

The Spencer Academies Trust

Registered number: 7353824

Trustees report and financial statements

For the year ended 31 August 2013

THE SPENCER ACADEMIES TRUST

(A Company Limited by Guarantee)

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THE SPENCER ACADEMIES TRUST (A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2013

Governors

S Jowett, Chief Executive Officer^{1,2,3,4}

G Baggley, Chair of Local Board of Governors, George Spencer Academy and Vice
Chair of the finance committee, George Spencer Academy^{1,2,3,4}

A Talbot, Chair of Finance Committee, George Spencer Academy and Vice Chair
of the Local Board of Governors, George Spencer Academy^{1,2,3,4}

J Wilkinson^{1,2,3}

M Thompson^{1,2,3,4}

G Weightman^{1,2,3,4}

M Cellupica³

K Woodward^{3,4}

P Hemmings³

J Glynn³

A Charlwood³

J Shah³

J De-Naeyer^{3,4}

C Haggett³

D Mills³

N Bowley³

K Michelin³

G Robins, Principal, Chetwynd Road Primary Academy^{3,4,5,6}

N Arrowsmith, Chair of Finance Committee, Chetwynd Primary Academy^{5,6}

M Batchelor⁵

Rev C Bourne⁵

P Cooper^{5,6}

J Gillard, Chair of Local Board of Governors, Chetwynd Primary Academy^{2,5,6}

C Hallows⁵

L Jackson^{5,6}

V Lievesley, Vice Chair of Local Board of Governors, Chetwynd Primary Academy^{5,6}

I Mellor⁵

J Streets⁵

T West⁵

A O'Brien, Principal, Wyndham Primary Academy^{7,8}

A Scotland, Chair of Finance and Local Board of Governors, Wyndham Primary
Academy^{7,8}

J Ellins⁷

S Jowett⁷

A John^{7,8}

S Hemmings^{7,8}

R Bird⁷

A Shilton^{7,8}

G Weightman^{7,8}

S Murray⁷

A McCallum⁷

THE SPENCER ACADEMIES TRUST

(A Company Limited by Guarantee)

- ¹ Members of the trust
- ² Legal directors of the trust
- ³ Members of the George Spencer local governing body
- ⁴ Members of the George Spencer finance committee
- ⁵ Members of the Chetwynd Road Primary Academy local governing body
- ⁶ Members of the Chetwynd Road Primary Academy finance committee
- ⁷ Members of the Wyndham Academy local governing body
- ⁸ Members of the Wyndham Academy finance committee

Company registered number

7353824

Principal and registered office

George Spencer Academy, Arthur Mee Road, Stapleford, Nottingham, Nottinghamshire, NG9 7EW

Company secretary

R G Holmes

Responsible officer

S Adcock

Senior management team

S Jowett, Executive Principal
F Mitchell, Principal, George Spencer Academy
R G Holmes, Trust Business Manager
G Robins, Principal, Chetwynd Road Primary Academy
G Baggle, Business Manager, Chetwynd Road Primary Academy
A O'Brien, Principal, Wyndham Primary Academy
A Shilton, Business Manager, Wyndham Primary Academy

Independent auditors

Mazars LLP, Cartwright House, Tottle Road, Nottingham, NG2 1RT

Bankers

Natwest plc, 5th Floor Cumberland Place, Nottingham, NG1 7ZS

Solicitors

Browne Jacobson, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

THE SPENCER ACADEMIES TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2013

The trustees present their annual report together with the audited financial statements of The Spencer Academies Trust for the period 1 September 2012 to 31 August 2013. The trustees confirm that the Annual Report and financial statements of the trust comply with the current statutory requirements, the requirements of the trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of The Spencer Academies Trust Limited are also directors of the charitable company for the purposes of company law. The charitable company is known as The Spencer Academies Trust.

The Academy Trust was incorporated on 23 August 2010 and commenced activities on 1 September 2010.

The Spencer Academies Trust has operated George Spencer Academy, Chetwynd Primary Academy and Wyndham Primary Academy for the whole of this reporting period. Wyndham Primary Academy was established from 1 September 2012 as a sponsored Academy under the Academy Act 2010 from the predecessor school Boulton Primary School.

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. Method of recruitment and appointment or election of Trustees

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

The directors appoint separate committees known as Local Governing Bodies for each Academy, which operate according to their Academy Scheme of Delegation. The establishment, terms of reference, constitution and membership of any committee of the directors may be reviewed annually.

The directors listed on page 1 appoint governors to each academy local governing body according to the scheme of delegation for that academy.

The term of office for any governor will be 4 years, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of governor, any governor can be re-appointed or re-elected.

The governors who were in office in the period under review are listed on page 1.

d. Policies and procedures adopted for the induction and training of Trustees

As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual. Other training is conducted as necessary.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

e. Organisational structure

The directors of the Trust are responsible for setting general policy, making major decisions about the strategic direction of the trust, capital expenditure, the appointment of the Executive Principal and any Principals of the Academies.

The directors delegate responsibilities to the Local Governing Body of each Academy according to a specific Scheme of Delegation appropriate to the context of the Academy. Local Governing Bodies will normally be responsible for managing staffing matters, adopting an annual plan and monitoring the financial position of the Academy by the use of budgets.

The Local Governing Bodies establish committees of governors to deal with specific areas of responsibility. The establishment, terms of reference, constitution and membership of any committee of the governors is reviewed at least once in every twelve months.

Any power or function of the governors exercised by any committee, any governor, Principal or any other holder of an executive office, is reported to the governors through the Principal in respect of any action taken or decision made with respect to the exercise of that power or function at the meeting of the governors immediately following the taking of the action or the making of the decision.

During the period under review the governors of George Spencer Academy held four meetings of the full governing body and a further fourteen committee meetings. The governors of Chetwynd Primary Academy held three meetings of the full governing body and a further ten committee meetings. The governors of Wyndham Primary Academy held four meetings of the full governing body and a further two committee meetings.

All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

f. Connected organisations, including related party relationships

There were no transactions with connected organisations or related parties during this reporting period.

g. Risk management

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

h. Trustees' indemnities

The governors have liability insurance with Travelers Insurance Company Limited, 61-63 London Road, Redhill, Surrey, RH1 1NA effective date 01/09/2012. There is a limit of indemnity of £1,000,000.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

i. Leadership Group

For the period 2012/2013 the Leadership Group is comprised of:

- George Spencer Academy comprises the Executive Principal, one Head of School, five Vice Principals and the Business Manager. The Leadership Group is responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to Heads of Departments.
- Chetwynd Primary Academy comprises the Principal, one Deputy Principal, the Business Manager, a Pupil and Personnel Manager and three other school leaders. The Leadership Group is responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to Heads of Departments.
- Wyndham Primary Academy comprises the Principal, two vice-Principals, the Business Manager, and one other school leader. The Leadership Group is responsible for the authorisation of spending within agreed budgets and the appointment of staff.

These leaders manage and control the Academy at an executive level implementing the policies laid down by the governors and reporting back to them.

Objectives and Activities

a. Objects and aims

The principal object and activity of the charitable company is to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools (the "Academies") offering a broad and balanced curriculum.

In addition, to promote for the benefit of individuals living in the East Midlands and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

In accordance with the articles of association the charitable company has entered into relevant funding agreements for each Academy with the Secretary of State. The funding agreements specify, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should be broad and balanced.

The main objectives of the Trust during the period ended 31 August 2013 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to continue to raise the standard of educational achievement of all students;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the business of the Academies in accordance with the highest standards of integrity, probity and openness.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

b. Objectives, strategies and activities

The Spencer Academies Trust's main strategy is encompassed in its vision statement:

"To improve the life chances of children and young people by challenging and supporting all the schools within the Trust on their journey to and beyond outstanding."

George Spencer Academy

The Academy's main objective is to provide an outstanding education for its students. This is achieved by:

- A student centred approach which focusses on the learning and personal development of all the students; enabling all students to experience success and maximise their potential
- Being at the cutting edge of education as we develop as a centre of excellence for teaching and leadership; a true learning organisation with research and development at its core.
- Delivering high quality teaching through high expectations, motivation and enthusiasm underpinned by a comprehensive programme of continuous professional development for all staff.
- Ensuring excellent interpersonal relationships in a caring, encouraging and disciplined environment.
- Effective use of ICT resources, data analysis and assessment.
- Providing students with the best possible environment for learning.

We continue our drive for improvement benchmarking against the best internationally, with rigorous self and peer assessment. The following demonstrate the Academy's broader outlook and care for the health and well being of students, the environment and a sustainable globe:

- Lead school in Network of Excellence in Teaching of Computer Science.
- Young Carers Quality Standard 2013 award
- Winners of the Student's EON Energy Saving Campaign Competition
- Designation as a School base centre for initial teacher training (SCITT) (2012)
- License holder for the Modular Leadership Development Programmes for the National College (2012)
- Gold Partner Youth Sports Trust (2012)
- Successful Challenge Partner Review (2012) confirming areas of outstanding practice
- Delivery of School to School Support commissioned by the National College (2012)
- 6 staff designated Specialist Leaders of Education (2012 to 2013)
- Principal designated as National Leader of Education 2011
- Teaching School (2011)
- International Schools Award re designation (2011)
- Notts/Derby Excellence Awards for Enterprising Women: Finalists of the Team of the Year 2011 Award;
- Eco Schools Award (2011)
- Converter Academy Status following designation as an Ofsted Outstanding School (2010)
- Accredited Schools Provider (2010)
- Investor in People re designation (2010)
- Healthy Schools Award (2010)
- High Performing Specialist Status and Leading Edge School (2007 – 2012)
- SSAT Most Improved Schools Award (2008, 2009, 2010)
- SSAT Award for outstanding achievement 5A*C EM (2008, 2009, 2010)

Achievement, Confidence, Openness and Responsibility drives the ethos and culture of the Academy.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

Chetwynd Primary Academy

The Strategies for Chetwynd Primary Academy mirror those of The Spencer Academies Trust.

Our vision statement is:

'To create a happy, caring and positive learning environment within which all children can achieve success and develop personal competence and responsibility; at all times striving towards our goal of 'outstanding' and beyond, therefore improving the life chances of children and young people.'

Since our conversion to Academy status in April 2012, and becoming a co-founder of The Spencer Academies Trust we continue to work collaboratively with both the staff at George Spencer Academy and the wider Trust to develop strategies for the future.

We strive for improvement and have implemented more rigorous monitoring of pupil progress and strategies for the continued development of teaching and learning.

At its last Ofsted, the school was recognised as providing a good education for its pupils. Staff and governors work hard to provide an attractive, welcoming and encouraging learning environment.(OFSTED March 2010)

Results at the school are above average compared to national levels. The attainment at the end of KS1 has been significantly above 'national expectations' in all subjects for the last four years.

At the end of KS2 indicators show that the Academy has been above national expectations in 'all subjects' for the last four years. Predictions show this is likely to continue in both KS1 and KS2 in the coming years.

The school's motto of happiness, endeavour and fulfilment drives all we do.

Wyndham Primary Academy

The Strategies for Wyndham Primary Academy mirror those of The Spencer Academies Trust.

Our core purpose is "Working together to achieve personal greatness"

Our school aim is to work under the GREAT expectations

Good to talk, even better to listen
Respect myself, school and the community
Enjoy and achieve safely,
Able to make mistakes and learn from them
Together we aim high.

Since our conversion to Academy status in Sept 2012, and becoming a sponsored school of The Spencer Academies Trust, we have worked collaboratively, with the staff at George Spencer Academy and Chetwynd Road Academy to develop strategies to ensure raising attainment is a priority and to share best practice.

We strive for improvement and have implemented more rigorous monitoring of pupil progress and a comprehensive CPD programme for the continued development of teaching and learning.

The school has yet to be inspected as an academy, however external moderators have judged us to have elements of good and, over time, with the continued trend of success to be a good school.

The attainment at the end of KS2 has seen a sharp rise in the number of children in the last 2 years who have achieved National Average. The % of children making expected and accelerated progress is also above National Average.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

In KS1, our results are just below the National Average with some increase in the amount of children attaining the higher level 3.

The school's motto of "Together we can" reflects the nature of the school working in partnership with all stakeholders.

c. Public benefit

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commissions general guidelines in public benefit.

Achievements and performance

a. Going concern

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

b. Key financial performance indicators

George Spencer Academy is now in its third period of operation. Total students in the period ended 31 August 2013 numbered as follows against a PAN of 224:

Year 7	223
Year 8	224
Year 9	230
Year 10	222
Year 11	220
Year 12	104
Year 13	96

Examination results for 2013:

5 A* - C		5 A* - C including English and Maths	5 A* - G	Attendance	Exclusions
2008/2009	96%	66%	100%	94%	Fixed Term: 61 Permanent: 1
2009/2010	100%	74%	100%	94%	Fixed Term: 52 Permanent: 1
2010/2011	100%	72%	100%	94%	Fixed Term: 58 Permanent: 1
2011/2012	100%	77%	100%	95%	Fixed Term: 62 Permanent: 1
2012/2013	100%	73%	100%	95%	Fixed Term: 46 Permanent: 0

All student groups performed beyond, or in line with targets.

To ensure that standards are continually raised the Academy closely evaluates its performance in all outcomes. We will continue with the independent scrutiny of a School Improvement Partner, external from the Local

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

Authority and maintain the main elements of the Ofsted Self-Evaluation Form which is the distillation of a self-evaluation process now deeply embedded in all aspects of school life. We will also develop our participation in the "Challenge Partner" review process as this both supports our own self evaluation process with external assessment and provides opportunities for our staff development.

Chetwynd Road Primary Academy:

Chetwynd Primary Academy has now completed its first full year of operation. The PAN at 31st August 2013 was 43.

Total students on roll at 31st August 2013:

Foundation 2	45
Year 1	43
Year 2	39
Year 3	41
Year 4	41
Year 5	43
Year 6	36
Total	288

	KS2 L4+ RWM	Attendance	Exclusions Fixed	Exclusions Perm
2008/2009	75.6	96.1	0	0
2009/2010	75.8	96.2	3	0
2010/2011	77.4	95.7	2	0
2011/2012	81.6	96.6	1	0
2012/2013	76.6	96.4	7	0

Wyndham Primary Academy:

The Academy is in its first period of operation. Total students in the period ended 31 August 2013 numbered as follows against a PAN of 45

Year FS1	44
Year FS2	39
Year 1	37
Year 2	40
Year 3	23
Year 4	37
Year 5	22
Year 6	24

SATs results for 2013:

Level 4+ Reading 96% Writing 83% Maths 92%
2 Levels progress Reading 100% Writing 96% Maths 96%

Attendance

Term 1 92.6 Term 2 94.1 Term 3 95.8

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

Exclusions

2011/2012

Fixed Term: 25

Permanent: 0

All student groups performed beyond, or in line with targets.

To ensure that standards are continually raised the Academy closely evaluates its performance in all outcomes. We will continue with the independent scrutiny of a School Improvement Partner, external from the Trust and maintain the main elements of the Ofsted Self-Evaluation Form. We also work closely with the other schools in the Trust to ensure best practice is shared.

Financial review

a. Financial and risk management objectives and policies

The Trust's exposure to risk is largely bank balances, cash and trade creditors, with limited trade and debtors.

The Trust has inherited the Local Government defined benefit pension scheme deficit for associate staff which it is reducing as advised by both Nottinghamshire and Derbyshire County Council LGPS Managers.

b. Principal risks and uncertainties

The principal risks for the Trust during the next few years are the reduction in students in the Academy's 'normal area' and any changes to the funding formula. The Academies closely monitor applications for places in and model the financial implications of any trends.

c. Reserves policy

The governor's policy is to review the reserve levels of the Academies annually. The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects, subject to the constraint that the level of resources does not exceed the level permitted by the EFA.

The value of free reserves held is stated in the detailed statutory accounts accompanying this report.

d. Financial review

The Academies are funded by the EFA using the Nottinghamshire and Derbyshire Local Authority Funding formulae as appropriate. In addition the Academies receive other funding and recurrent grants from the EFA according to various activities they participate in.

Income and costs are increasing as the Trust includes new Academies. Voluntary income includes £2,591k of donated Wyndham assets offset by an inherited £332k pension liability. Total Wyndham income excluding donated items was £1,720k in the year.

The trust has also received £752k in capital grants for various maintenance works at the academy sites.

Fixed Assets have increased by £2,660k, due to £2,589k of donated assets for Wyndham Academy, additions of

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

£588k in year and a depreciation charge of £517k.

Cash has increased due to surpluses in the period, Wyndham's surplus on conversion of £140k and capital maintenance funding received in the year totalling £752k.

Pension liabilities have also increased, partly due to the inclusion of Wyndham which accounts for £368k of the movement. The remaining movements are due to changes in assumptions year on year. The year end balances were agreed to external valuations and the assumptions used were deemed appropriate.

The balance sheet as at 31 August 2013 has a positive position with net assets amounting to £17,894k.

e. Investment policy

Due to the nature of the funding cycle, the Academies may at times hold large cash balances which may not be required for immediate use. The governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Plans for the future

a. Future developments

The Trust will continue striving to improve the levels of performance of its students in all Academies at all levels and will continue its efforts to ensure its students get jobs or a place in further education once they leave. Each Academy Development Plan contains details of how objectives are reached over time.

Funds held as custodian

The Trust does not act as custodian trustee, no funds are held on behalf of other charities.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Mazars LLP, have indicated their willingness to continue in office. The Designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees.

This report was approved by order of the board of trustees on 5 Dec 2013 and signed on its behalf by:



.....
Andrew Talbot
Chair of Trustees

THE SPENCER ACADEMIES TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Spencer Academies 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 trustees has delegated the day-to-day responsibility to the Chief Executive, 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 The Spencer Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Jowett (Executive Principal)	4	4
G Baggley (Chair)	4	4
A Talbot	3	4
J Wilkinson	3	4
M Thompson	0	4
G Weightman	4	4
J Gillard	4	4

The Local Governing Body of each Academy operates according to a specific Scheme of Delegation appropriate to the context of the Academy. Local Governing Bodies will normally be responsible for managing all day to day matters, including staffing, adopting an annual plan and monitoring the financial position of the Academy by the use of budgets.

The Full Governing Body of George Spencer Academy met 4 times during the year. Attendance during the year at meetings of the governors was as follows:

Governor	Meetings attended	Out of a possible
G Baggley (Chair)	4	4
S Jowett (Executive Principal)	4	4
J Wilkinson (resigned 31/03/2013)	3	3
A Talbot	2	4
G Weightman	4	4
M Thompson	2	4
J De Naeyer	3	4
N Bowley	3	4
C Hagggett	4	4
G Robins	4	4
K Woodward	4	4
A Charlwood	4	4
D Mills	2	4
M Cellupica	2	4
P Hemmings	3	4
K Michelin	3	4
J Glynn	1	4
J Shah	0	4

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GOVERNANCE STATEMENT (continued)

The Full Governing Body of Chetwynd Primary academy met 3 times during the year. Attendance during the year at meetings of the governors was as follows:

Governor	Meetings attended	Out of a possible
J Gillard (Chair)	3	3
G Robins (Principal)	1	3
N Arrowsmith	2	3
M Batchelor	3	3
Rev C Bourne	3	3
P Cooper	3	3
C Hallows (appointed 26/06/2013)	1	1
L Jackson	3	3
V Lievesley	2	3
I Mellor	3	3
T West	3	3
D Thorpe (appointed 26/06/2013)	1	1

The Full Governing Body of Wyndham Primary academy met 4 times during the year. Attendance during the year at meetings of the governors was as follows:

Governor	Meetings attended	Out of a possible
A Scotland (Chair)	3	4
A O'Brien (Principal)	4	4
J Ellins	4	4
A John	4	4
S Hemmings	4	4
R Bird	3	4
G Weightman (appointed 01/07/2013)	0	0
J Wilkinson (resigned 15/03/2013)	3	3

The Local Governing Bodies establish committees of Governors to deal with specific areas of responsibility. The establishment, terms of reference, constitution and membership of any committee of the governors is reviewed at least once in every twelve months.

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Spencer Academies Trust for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed S Adcock, an independent Chartered Accountant, as Responsible Officer (RO).

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

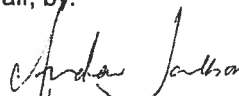
Review of Effectiveness

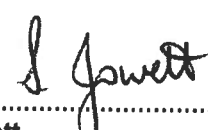
As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 5 DECEMBER 2013 and signed on their behalf, by:


.....
Andrew Talbot
Chair of Trustees


.....
S Jowett
Accounting officer

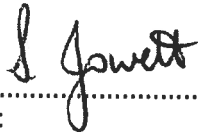
**THE SPENCER ACADEMIES TRUST
(A Company Limited by Guarantee)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Spencer Academies Trust I have considered my responsibility to notify the trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the trust board of trustees are able to identify any material, irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook (2012).

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



.....
S Jowett
Accounting Officer

5 DECEMBER 2013

THE SPENCER ACADEMIES TRUST (A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

The trustees (who act as governors of The Spencer Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the 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 trustees are required to:

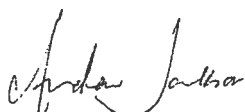
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the governing body on 5 DECEMBER 2013 and signed on its behalf by:



.....
Andrew Talbot
Chair of Trustees

THE SPENCER ACADEMIES TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SPENCER ACADEMIES TRUST

We have audited the financial statements of The Spencer Academies Trust for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Respective responsibilities of Governors and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the charity's members as a body. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

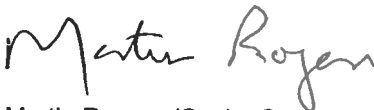
**THE SPENCER ACADEMIES TRUST
(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SPENCER
ACADEMIES TRUST**

Matters on which we are required to report by exception

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

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



Martin Rogers (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Cartwright House
Tottle Road
Nottingham
NG2 1RT

Date: 20 December 2013

THE SPENCER ACADEMIES TRUST

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE SPENCER ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Spencer Academies Trust during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Spencer Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Spencer Academies Trust's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

**THE SPENCER ACADEMIES TRUST
(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY
TO THE SPENCER ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY
(continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mazars LLP

Chartered Accountants
Statutory Auditor

Cartwright House
Tottle Road
Nottingham
NG2 1RT

Date: *20 December 2013*

THE SPENCER ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	3	161,765	(313,962)	2,595,491	2,443,294	1,816,630
Activities for generating funds	4	189,035	25,463	-	214,498	194,193
Investment income	5	8,459	-	-	8,459	7,662
Incoming resources from charitable activities	6	-	10,285,989	786,191	11,072,180	8,690,058
Other incoming resources	7	-	470,910	-	470,910	546,600
Total incoming resources		359,259	10,468,400	3,381,682	14,209,341	11,255,143
Resources expended						
Charitable activities	8,9,	373,647	10,306,913	517,087	11,197,647	8,252,469
Governance costs	10	-	59,265	-	59,265	58,585
Total resources expended		373,647	10,366,178	517,087	11,256,912	8,311,054
Net incoming resources / (resources expended) before transfers						
		(14,388)	102,222	2,864,595	2,952,429	2,944,089
Transfers between Funds	20	-	(407,153)	407,153	-	-
Net income for the year		(14,388)	(304,931)	3,271,748	2,952,429	2,944,089
Actuarial gains and losses on defined benefit pension schemes	27	-	(81,000)	-	(81,000)	(474,000)
Net movement in funds for the year		(14,388)	(385,931)	3,271,748	2,871,429	2,470,089
Total funds at 1 September 2012		1,849,491	(1,414,100)	14,587,066	15,022,457	12,552,368
Total funds at 31 August 2013	20	1,835,103	(1,800,031)	17,858,814	17,893,886	15,022,457

All activities in the previous period related to acquisitions, activities in the current period relate to both continuing activities and acquisitions.

The Statement of Financial Activities includes all gains and losses recognised in the year.

THE SPENCER ACADEMIES TRUST

Registered number: 7353824

(A Company Limited by Guarantee)

BALANCE SHEET

AS AT 31 AUGUST 2013

	Note	£	2013 £	2012 £
Fixed assets				
Tangible assets	16		17,247,078	14,587,066
Current assets				
Debtors	17	333,714		299,081
Cash at bank		3,518,882		2,292,723
		<u>3,852,596</u>		<u>2,591,804</u>
Creditors: amounts falling due within one year	18	<u>(1,113,950)</u>		<u>(598,062)</u>
Net current assets			<u>2,738,646</u>	<u>1,993,742</u>
Total assets less current liabilities			<u>19,985,724</u>	<u>16,580,808</u>
Creditors: amounts falling due after more than one year	19		<u>(38,838)</u>	<u>(56,351)</u>
Net assets excluding pension scheme liabilities			<u>19,946,886</u>	<u>16,524,457</u>
Defined benefit pension scheme liability	27		<u>(2,053,000)</u>	<u>(1,502,000)</u>
Net assets including pension scheme liabilities			<u><u>17,893,886</u></u>	<u><u>15,022,457</u></u>
Funds of the academy				
Restricted funds:				
Restricted funds	20	252,969		87,900
Restricted fixed asset funds	20	17,858,814		14,587,066
Restricted funds excluding pension liability		<u>18,111,783</u>		<u>14,674,966</u>
Pension reserve		<u>(2,053,000)</u>		<u>(1,502,000)</u>
Total restricted funds			16,058,783	13,172,966
Unrestricted funds	20		<u>1,835,103</u>	<u>1,849,491</u>
Total funds			<u><u>17,893,886</u></u>	<u><u>15,022,457</u></u>

The financial statements were approved by the trustees, and authorised for issue, on and are signed on their behalf, by:



.....
Andrew Talbot
Chair of Trustees

5 DECEMBER 2013

The notes on pages 24 to 47 form part of these financial statements.

THE SPENCER ACADEMIES TRUST
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	22	1,077,418	388,780
Returns on investments and servicing of finance	23	8,459	7,662
Capital expenditure and financial investment	23	157,795	(1,846,619)
Cash transferred on conversion to an academy trust		-	103,022
Cash inflow/(outflow) before financing		<u>1,243,672</u>	<u>(1,347,155)</u>
Financing	23	(17,513)	73,864
Increase/(Decrease) in cash in the year		<u><u>1,226,159</u></u>	<u><u>(1,273,291)</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

	2013 £	2012 £
Increase/(Decrease) in cash in the year	1,226,159	(1,273,291)
Cash outflow/(inflow) from decrease in debt and lease financing	17,513	(73,864)
Movement in net funds in the year	<u>1,243,672</u>	<u>(1,347,155)</u>
Net funds at 1 September 2012	2,218,859	3,566,014
Net funds at 31 August 2013	<u><u>3,462,531</u></u>	<u><u>2,218,859</u></u>

The notes on pages 24 to 47 form part of these financial statements.

THE SPENCER ACADEMIES TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

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

Donations are recognised on a receivable basis where there is certainty of receipt 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.

THE SPENCER ACADEMIES TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 AUGUST 2013**

1. Accounting Policies (continued)

1.3 Resources expended

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

Charitable activities are costs incurred in the trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.4 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Going concern

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

THE SPENCER ACADEMIES TRUST (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are considered for capitalisation as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the trust's depreciation policy.

Donated assets are valued either by an external valuer or by management based on their best estimate of the market value of these items.

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. Impairments losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years Straight Line
L/Term Leasehold Property	-	10-75 years Straight Line
Motor vehicles	-	4 years Straight Line
Fixtures and fittings	-	8 years Straight Line
Computer equipment	-	3 years Straight Line

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Taxation

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

THE SPENCER ACADEMIES TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1. Accounting Policies (continued)

1.9 Pensions

Retirement benefits to employees of the trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the trust.

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

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

1.10 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Wyndham Primary Academy to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

THE SPENCER ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

2. General Annual Grant (GAG)

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

No academies within the trust exceeded the limits during the year ended 31 August 2013.

3. Voluntary income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Donations	161,765	2,281,529	2,443,294	1,816,630
	<u>161,765</u>	<u>2,281,529</u>	<u>2,443,294</u>	<u>1,816,630</u>

4. Activities for generating funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Hire of facilities	-	25,463	25,463	12,806
Catering income	189,035	-	189,035	181,387
	<u>189,035</u>	<u>25,463</u>	<u>214,498</u>	<u>194,193</u>

5. Investment income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Investment income	8,459	-	8,459	7,662
	<u>8,459</u>	<u>-</u>	<u>8,459</u>	<u>7,662</u>

THE SPENCER ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

6. Funding for Academy's educational operations

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA grants				
General Annual Grant (GAG)	-	9,154,833	9,154,833	6,774,736
Start up grants	-	-	-	25,000
Other DfE/EFA grants	-	325,153	325,153	61,998
	<u>-</u>	<u>9,479,986</u>	<u>9,479,986</u>	<u>6,861,734</u>
Other government grants				
GTP	-	244,790	244,790	228,560
Other grants	-	441,651	441,651	241,162
Teaching schools	-	119,562	119,562	111,750
	<u>-</u>	<u>806,003</u>	<u>806,003</u>	<u>581,472</u>
DfE/EFA capital grants				
Capital grants	-	786,191	786,191	1,246,852
	<u>-</u>	<u>786,191</u>	<u>786,191</u>	<u>1,246,852</u>
	<u>-</u>	<u>11,072,180</u>	<u>11,072,180</u>	<u>8,690,058</u>

7. Other incoming resources

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Academy trips	-	305,320	305,320	273,908
Staff absence insurance claim	-	16,202	16,202	-
Sundry income	-	149,388	149,388	272,692
	<u>-</u>	<u>470,910</u>	<u>470,910</u>	<u>546,600</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

8. Resources expended

	Staff costs £	Premises £	Other costs £	2013 £	2012 £
Academy's educational operations					
- Direct costs	6,912,957	439,732	974,769	8,327,458	6,677,060
- Allocated support costs	1,216,074	794,053	860,061	2,870,188	1,575,409
Sub total	<u>8,129,031</u>	<u>1,233,785</u>	<u>1,834,830</u>	<u>11,197,646</u>	<u>8,252,469</u>
Governance costs including allocated support costs	-	-	59,265	59,265	58,585
Total	<u><u>8,129,031</u></u>	<u><u>1,233,785</u></u>	<u><u>1,894,095</u></u>	<u><u>11,256,911</u></u>	<u><u>8,311,054</u></u>

9. Direct costs

	Unrestricted £	Restricted £	Total 2013 £	Total 2012 £
Teaching and educational support staff				
Wages and salaries	-	6,912,957	6,912,957	5,425,713
Depreciation	-	439,732	439,732	269,334
Educational supplies	-	177,080	177,080	113,412
Exam fees	-	171,764	171,764	154,471
Staff development	-	58,026	58,026	27,416
School trips	-	319,203	319,203	249,342
Consultancy	-	201,247	201,247	317,972
Loss on disposal of asset	-	-	-	119,400
Other direct costs	-	47,449	47,449	-
Total	<u><u>-</u></u>	<u><u>8,327,458</u></u>	<u><u>8,327,458</u></u>	<u><u>6,677,060</u></u>

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Support costs

	Unrestricted £	Restricted £	Total 2013 £	Total 2012 £
Support staff costs				
Wages and salaries	187,129	890,945	1,078,074	619,042
FRS17 pension costs	-	138,000	138,000	57,000
Depreciation	-	77,355	77,355	30,411
Recruitment and support	-	57,472	57,472	21,516
Maintenance of premises and equipment	-	194,264	194,264	165,151
Technology costs	-	132,900	132,900	-
Cleaning	-	233,037	233,037	133,305
Rent and utilities	-	187,552	187,552	112,145
Rates	-	21,643	21,643	18,800
Insurance	-	57,255	57,255	41,360
Security and transport	-	22,947	22,947	17,986
Catering	186,517	-	186,517	130,774
Bank interest and other charges	-	1,862	1,862	913
Other support costs	-	481,310	481,310	227,006
Total	373,646	2,496,542	2,870,188	1,575,409

10. Governance costs

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Auditors' remuneration	-	11,000	11,000	16,050
Auditors' non audit costs	-	3,900	3,900	5,405
Legal and professional fees	-	40,026	40,026	34,898
Governance costs	-	4,339	4,339	2,232
	-	59,265	59,265	58,585

11. Net incoming resources / (resources expended)

This is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the charity	517,087	299,745
Auditors' remuneration	11,000	16,050
Auditors' remuneration - non-audit	3,900	5,405
Governance Internal audit costs	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

12. Staff costs

Staff costs were as follows:

	2013	2012
	£	£
Wages and salaries	6,476,786	4,891,024
Social security costs	481,867	378,493
Other pension costs (Note 27)	882,907	690,063
	<u>7,841,560</u>	<u>5,959,580</u>
Supply teacher costs	149,471	85,175
	<u>7,991,031</u>	<u>6,044,755</u>

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

	2013	2012
	No.	No.
Teachers	120	84
Administration and support	107	73
Management	15	12
	<u>242</u>	<u>169</u>

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

	2013	2012
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £80,001 - £90,000	1	1
In the band £140,001 - £150,000	0	1
In the band £160,001 - £170,000	1	0
	<u>5</u>	<u>4</u>

All (2012: four) of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £61,553 (2012: £51,472). None (2012: None) of the above employees participated in the Local Government Pension Scheme and their associated pension scheme contributions amounted to £Nil (2012: £Nil).

THE SPENCER ACADEMIES TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

13. Trustees' remuneration and expenses

During the year retirement benefits were accruing to 4 trustees (2012 - 4) in respect of defined contribution pension schemes.

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the trust in respect of their role as trustees. The value of trustees' remuneration fell within the following bands:

	2013 £	2012 £
S. Jowett (Principal and Trustee)	160,000-165,000	150,000-155,000
G. Baggley (Staff Governor)	30,000-35,000	25,000-30,000
G. Weightman (Staff Governor)	30,000-35,000	30,000-35,000
J. Wilkinson	30,000-35,000	45,000-50,000

14. Trustees' and Officers' Insurance

In accordance with normal commercial practice the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £848 (2012 - £530).

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

15. Other finance income

	2013 £	2012 £
Expected return on pension scheme assets	79,000	68,000
Interest on pension scheme liabilities	(137,000)	(125,000)
	<u>(58,000)</u>	<u>(57,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

16. Tangible fixed assets

	Freehold Land and Buildings £	L/Term Leasehold Property £	Motor vehicles £	Furniture & equipment £
Cost				
At 1 Sept 2012	12,112,415	1,885,000	28,445	703,872
Additions	191,530	6,000	8,495	70,033
Donated assets	-	2,575,000	-	5,653
At 31 Aug 2013	<u>12,303,945</u>	<u>4,466,000</u>	<u>36,940</u>	<u>779,558</u>
Depreciation				
At 1 Sept 2012	133,925	16,389	12,365	164,006
Charge for year	186,195	114,358	7,288	90,985
At 31 Aug 2013	<u>320,120</u>	<u>130,747</u>	<u>19,653</u>	<u>254,991</u>
Net book value				
At 31 Aug 2013	<u>11,983,825</u>	<u>4,335,253</u>	<u>17,287</u>	<u>524,567</u>
At 31 Aug 2012	<u>11,978,490</u>	<u>1,868,611</u>	<u>16,080</u>	<u>539,866</u>
		Computer equipment £	Assets under constn £	Total £
Cost				
At 1 Sept 2012		298,466	-	15,028,198
Additions		170,689	140,861	587,608
Donated assets		8,838	-	2,589,491
At 31 Aug 2013		<u>477,993</u>	<u>140,861</u>	<u>18,205,297</u>
Depreciation				
At 1 Sept 2012		114,447	-	441,132
Charge for year		118,261	-	517,087
At 31 Aug 2013		<u>232,708</u>	<u>-</u>	<u>958,219</u>
Net book value				
At 31 Aug 2013		<u>245,285</u>	<u>140,861</u>	<u>17,247,078</u>
At 31 Aug 2012		<u>184,019</u>	<u>-</u>	<u>14,587,066</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

17. Debtors

	2013	2012
	£	£
Trade debtors	22,308	92,274
VAT recoverable	70,845	132,389
Other debtors	28,491	-
Prepayments	212,070	74,418
	<u>333,714</u>	<u>299,081</u>

18. Creditors:
Amounts falling due within one year

	2013	2012
	£	£
Other loans	17,513	17,513
Trade creditors	65,456	260,468
Other taxation and social security	145,280	133,358
Retention building costs	37,664	37,664
Other creditors	140,805	8,622
Accruals and deferred income	707,232	140,437
	<u>1,113,950</u>	<u>598,062</u>

Deferred income

	£
Deferred income at 1 September 2012	16,260
Resources deferred during the year	646,696
Amounts released from previous years	(16,260)
Deferred income at 31 August 2013	<u>646,696</u>

As at 31 August 2013 the trust is in receipt of income pertaining to the 2013-14 academic year. As the accounts are prepared on a full accrual basis the correct accounting treatment is to treat these items as deferred to future periods.

The source of the income deferred is as follows:

£304,845	- DFE grants
£50,215	- SCITT income
£108,652	- Local Government grants
£147,996	- Educational trips
£32,288	- Training courses
£2,700	- Sundry
<u>£646,696</u>	

THE SPENCER ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

19. Creditors:
Amounts falling due after more than one year

	2013	2012
	£	£
Other loans	38,838	56,351

The other loan relates to a loan received from Nottinghamshire County Council to assist with a capital project. There is a 15% management charge payable in addition to the loan balance due.

THE SPENCER ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

20. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
General funds						
General Funds	1,849,491	359,259	(373,647)	-	-	1,835,103
Total Unrestricted funds	<u>1,849,491</u>	<u>359,259</u>	<u>(373,647)</u>	<u>-</u>	<u>-</u>	<u>1,835,103</u>
Restricted funds						
General annual grant (GAG)	60,729	9,154,834	(8,555,441)	(407,153)	-	252,969
Other DfE/EFA grants	-	90,193	(90,193)	-	-	-
GTP	-	244,790	(244,790)	-	-	-
Teaching schools	-	119,562	(119,562)	-	-	-
Other restricted	27,171	1,191,021	(1,218,192)	-	-	-
Pension reserve	(1,502,000)	(332,000)	(138,000)	-	(81,000)	(2,053,000)
	<u>(1,414,100)</u>	<u>10,468,400</u>	<u>(10,366,178)</u>	<u>(407,153)</u>	<u>(81,000)</u>	<u>(1,800,031)</u>
Restricted fixed asset funds						
Academy maintenance fund	2,421,202	745,402	(48,510)	-	-	3,118,094
Capital donations	11,241,567	2,595,490	(364,358)	-	-	13,472,699
Devolved formula capital	33,609	40,790	(11,508)	-	-	62,891
Funded from reserves	199,965	-	(40,147)	-	-	159,818
Funded from GAG	690,723	-	(52,564)	407,153	-	1,045,312
	<u>14,587,066</u>	<u>3,381,682</u>	<u>(517,087)</u>	<u>407,153</u>	<u>-</u>	<u>17,858,814</u>
Total restricted funds	<u>13,172,966</u>	<u>13,850,082</u>	<u>(10,883,265)</u>	<u>-</u>	<u>(81,000)</u>	<u>16,058,783</u>
Total of funds	<u><u>15,022,457</u></u>	<u><u>14,209,341</u></u>	<u><u>(11,256,912)</u></u>	<u><u>-</u></u>	<u><u>(81,000)</u></u>	<u><u>17,893,886</u></u>

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents the movements on the Local Government Pension Scheme liability;

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

20. Statement of funds (continued)

-Other restricted reserve represents funds which are restricted by the donor including school trip income;
 -Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

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

Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows:

	Total £
George Spencer	1,728,097
Wyndham	190,275
Chetwynd	169,700
	<hr/>
Total before fixed asset fund and pension reserve	2,088,072
Restricted fixed asset fund	17,858,814
Pension reserve	(2,053,000)
	<hr/>
Total	<u>17,893,886</u>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
George Spencer	5,304,847	852,081	130,987	1,919,585	8,207,500
Wyndham	844,158	167,813	22,523	305,144	1,339,638
Chetwynd	763,952	196,181	23,569	208,985	1,192,687
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>6,912,957</u>	<u>1,216,075</u>	<u>177,079</u>	<u>2,433,714</u>	<u>10,739,825</u>

THE SPENCER ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

21. Analysis of net assets between funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	-	17,247,078	17,247,078	14,587,066
Current assets	1,835,103	1,405,757	611,736	3,852,596	2,591,804
Creditors due within one year	-	(1,113,950)	-	(1,113,950)	(598,062)
Creditors due in more than one year	-	(38,838)	-	(38,838)	(56,351)
Provisions for liabilities and charges	-	(2,053,000)	-	(2,053,000)	(1,502,000)
	<u>1,835,103</u>	<u>(1,800,031)</u>	<u>17,858,814</u>	<u>17,893,886</u>	<u>15,022,457</u>

22. Net cash flow from operations

	2013 £	2012 £
Net incoming resources before revaluations	2,952,429	2,944,089
Returns on investments and servicing of finance	(8,459)	(7,662)
Inherited defined benefit pension scheme liability	332,000	223,000
Capital grants from DfE	(745,402)	(1,212,758)
Depreciation of tangible fixed assets	517,087	299,745
FRS17 pension cost less contributions payable (Note 25)	93,000	18,000
FRS17 pension finance income (Note 25)	45,000	39,000
Increase in debtors	(34,634)	(151,013)
Assets transferred on conversion	-	(103,022)
fixed assets inherited on conversion	(2,589,490)	(1,893,096)
Increase in creditors	515,887	113,097
Loss on asset disposal	-	119,400
Net cash inflow from operations	<u>1,077,418</u>	<u>388,780</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

23. Analysis of cash flows for headings netted in cash flow statement

	2013	2012
	£	£
Returns on investments		
Interest received	8,459	7,662
	<u>8,459</u>	<u>7,662</u>
	2013	2012
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(587,607)	(3,059,377)
Capital grants from DfE	745,402	1,212,758
	<u>157,795</u>	<u>(1,846,619)</u>
Net cash inflow/(outflow) capital expenditure		
	2013	2012
	£	£
Financing		
New loan	-	73,864
Repayment of loans	(17,513)	-
	<u>(17,513)</u>	<u>73,864</u>
Net cash (outflow)/inflow from financing		

24. Analysis of changes in net funds

	1		Other	
	September	Cash flow	non-cash	31 August
	2012		changes	2013
	£	£	£	£
Cash at bank and in hand:	2,292,723	1,226,159	-	3,518,882
Debt:				
Debts due within one year	(17,513)	-	-	(17,513)
Debts falling due after more than one year	(56,351)	-	17,513	(38,838)
	<u>2,218,859</u>	<u>1,226,159</u>	<u>17,513</u>	<u>3,462,531</u>
Net funds				

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

25. Conversion to an academy trust

On 1 September 2012 Wyndham Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Spencer Academies Trust from Derby Local Authority for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	2,575,000	2,575,000
- Other tangible fixed assets	-	-	14,490	14,490
Budget surplus/(deficit) on LA funds	140,050	-	-	140,050
Budget surplus/(deficit) on other school funds	21,715	-	-	21,715
LGPS pension surplus/(deficit)	-	(332,000)	-	(332,000)
Net assets/(liabilities)	<u>161,765</u>	<u>(332,000)</u>	<u>2,589,490</u>	<u>2,419,255</u>

The above net assets include £161,765 that were transferred as cash.

The land and buildings were transferred over to the academy trust under a 125 year lease. The assets were valued by Jones Lang LaSalle using the depreciated replacement cost method.

Fixtures and computer equipment were valued by the governing body to give a reasonable estimate of the depreciated value of assets transferred on conversion.

The LGPS pension deficit has been valued by external actuaries: Hymans Robertson.

26. Capital commitments

The academy trust is committed to spending grants received from the ACMF totalling £745,402 (2012: £Nil) in relation to work on academy buildings. As at 31 August 2013 the academy trust has spent £140,861 (2012: £Nil) of these grants.

THE SPENCER ACADEMIES TRUST

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

27. Pension commitments

The trust'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 the Nottinghamshire County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 August 2012.

Contributions amounting to £115,808 were payable to the scheme at 31 August 2013 (2012 - £Nil) 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). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

27. Pension commitments (continued)

future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

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

Teachers' Pension Scheme Changes

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 2013 was £337,000, of which employer's contributions totalled £252,000 and employees' contributions totalled £85,000. The agreed contribution rates for future years are 18.3% for employers and 5.5% for employees.

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

As described in note 25 the LGPS obligation relates to the employees of the trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the trust at the balance sheet date.

The amounts recognised in the Balance Sheet are as follows:

	2013 £	2012 £
Present value of funded obligations	(4,094,000)	(2,985,000)
Fair value of scheme assets	2,041,000	1,483,000
	<u> </u>	<u> </u>
Net liability	<u>(2,053,000)</u>	<u>(1,502,000)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2013 £	2012 £
Current service cost	(334,000)	(171,000)
Interest on obligation	(137,000)	(125,000)
Expected return on scheme assets	79,000	68,000
	<u> </u>	<u> </u>
Total	<u>(392,000)</u>	<u>(228,000)</u>
	<u> </u>	<u> </u>
Actual return on scheme assets	<u>228,000</u>	<u>86,000</u>

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

	2013 £	2012 £
Opening defined benefit obligation	2,985,000	1,731,000
Current service cost	334,000	171,000
Interest cost	137,000	125,000
Contributions by scheme participants	85,000	57,000
Actuarial Losses	230,000	493,000
Estimated benefits paid	(9,000)	(9,000)
Inherited	332,000	417,000
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u>4,094,000</u>	<u>2,985,000</u>

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27. Pension commitments (continued)

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

	2013	2012
	£	£
Opening fair value of scheme assets	1,483,000	983,000
Expected return on assets	79,000	68,000
Actuarial gains and (losses)	149,000	19,000
Contributions by employer	252,000	171,000
Contributions by employees	85,000	57,000
Estimated benefits paid	(7,000)	(9,000)
Inherited	-	194,000
	<u>2,041,000</u>	<u>1,483,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £(352,000) (2012 - £271,000 loss).

The trust expects to contribute £235,000 to its Defined Benefit Pension Scheme in 2014.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013	2012
Equities	71.00 %	67.00 %
Gilts	9.00 %	10.00 %
Other bonds	4.00 %	4.00 %
Property	12.00 %	13.00 %
Cash / liquidity	2.00 %	4.00 %
Other	2.00 %	2.00 %
European bonds	- %	- %

George Spencer Academy / Chetwynd Primary Academy

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2013	2012
Discount rate for scheme liabilities	4.70 %	3.90 %
Rate of increase in salaries	5.10 %	4.10 %
Rate of increase for pensions in payment / inflation	2.90 %	1.90 %
Inflation assumption (CPI)	2.90 %	1.90 %

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27. Pension commitments (continued)

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

	2013	2012
Retiring today		
Males	18.7	18.6
Females	22.8	22.7
Retiring in 20 years		
Males	20.7	20.6
Females	24.6	24.5

Wyndham Primary Academy

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2013	
Discount rate for scheme liabilities	4.60 %	- %
Rate of increase in salaries	5.10 %	3.95 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %

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

	2013
Retiring today	
Males	22.1
Females	24.7
Retiring in 20 years	
Males	23.9
Females	26.7

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2013	2012	2011
	£	£	£
Defined benefit obligation	(4,094,000)	(2,985,000)	(1,731,000)
Scheme assets	2,041,000	1,483,000	983,000
Deficit	(2,053,000)	(1,502,000)	(748,000)
Experience adjustments on scheme assets	149,000	19,000	13,000

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28. Related party transactions

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

29. Post balance sheet events

From 1 September 2013, Fairfield Primary Academy has joined the Spencer Academies Trust.