
Start Up Grant	228	75	(388)	85	-	-
Other ESFA/DfE Grants	835	423	(1,226)	-	-	32
Other Restricted Funds	224	1,468	(734)	(104)	-	854
Pupil Premium	210	1,550	(309)	-	-	1,451
Early Years Funding	10	310	-	-	-	320
Universal Infant Free School Meals	6	361	(695)	-	-	(328)
Other self generated income	-	164	(164)	-	-	-
Teaching School grant income	-	80	-	-	-	80
Pension reserve	(6,665)	(4,050)	(1,061)	-	4,199	(7,577)
	(8,372)	29,570	(35,907)	341	4,199	(10,169)
<b>Restricted fixed asset funds</b>						
DfE/ESFA Capital Grants	6,601	852	-	(7,453)	-	-
Capital Expenditure from GAG	205	-	(343)	343	-	205
Transfer on Conversion	51,811	61,412	-	(113,223)	-	-
Other Capital Income	16,242	655	(2,068)	120,676	-	135,505
	74,859	62,919	(2,411)	343	-	135,710
Total restricted funds	66,487	92,489	(38,318)	684	4,199	125,541
Total of funds	68,269	96,262	(40,583)	-	4,199	128,147



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**19. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 September 2015 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2016 £000</i>
<b>Unrestricted funds</b>						
Unrestricted funds	511	2,301	(1,022)	(8)	-	1,782
	<u>511</u>	<u>2,301</u>	<u>(1,022)</u>	<u>(8)</u>	<u>-</u>	<u>1,782</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	(992)	18,418	(19,872)	(773)	-	(3,219)
Start Up Grant	-	228	-	-	-	228
Other EFA/DfE Grants	634	732	(531)	-	-	835
Other Restricted Funds	35	1,290	(1,073)	(27)	-	225
Pupil Premium	2	867	(659)	-	-	210
Early Years Funding	3	181	(174)	-	-	10
Universal Infant Free School Meals	(1)	107	(102)	-	-	4
Pension reserve	(3,631)	(225)	(1,090)	763	(2,482)	(6,665)
	<u>(3,950)</u>	<u>21,598</u>	<u>(23,501)</u>	<u>(37)</u>	<u>(2,482)</u>	<u>(8,372)</u>
<b>Restricted fixed asset funds</b>						
DfE/EFA Capital Grants	6,178	610	(187)	-	-	6,601
Capital Expenditure from GAG	275	-	(99)	29	-	205
Transfer on Conversion	48,326	4,433	(947)	-	-	51,812
Other Capital Income	16,269	-	(44)	16	-	16,241
	<u>71,048</u>	<u>5,043</u>	<u>(1,277)</u>	<u>45</u>	<u>-</u>	<u>74,859</u>
Total restricted funds	<u>67,098</u>	<u>26,641</u>	<u>(24,778)</u>	<u>8</u>	<u>(2,482)</u>	<u>66,487</u>
Total of funds	<u>67,609</u>	<u>28,942</u>	<u>(25,800)</u>	<u>-</u>	<u>(2,482)</u>	<u>68,269</u>

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

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**19. Statement of funds (continued)**

**Restricted general funds**

The restricted general fund consists of recurrent grants, the use of which is restricted to educational purposes.

Other ESFA/DfE Grants includes balances for the Teaching School, PE and Sports Grant, Rates Relief and Year 7 Catch-Up funding. The balances will remain restricted and be used to further support the pupils of the academy trust.

Other restricted funds include balances for High Tariff Special Educational Needs, Pre-Opening Funding from the Local Authority and Growth Funding.

Pupil Premium provides funding to raise the attainment of disadvantaged pupils and support pupils with parents in regular armed forces.

Early Years Funding provides funding for 3 to 4 year olds.

Universal Infant Free School Meals includes funding to help the academy trust meet the requirement to provide free school meals to all students in year 1, 2 and Reception.

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 2017.

**Restricted fixed asset funds**

The government capital funds are provided by the government for specific and Trust capital projects. The trust has also received Condition Improvement Funding and School Condition Allocation of £686,076 (2016 - £260,091). The trust has accrued for the remainder of this amount as there is entitlement £636,247 (2016 - £295,685) making the total amount recognised in the year £1,322,323 (2016 - £555,776).

**Unrestricted funds**

These funds relate to unrestricted income to be used to support the Academy Trust's objectives and educational activities.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Statement of funds (continued)**

**Analysis of academies by fund balance**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Samuel Ward Academy	(1,558)	(922)
Thomas Gainsborough School	159	46
Coupals Primary Academy	253	203
Glemsford Primary Academy	(122)	(26)
Churchill Special School	465	307
Westfield Primary Academy	299	323
Newmarket Academy	(567)	(343)
Laureate Primary Academy	296	359
Wickhambrook Primary Academy	163	213
Sybil Andrews Academy	1	-
Castle Manor Academy	(171)	-
Place Farm Primary Academy	229	-
Burton End Primary Academy	319	-
Houldsworth Valley Primary Academy	258	-
Woodhall Primary School	95	-
Clements Primary Academy	130	-
Kedington Primary Academy	61	-
Wells Hall Primary School	146	-
Ditton Lodge Primary School	88	-
Central Services	(530)	(85)
<b>Total before fixed asset fund and pension reserve</b>	<b>14</b>	<b>75</b>
Restricted fixed asset fund	135,710	74,859
Pension reserve	(7,577)	(6,665)
<b>Total</b>	<b>128,147</b>	<b>68,269</b>

The following academies are carrying net deficits on their portion of the funds as follows:

<b>Name of academy</b>	<b>Amount of deficit £000</b>
Samuel Ward Academy	(1,558)
Glemsford Primary Academy	(122)
Newmarket Academy	(567)
Castle Manor Academy	(171)
Central Services	(530)

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Statement of funds (continued)**

Samuel Ward Academy:

The financial pressure has accumulated since September 2013 as numbers have increased rapidly. Since 2014, the school population has increased at 7% per annum. From September 2017 numbers have stabilised to an eight form entry. Historic issues with lagged funding will be corrected by this stabilisation of numbers.

Glemsford Primary Academy:

The school has seen significant pupil increases from 161 pupils in 2015 to 221 pupils in 2017. This has caused an issue with lagged funding. The school has also taken control of a private nursery during the year that is on the school site.

Newmarket Academy:

The sale of the caretakers bungalow was included in the 2016/17 budget. Unfortunately, the sale fell through very close to year end. This has contributed to a shortfall in year of £250,000.

Castle Manor Academy:

Castle Manor joined the Trust with a £90,000 deficit. Pupil numbers have been falling, but after obtaining a 'good' Ofsted rating, numbers are now improving.

Central Services:

The budget set for the central trust did not take into account the rapid growth of the Trust during the year, which has impacted on the costs incurred. Schools contribute to the central fees after they join the Trust, but work is carried out with these schools prior to conversion. Also included in the central trust is the cost of operating and financing the LGPS.

The academy is taking the following action to return the academies to surplus:

Samuel Ward Academy:

Samuel Ward is in consultation to reduce expenditure by restructuring the staffing.

Glemsford Primary Academy:

Income will increase due to lagged funding and increased nursery income during the 2017/18 year.

Newmarket Academy:

Newmarket is in consultation to reduce expenditure by staff restructuring. The sale of the caretakers bungalow will also contribute additional income in the year.

Castle Manor Academy:

Costs have been reduced by reducing expenditure and not replacing staff where possible.

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**19. Statement of funds (continued)**

**Analysis of academies by cost**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2017 £000	Total 2016 £000
Samuel Ward Academy	4,983	840	583	813	7,219	7,387
Thomas Gainsborough School	4,586	1,072	646	928	7,232	6,992
Coupals Primary Academy	720	98	76	178	1,072	1,002
Glemsford Primary Academy	627	78	72	180	957	788
Churchill Special School	957	80	27	223	1,287	957
Westfield Primary Academy	1,245	121	96	271	1,733	1,635
Newmarket Academy	2,532	574	242	517	3,865	4,042
Laureate Primary Academy	847	79	25	179	1,130	173
Wickhambrook Primary Academy	459	63	23	116	661	100
Sybil Andrews Academy	1,108	204	172	374	1,858	-
Castle Manor Academy	1,750	447	205	466	2,868	-
Place Farm Primary Academy	840	146	52	173	1,211	-
Burton End Primary Academy	870	134	96	167	1,267	-
Houldsworth Valley Primary Academy	565	72	108	156	901	-
Woodhall Primary School	872	104	52	150	1,178	-
Clements Primary Academy	266	38	37	67	408	-
Kedington Primary Academy	135	23	9	46	213	-
Wells Hall Primary School	214	54	7	12	287	-
Ditton Lodge Primary School	110	20	2	15	147	-
Central Services	750	1,530	16	727	3,023	1,449
	<u>24,436</u>	<u>5,777</u>	<u>2,546</u>	<u>5,758</u>	<u>38,517</u>	<u>24,525</u>

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**19. Statement of funds (continued)**

**20. Analysis of net assets between funds**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Intangible fixed assets	-	-	171	171
Tangible fixed assets	-	-	135,742	135,742
Current assets	2,606	972	646	4,224
Creditors due within one year	-	(3,564)	(664)	(4,228)
Creditors due in more than one year	-	-	(185)	(185)
Provisions for liabilities and charges	-	(7,577)	-	(7,577)
	<u>2,606</u>	<u>(10,169)</u>	<u>135,710</u>	<u>128,147</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Intangible fixed assets	-	-	80	80
Tangible fixed assets	-	-	74,966	74,966
Current assets	1,900	504	184	2,588
Creditors due within one year	(118)	(2,211)	(181)	(2,510)
Creditors due in more than one year	-	-	(190)	(190)
Provisions for liabilities and charges	-	(6,665)	-	(6,665)
	<u>1,782</u>	<u>(8,372)</u>	<u>74,859</u>	<u>68,269</u>

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**21. Reconciliation of net movement in funds to net cash flow from operating activities**

	2017 £000	2016 £000
Net income for the year (as per Statement of Financial Activities)	55,679	3,142
<b>Adjustment for:</b>		
Depreciation charges	2,058	1,273
Increase in stocks	(38)	(36)
Increase in debtors	(361)	(1,082)
Increase in creditors	1,714	679
Capital grants from DfE and other capital income	(1,498)	(615)
Defined benefit pension scheme obligation inherited	4,050	225
Defined benefit pension scheme cost less contributions payable	864	188
Defined benefit pension scheme finance cost	197	139
Amortisation	10	4
Interest receivable	(2)	(2)
Cash transferred on conversion to an academy trust	(1,446)	(603)
Fixed assets transferred from Local Authorities	(42,341)	(4,427)
Fixed assets transferred from others	(18,984)	-
<b>Net cash used in operating activities</b>	<b>(98)</b>	<b>(1,115)</b>

**22. Analysis of cash and cash equivalents**

	2017 £000	2016 £000
Cash at bank and in hand	1,555	317
<b>Total</b>	<b>1,555</b>	<b>317</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. Conversion to an academy trust**

On various dates (as listed below) the following schools

Sybil Andrews Academy;  
Houldsworth Valley Primary Academy;  
Woodhall Primary School;  
Clements Primary Academy;  
Wells Hall Primary School;  
Ditton Lodge Primary School

all converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Samuel Ward Academy Trust from Suffolk County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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 a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority 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 incorporating income and expenditure account.

**Sybil Andrews (1 September 2016)**

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Land and buildings	-	-	22,333	22,333
Total (excluding LGPS pension)	-	-	22,333	22,333

**Houldsworth Valley Primary School (1 January 2017)**

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Land and buildings	-	-	2,922	2,922
Other tangible fixed assets	-	-	27	27
Budget surplus on LA funds	223	-	-	223
Total (excluding LGPS pension)	223	-	2,949	3,172



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**Woodhall Primary School (1 January 2017)**

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Land and buildings	-	-	4,451	4,451
Other tangible fixed assets	-	-	27	27
Budget surplus on LA funds	71	-	-	71
<b>Total (excluding LGPS pension)</b>	<b>71</b>	<b>-</b>	<b>4,478</b>	<b>4,549</b>

**Clements Primary School (1 May 2017)**

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Land and buildings	-	-	4,384	4,384
Other tangible fixed assets	-	-	30	30
Budget surplus on LA funds	107	-	-	107
<b>Total (excluding LGPS pension)</b>	<b>107</b>	<b>-</b>	<b>4,414</b>	<b>4,521</b>

**Wells Hall Primary School (1 July 2017)**

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Land and buildings	-	-	5,432	5,432
Other tangible fixed assets	-	-	20	20
Budget surplus on LA funds	119	-	-	119
<b>Total (excluding LGPS pension)</b>	<b>119</b>	<b>-</b>	<b>5,452</b>	<b>5,571</b>

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**Ditton Lodge Primary School (1 July 2017)**

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Land and buildings	-	-	2,716	2,716
Other tangible fixed assets	-	-	56	56
Budget surplus on LA funds	88	-	-	88
Total (excluding LGPS pension)	<u>88</u>	<u>-</u>	<u>2,772</u>	<u>2,860</u>

Excluded from the above analysis is an amount of £2,758,000 which relates to the LGPS deficit on conversion of the above Schools into the Trust.

**24. Capital commitments**

At 31 August 2017 the Academy had capital commitments as follows:

	2017 £000	2016 £000
Contracted for but not provided in these financial statements		
Westfield new building	<u>-</u>	<u>3</u>

**25. Pension commitments**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £555,633 were payable to the schemes at 31 August 2017 (2016 - £317,492) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions

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**25. Pension commitments (continued)**

along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £2,414,084 (2016 - £1,653,231).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £1,793,000 (2016 - £968,000), of which employer's contributions totalled £1,424,000 (2016 - £762,000) and employees' contributions totalled £369,000 (2016 - £206,000). The agreed contribution rates for future years are 23.8% for employers and between 5.5% and 10.5% for employees dependent on the salary of the individuals.

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.

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**25. Pension commitments (continued)**

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	- %	2.10 %
Commutation of pensions to lump sums	- %	63.00 %

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

	2017	2016
Retiring today		
Males	21.9	22.4
Females	24.4	24.4
Retiring in 20 years		
Males	23.9	24.3
Females	26.4	26.9

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	9,941	4,733
Debt instruments	3,070	1,372
Property	1,462	686
Cash and other liquid assets	146	69
<b>Total market value of assets</b>	<b>14,619</b>	<b>6,860</b>

The actual return on scheme assets was £1,649,000 (2016 - £937,000).

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**25. Pension commitments (continued)**

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

	2017 £000	2016 £000
Opening defined benefit obligation	13,525	8,456
Interest cost	416	336
Employee contributions	369	206
Benefits paid	(126)	(24)
Actuarial (gain) / loss	(2,769)	3,222
Current service cost	2,288	950
Plan introductions, benefit changes, curtailments and settlements	8,292	379
	<hr/>	<hr/>
Closing defined benefit obligation	21,995	13,525
	<hr/>	<hr/>

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

	2017 £000	2016 £000
Opening fair value of scheme assets	6,860	4,825
Employer contributions	1,424	762
Interest income	219	197
Employee contributions	369	206
Benefits paid	(126)	(24)
Actuarial gain	1,430	740
Plan introductions, benefit changes, curtailments and settlements	4,443	154
	<hr/>	<hr/>
Closing fair value of scheme assets	14,619	6,860
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. Operating lease commitments**

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
<b>Amounts payable:</b>		
Within 1 year	179	126
Between 1 and 5 years	238	208
Total	<u>417</u>	<u>334</u>

**27. 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

**28. Agency Arrangements**

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £56,042 (2016 - £25,659) and disbursed £14,273 (2016 - £14,818) from the fund. £57,994 was brought forward within restricted funds at 1 September 2016. An amount of £99,763 (2016 - £47,818) is included in other creditors relating to undistributed funds that is repayable to EFSA.

As at 31 August 2017 the academy trust was showing £29,492 (2016 - £19,400) in other creditors as a one-off amount from Combined Cadet Force Association. These funds are being held on behalf of the cadets and will be drawn down by the cadets upon application to the Trust.

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**SAMUEL WARD ACADEMY TRUST**  
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**29. Related party transactions**

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

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

High Fliers: a company in which J McNaughton (deceased, 16 April 2017), a Director had a majority interest. During the year there were transactions totalling £9,100 (2016: £109,500). There is a creditor of £nil outstanding at the year end (2016: £49,800). The trust made the purchase at cost following a competitive tendering exercise in accordance with its financial regulations, which Ms McNaughton neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

JRWT Ltd: a company in which J Ward (resigned as a Director of the Trust on 29 September 2017), a Director has a majority interest. During the year there were transactions totalling £16,200 (2016: £38,070). There is a creditor of £nil outstanding at the year end (2016: £2,700). The trust made the purchase at cost following a competitive tendering exercise in accordance with its financial regulations, which Mr Ward neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Paul Reed: a company in which P Reed has a majority interest. During the year there were transactions totalling £150 (2016: £2,175). There was a creditor of £150 outstanding at the year end (2016: £nil). The trust made the purchase at arm's length following a competitive tendering exercise in accordance with its financial regulations, which Mr Reed neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Learning Circle Limited: a company in which V De Nayer (resigned as Member of the Trust on 30 November 2016) has a majority interest. During the year there were transactions totalling £2,475 (2016: £7,368). There is a creditor outstanding of £nil (2016: £4,200). The trust made the purchase at arm's length following a competitive tendering exercise in accordance with its financial regulations, which Ms V De Nayer neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Howard Lay Consultancy Ltd: a company in which H Lay (resigned as Director of the Trust on 31/07/2017) has a majority interest. During the year there were transactions totalling £41,930 (2016: £nil). There was a creditor outstanding of £23,650 (2016: £nil). The trust made the purchase at arm's length following a competitive tendering exercise in accordance with its financial regulations, which H Lay neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

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**30. Transfer of existing academies into the academy**

On 30 November 2016 the operation of the trust's schools (Burton End Primary Academy, Castle Manor Academy, and Place Farm Primary Academy) and all the assets and liabilities were transferred to Samuel Ward Academy Trust for £nil consideration. From that date The Castle Partnership Academy Trust (registered number 08066451) no longer operated.

The following assets and liabilities were transferred into Samuel Ward Academy Trust as opening balances on 1 December 2016:

**Castle Partnership Academy Trust**

	Value reporting by transferring trust	Fair value adjustments	Transfer in recognised
	£000	£000	£000
<b>Intangible assets</b>			
Computer software	10	-	10
<b>Tangible fixed assets</b>			
Freehold property & building improvements	12,128	-	12,128
Long-term leasehold property	4,048	-	4,048
Plant and machinery	1	-	1
Fixtures and fittings	79	-	79
Computer equipment	33	-	33
Stock	3	-	3
Debtors due within one year	259	-	259
Cash in bank and in hand	754	-	754
<b>Liabilities</b>			
Creditors due within one year	(657)	-	(657)
<b>Pensions</b>			
Pensions - pension scheme liabilities	(1,174)	-	(1,174)
<b>Net assets</b>	<u>15,484</u>	<u>-</u>	<u>15,484</u>



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**30. Transfer of existing academies into the academy (continued)**

On 31 May 2017 the operation of the trust's schools (Kedington Primary Academy) and all the assets and liabilities were transferred to Samuel Ward Academy Trust for £nil consideration. From that date Kedington Primary Academy (registered number 08432234) no longer operated.

The following assets and liabilities were transferred into Samuel Ward Academy Trust as opening balances on 1 June 2017:

**Kedington Primary Academy**

	Value reporting by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
<b>Tangible fixed assets</b>			
Long-term leasehold property	2,578	-	2,578
Fixtures and fittings	79	-	79
Computer equipment	28	-	28
Stock	1	-	1
Debtors due within one year	32	-	32
Cash in bank and in hand	85	-	85
<b>Liabilities</b>			
Creditors due within one year	(50)	-	(50)
<b>Pensions</b>			
Pensions - pension scheme liabilities	(118)	-	(118)
<b>Net assets</b>	<u>2,635</u>	<u>-</u>	<u>2,635</u>