

**SARUM ACADEMY**

(A Company Limited By Guarantee)

**REPORT OF THE DIRECTORS  
AND  
THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2012**

SARUM ACADEMY

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

---

	Page
Legal and administrative details	1
Report of the Trustees and Directors	3
Governance Statement	12
Statement on Regularity, Propriety and Compliance	14
Independent Auditors' Report	15
Independent Auditors' Report on Regularity	17
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Financial Statements	21

**SARUM ACADEMY**

**LEGAL AND ADMINISTRATIVE DETAILS**

**FOR THE YEAR ENDED 31 AUGUST 2012**

---

**Status** The organisation is a company limited by guarantee, incorporated on 30 September 2009.

**Company number** 7035327

**Registered and principal office** Sarum Academy  
Westwood Road  
Salisbury  
SP2 9HS

**Company secretary** Jean Carrpbell

<b>Trustees</b>	Canon Edward Probert	
	Jane Scott	Representative of Wiltshire Council
	Sarah Thomas	Representative of Bryanston School
	Professor Stephen Ward	Representative of Bath Spa University

<b>Governors and Directors</b>	Canon Edward Probert	+	Chairperson
	The Revd. Maggie Guillebaud	*	
	Neil Boulton	*	Vice Chairperson
	Councillor Chris Cochrane	+	
	Tiff Nield		
	Sarah Thomas		
	Catherine Simon		
	Stephen Ward		
	John Bruce		
	Jenny Hill-Parker		
	Chris Martin	*	
	Ruth Johnson	*	

<b>Principal and Accounting Officer</b>	Ruth Johnson	*
---	--------------	---

*	Member of the Finance and General Purposes Committee
+	Member of the Design Group

<b>Management team</b>	P Friskney-Adams	Deputy Principal
	S Parkes	Deputy Principal
	J Moore	Deputy Principal
	L Henderson	Assistant Principal
	B Burley	Assistant Principal
	A Milford	Assistant Principal
	D Higgins	Director of Business and Finance

SARUM ACADEMY

LEGAL AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2012

---

**Bankers**

Lloyds TSB Bank plc  
38 Blue Boar Row  
Salisbury  
SP1 1DB

**Solicitors**

Schofield Sweeney Solicitors  
Springfield House  
76 Wellington Street  
Leeds  
LS1 2AY

Stone King  
13 Queens Square  
Bath  
BA1 2HJ

**Auditors**

Fawcetts  
Chartered Accountants and Statutory Auditors  
Windover House  
St Ann Street  
Salisbury  
SP1 2DR

## SARUM ACADEMY

### REPORT OF THE TRUSTEES AND DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2012

---

The trustees and directors present their annual report together with the financial statements for the year ended 31 August 2012.

Legal and administrative information set out on page 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

#### REFERENCE AND ADMINISTRATIVE DETAILS

Sarum Academy is a company limited by guarantee and an exempt charity.

Sarum Academy was incorporated as a company limited by guarantee on 30 September 2009.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing Document

The charitable company's memorandum and articles of association are the primary governing documents of the Academy.

##### The Trustees and Directors

The trustees are responsible under charity law and the directors under company law. Details of the trustees and directors who served throughout the year are noted in the Legal and Administrative Details above.

The directors who served during the year and up to the date of this report were as follows:

Canon Edward Probert  
The Revd. Maggie Guillebaud  
Neil Boulton  
Councillor Chris Cochrane  
Tiff Nield  
Sarah Thomas  
Catherine Simon  
Stephen Ward                      resigned 31 August 2012  
John Bruce  
Jenny Hill-Parker  
Chris Martin                      resigned 31 August 2012  
Ruth Johnson

The trustees who served during the year and up to the date of this report were as follows:

Canon Edward Probert  
Jane Scott  
Sarah Thomas  
Professor Stephen Ward

##### 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.

##### Indemnities

Professional indemnity insurance covering the Academy (including governors, trustees, teaching and administration staff) is in place through Marsh Educational Practice. Policy number 015CC9152313.

##### Principal Activities

The purpose of the Academy is to advance public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing an Academy offering a broad curriculum with a strong emphasis on, but in no way limited to, mathematics and the arts.

Continued on page 4

## SARUM ACADEMY

### REPORT OF THE TRUSTEES AND DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2012

---

Continued from page 3

#### **Recruitment, appointment and training of new Directors**

The directors are appointed by the sponsoring bodies who also appoint trustees. Policies and procedures have been adopted for the induction and training of governors.

#### **Management**

In addition to the AGM, the Directors and Trustees will under normal circumstances meet on three additional occasions each year, to review performance, future operating plans and budgets. Extraordinary board meetings will be held as required.

The day to day running of the Academy is devolved to the Governors, the Principal and Senior Leadership Team.

#### **Organisational Structure**

The Academy Senior Leadership structure consists of three levels: the Governors, The Executive Leadership Team and the Academy Leadership Team.

The aim of this structure is to devolve responsibility and encourage involvement in decision making at all levels.

Decisions making is in line with the Scheme of Delegation and the Financial Operating Procedures, which were agreed at the Governors' meeting of 15 July 2010.

#### **Governors**

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. They have appointed the Principal and have delegated such powers and functions as they consider appropriate to the Principal for the internal organisation, management and control of the Academy, including the implementation of all policies approved by the Governors and for the teaching and curriculum.

#### **Executive Leadership Team**

The Executive Leadership Team consists of the Principal, Deputy Principals, Assistant Principals and the Director of Business and Finance.

These leaders control the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. As a group the Executive Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Some spending control is devolved to members of the Academy Leadership Team, with limits above which a Senior Leader must countersign.

The Academy Leadership Team includes the Executive Leadership, Facilities Manager, Heads of School, Curriculum Team Managers, Director of Learning Needs, Director of Sixth Form, Director of Specialisms and Director of Safeguarding. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and pupils.

#### **Risk Management**

A risk management document was produced to identify major risks to which the Academy is exposed. It was reviewed in May 2011 and ratified by Governors on 15 September 2011 for the 2011/13 academic years. A new assessment will then be carried out for the new Academy building due for handover in June 2013.

Continued on page 5

## SARUM ACADEMY

### REPORT OF THE TRUSTEES AND DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2012

---

Continued from page 4

#### **Risk Management (continued)**

This document assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy and its finances. The governors have implemented a number of systems to assess the risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and Academy visits) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. bullying policy, supervision of Academy grounds and premises) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

#### **Connected Organisations including Related Party Relationships**

The Academy enjoys a good relationship with the sponsors, Bryanston School, Bath Spa University and the Diocese of Salisbury and Wiltshire Council. However these arrangements are not financial.

The Academy also has a relationship with the Wessex Partnership, a local forum of secondary heads. A mini bus belonging to the partnership is kept at the Academy and maintained by the facilities team.

#### **OBJECTIVES AND ACTIVITIES**

Sarum Academy is a Church of England Academy founded by a partnership between the Church of England, Bryanston School, Wiltshire Council and Bath Spa University.

At the heart of its community and grounded in Christian values, Sarum Academy has the learning and care of all young people at its heart. It sees all learners as individuals with gifts and needs and is committed to transforming the outcomes of education for all children and the communities from which they come.

The objective of the Academy is to advance public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing an Academy offering a broad curriculum with a strong emphasis on, but in no way limited to, mathematics and the arts.

The Academy aims to:

- Drive up standards of achievement for each young person, offer closer individual support and enable access to broader learning opportunities
- Build a strong inclusive community which works collaboratively to build confidence and promote greater resilience amongst individuals, families and communities
- Transform aspirations and expectations of success and significantly widen career progression

Continued on page 6

## SARUM ACADEMY

### REPORT OF THE TRUSTEES AND DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2012

Continued from page 5

#### Strategic Intentions 2010 - 2013

1. Establish the confidence of the local community within the context of the sponsors' ethos, Christian values and the specialisms of the Arts and Mathematics, through strong and effective leadership and management.
2. Develop high quality teaching and learning to that of the best which meets national professional standards through structured systems of accountability.
3. Promote effective academic mentoring and home learning to develop high aspirations and raise standards of achievement.
4. Develop a climate of staff learning that fosters growth, personal development and reflective practice and leads to raised standards.
5. Foster an inclusive environment through the 5 schools in which all pupils are valued, respected and given every opportunity to succeed.
6. Provide a curriculum that engages, enriches and meets the needs of every pupil to create independent and resilient learners.
7. Develop an Extended Services provision to establish a thriving community hub which delivers provision to local community.
8. Engage pupils in the Academy development process, fostering social responsibility.

#### Public benefit

The Academy has undertaken to provide educational facilities and services to pupils of all ages and to the wider community for the public benefit.

These have included:

- Forming a Community Choir
- Providing a Computers for the Terrified course for local residents
- Making sports facilities available to members of the local community and sports groups
- Holding Community Information Fairs
- Becoming involved in Happy Heath an intergenerational local initiative
- Exhibiting art to the general public within the Academy as part of Salisbury Art trail
- Provide teacher support into local primary schools

The Governors give a wide meaning to education and do not limit it to education in a classroom environment. The Academy under their guidance has aimed to promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise for the public benefit.

#### Achievements and Performance

In 2011-12, further progress was made in raising the expectations of staff and pupils with improved attendance and behaviour.

	2012 Result	2011 Result	Nat Average 2011
5A*-C	82%	64%	80%
A*-C English	43%	50%	66%
A*-C Maths	53%	46%	64%
5A*-CEM	40%	36%	58%
English Progress	39%	57%	71%
Maths Progress	58%	47%	64%
5A*-G	90%	94%	95%
5A*-GEM	88%	89%	94%
Two Sciences	81%	23%	61%
3A/A*	21%	7%	
Total Point score	463	358	463.9
Capped Point score	314	290	335.1

Continued on page 7



SARUM ACADEMY

REPORT OF THE TRUSTEES AND DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2012

Continued from page 6

**Results Commentary 2012**

**All Pupils**

**Positives**

All data, with the exception of English, showed a large improvement on 2011; particularly impressive was Maths moving from 46 to 53% and progress from 47-59, Science moving from 23 to 81%, exceeding NA [National Average] and Point Scores moving from 358.2 to 447.6. This moved the cohort from 1.6 points at KS2, behind NA, to nearly matching it at KS4

5A\*-C, Point Scores (capped and total), 3A/A\* and Maths progress all exceeded FFT and Maths progress exceeded RAISE predictions. The point scores do reflect the Academy adding value.

Maths exceeded grade for grade against FFT.

**In Line**

5A\*-CEM was in FFT range but affected by English issues particularly with borderline pupils.

**Issues:**

English was behind for both attainment and progress, 5A\*-G and 5A\*-GEM showed a slight drop but this was due to pupils never attending the Academy for a variety of reasons.

**Progress**

KS2	Progress En (NA)	Progress Ma (NA)
Above 4	35 (86)	67 (84)
At 4	49 (71)	58 (64)
Below 4	35 (51)	43 (28)

**Girls**

Girls performed very well and better than the boys. They matched the pattern for 'All Pupils' but exceeded points score and, particularly impressively, NA for progress in maths. The English C+ and progress figures were much better but still too far behind NA. Interestingly, the girls figures for 5A\*-G and 5A\*-GEM were in line with National and 3A/A\* at 32% is an exceptional result.

**Boys**

Boys were significantly below the girls but did have larger membership of the SEN and FSM groups which may explain the deficit. They were also largely the pupils who did not attend the Academy, hence skewing the figures. Boys attained 80% for 2 Sciences from 25% last year.

They did improve their Points scores by the same proportion as the girls compared to last year and still, English aside, appear to show added value.

The boys largely matched the pattern for all, however 5 A\*- CEM was lower than expected as a large proportion of borderline pupils who gained D's were boys. Maths progress was in line with FFT but lower and English was significantly low.

**FSM**

This group performed well and showed the pattern for 'All Pupils', matching 5 A\*- C and exceeding NA for 2 Sciences. Particularly noteworthy was that they exceeded NA progress for maths point scores were up against last year from 305 to 350.

English was low for this group as were the A\*-G figures, however, the group did contain pupils who did not attend the Academy.

**School Action**

This group performed well last year but this year there was a considerable improvement in 5 A\*-C exceeding NA, 2 Sciences increased from 19 to 61% and the point scores were significantly higher.

The group however did not perform as well in either English and Maths (both attainment and progress) and the A\* to G figures; however some of the non-attending pupils were in this group skewing the figures.

Continued on page 8

## SARUM ACADEMY

### REPORT OF THE TRUSTEES AND DIRECTORS

#### FOR THE YEAR ENDED 31 AUGUST 2012

---

Continued from page 7

#### School Action Plus

This group contained the majority of the non-attenders from school phobic to hospital schooled and pupils in units. The group did improve considerably on last year on all fronts with 5 A\* to C increasing from 22 to 53%, 2 Sciences from 6 to 47%, point scores from 190-240. They did not perform as well in maths and English for either attainment or progress.

#### Statemented Pupils

This group matched NA for 5 A\* to C and exceeded it for the A\* to G figures; one pupil gained 3 A/A\* grades. In order to match NA for maths and English one pupil needed to gain a C but none of the pupils were predicted to and they did not. Maths and English progress was low for this group.

#### Matched Pupils

The level 5+ pupils gained 94% 5A\* to CEM with exceptionally high point scores and progress in Maths. Interestingly one pupil failed to get a C but was predicted to do so and the English progress was below, as the number of higher grades was below expected.

The 4b+ group performed very well at 74% 5A\* to CEM against a NA of 58% exceeding Maths progress and nearly matching English progress. They exceeded Point Scores against NA and these are the group at the NA for KS2 profile.

The 4c+ group are where the Academy was hit by the English borderline issue and also underperformed in Maths slightly. 2 of the 29 pupils did not attend the Academy which has affected the figures but it is clear if more of this borderline group gained C's, in English in particular, but also Maths the headline figures for the Academy would have been very high. Their point scores, Science and 5A\*-C figures were, however, much improved on last year and higher than the groups NA.

#### Targets from 2011 analysis

- Boys attainment
- Attainment in science - ensure 75% of pupils accessing 2 sciences – key focus to make maximum impact
- Maths attainment and progress
- Consolidating the English attainment and progress
- SA+ pupils

All of the above improved with the exception of the English consolidation, but against the issues nationally this may change. The most dramatic improvements were in Maths and Science, the boys did improve but there was still a gap between them and the girls and SA plus improved but is still work in progress.

#### Going Concern

After making appropriate enquiries, the Directors and Trustees have a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

#### Key Financial Performance Indicators

Income was £137k higher than budget in 2011/12 and a saving of £250k was made on salary costs primarily due to restructuring of educational support staff.

Staff redundancies and severance costs were £167k over target. However, this was paid for by the reduction in salary payments.

#### FINANCIAL REVIEW

The Academy has made great progress towards resolving the issues that besieged the finance department during 2010/11 and the department is now functioning in a more proactive manner.

A finance team has now been established. An interim Director of Business and Finance, with over 20 years' senior management experience, was appointed in August 2011 and this position was made permanent on 1<sup>st</sup> November 2011

Continued on page 9

## SARUM ACADEMY

### REPORT OF THE TRUSTEES AND DIRECTORS

#### FOR THE YEAR ENDED 31 AUGUST 2012

---

Continued from page 8

A qualified Finance Assistant joined the Academy in October 2011 to deal with the purchasing and sales ledgers.

The Finance Officer was on long term sick between July 2011 and January 2012 so a temporary person was recruited in September 2011 to cover. In February 2012 the Finance Officer made the decision to retire through ill health leaving the FO position vacant and about the same time the temporary appointee also became ill and left. Another temporary person was employed to the Finance Officer post, with a view to this becoming a permanent appointment, but she failed to reach the required standard so resigned. A permanent Finance Officer was eventually recruited in July 2012 and started in post in August 2012. The new Finance Officer is an experienced and qualified accountant looking for a change of direction and has added strong skills and stability to the team.

Concerns over the PS Financial computer system were largely resolved during 2011/12 however problems with the recording of trip income on the system remain outstanding. This seems most likely to be a user issue so trips are being recorded manually to address the difficulties until further training in the system is given.

The overall financial position of the Academy at the end of 2011/12 is still acceptable with the sum of £454k brought forward from 2010/11 still untouched and a 2011/12 in year surplus of 54.5k to carry forward to 2012/13.

#### **Financial and Risk Management Objectives and Policies**

There are no immediate financial risks facing the Academy. The bank balance shows a comfortable credit and cash flow reports indicate no cash flow or liquidity issues however there are concerns about the viability going forward.

In Salisbury the availability of new pupils has been decreasing for the last few years and 2013/14 is predicted by the local authorities to be the bottom of the dip for year 7 pupil numbers, which then start to rise slowly. In addition to this these pupils are replacing large year 11 groups leaving, resulting in reduced pupil numbers and, therefore reduced funding.

This has been offset in part by the increase in post 16 pupils that the Academy has recruited but with the proposed reduction in funding for that age group the financial situation could become very strained.

The forecast for this academic year, 2012/13, is predicting a modest in year surplus; however the 2013/14 forecast is currently showing an in year loss of £250k. The Academy will then be using the reserves, which are predicted to make up the shortfall for 2013/14 and 2014/15 leaving no reserves.

A new residential estate is being built next door to the Academy. This should start in 2014 and is expected to substantially increase pupil numbers.

Other steps are being taken to increase income and cut costs with all areas being reviewed.

Numbers are anticipated to increase in the next few years due to several factors:

- New building with state of the art facilities
- Improved exam results
- Better local image due to work with press, local radio social media, etc.
- Work with year 5 and 6's from feeder schools
- Visiting other primary schools, not traditional feeders, to improve their knowledge of the Academy and remove historic prejudices
- Positive Ofsted and SIAS reports
- Building of new housing estate next door to the Academy
- Building of a new road to bypass the estate creating more direct access from the villages.

Continued on page 10

**SARUM ACADEMY**  
**REPORT OF THE TRUSTEES AND DIRECTORS**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

---

Continued from page 9

**Reserves**

The Academy has free reserves of £116,018 at the year end. Its restricted reserves are restricted for use in providing educational services to students enrolled within the Academy. These include £323,869 of the General Annual Grant received from the Education Funding Agency. The reserves carried forward are to be set against anticipated future costs.

**Investment Policy**

The Academy did not make any investments during the first year of operations. Any future investments will be in line with an agreed policy drawn up in keeping with the Academy's Financial Handbook instructions and approved by the Governors.

**Plans for Future Periods**

The £15.5million new build is well underway and on target to be completed in 2013 and the successful move to the new premises during the summer of 2013 is a priority.

The Academy continues to carry out the strategic intentions 2010 – 2013 outlined under the Objectives, Strategies and Activities section.

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

Funds for Extended Schools are still held by the Academy to enable closer contact with our feeder Schools and allow the Academy to take the lead in any projects.

The monies are kept in a separate bank account to ensure segregation.

**TRUSTEES' AND DIRECTORS' RESPONSIBILITIES**

The Trustees and Directors of Sarum Academy are responsible for preparing the Trustees' and Directors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the year. In preparing these financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities Statement of Recommended Practice;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in operation.

Continued on page 11

SARUM ACADEMY

REPORT OF THE TRUSTEES AND DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2012

---

Continued from page 10

**TRUSTEES' AND DIRECTORS' RESPONSIBILITIES (continued)**

The trustees and directors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees and directors are responsible for ensuring that in its conduct and operation the academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency / Department for Education have been applied for the purposes intended.

In so far as the governors are aware:

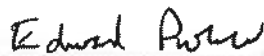
- there is no relevant audit information of which the academy's auditor is unaware; and
- the trustees and directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

**AUOITORS**

Fawcetts have expressed their willingness to continue as auditors.

Approved by the directors on ..... 21<sup>st</sup> December 2012 ..... and signed on their behalf by:



Canon Edward Probert  
Chairperson

**SARUM ACADEMY**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

---

**Scope of Responsibility**

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

The governing body has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sarum Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the directors' Report and in the Statement of Trustees' responsibilities. The governing body has formally met 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Director	Meetings attended	Out of a possible
Canon Edward Probert	5	5
The Revd. Maggie Guillebaud	5	5
Neil Boulton	4	5
Councillor Chris Cochrane	5	5
Tiff Nield	5	5
Sarah Thomas	5	5
Catherine Simon	2	5
Stephen Ward	3	5
John Bruce	5	5
Jenny Hill-Parker	4	5
Chris Martin	2	5
Ruth Johnson	5	5

The Finance and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to review the financial position of the Academy and the system of internal controls. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
The Revd. Maggie Guillebaud	7	7
Neil Boulton	6	7
Chris Martin	4	7
Ruth Johnson	7	7

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sarum Academy Trust for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Continued on page 13

**SARUM ACADEMY**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

---

Continued from page 12

**Capacity to Handle Risk**

The key risks to which the Academy is exposed have been reviewed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Directors and Trustees are of the view that a formal ongoing process for identifying, evaluating and managing the Academy's significant risks has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**The Risk and Control Framework**

The Academy's system of internal financial control is based on a framework of regular management information

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance
- setting targets to measure financial and other performance;
- clearly defined purchasing guidelines, delegation of authority and segregation of duties;
- identification and management of risks.

**Responsible Officer**

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. Due to issues in 2010/11, the governors replaced Kevin Edwards and appointed Clifford Fry & Co to undertake the Responsible Officer checks. The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a regular basis, the Responsible Officer reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. This role is changing and has been revised for 2012/13.

**Review of Effectiveness**

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

- the financial management and governance self-assessment process;
- the work of the YPLA/EFA auditors;
- the work of the executive managers within the Academy who have responsibility for the development and

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 is in place to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the directors on 21<sup>st</sup> December 2012 and signed on their behalf by:

Canon Edward Probert  
Chairperson

Ruth Johnson  
Accounting Officer

Dated: Edward Probert

Dated: Ruth Johnson

SARUM ACADEMY

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2012


---

As accounting officer of Sarum Academy I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Ruth Johnson  
Accounting Officer

Dated:  .....  
21 December 2014



**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF**  
**SARUM ACADEMY**

---

We have audited the financial statements of Sarum Academy for the year ended 31st August 2012 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and auditors**

As explained more fully in the Statement of Trustees' and Directors' Responsibilities, the trustees and directors 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 as Auditors.

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

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

**Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs at 31 August 2012, and of its incoming resources and application of resources, including its income and expenditure, in 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 Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

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

Continued on page 16

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

SARUM ACADEMY

---

Continued from page 15

**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' and directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Simon Ellingham FCA DChA (Senior Statutory Auditor)

for and on behalf of Fawcetts

Chartered Accountants & Statutory Auditors

Windover House

St Ann Street

Salisbury

SP1 2DR

Dated: 21 December 2011

**INDEPENDENT AUDITORS' REPORT ON REGULARITY  
TO THE GOVERNING BODY OF  
SARUM ACADEMY  
AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 21 December 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of the governing body and auditors**

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

**Opinion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial statements do not conform to the authorities which govern them.



Simon Ellingham FCA DChA (Senior Statutory Auditor)  
for and on behalf of Fawcetts  
Chartered Accountants & Statutory Auditors  
Windover House  
St Ann Street  
Salisbury  
SP1 2DR

Dated: 21 December 2012

**INDEPENDENT AUDITORS' REPORT ON REGULARITY  
TO THE GOVERNING BODY OF  
SARUM ACADEMY  
AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 21 December 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of the governing body and auditors**

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

**Opinion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial statements do not conform to the authorities which govern them.

Simon Ellingham FCA DChA (Senior Statutory Auditor)  
for and on behalf of Fawcetts  
Chartered Accountants & Statutory Auditors  
Windover House  
St Ann Street  
Salisbury  
SP1 2DR

Dated: .....

## SARUM ACADEMY

## BALANCE SHEET

(Company number: 7035327)

AS AT 31 AUGUST 2012

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Tangible fixed assets	14	4,284,498	4,984,847
<b>Current assets</b>			
Debtors	15	199,218	72,169
Cash at bank and in hand		<u>416,150</u>	<u>765,737</u>
		615,368	837,906
<b>Creditors: amounts due within one year</b>	16	<u>185,800</u>	<u>387,577</u>
<b>Total assets less current liabilities</b>		429,568	450,329
<b>Creditors: amounts due in more than one year</b>	17	<u>-</u>	<u>17,560</u>
<b>Net assets excluding pension liability</b>		4,714,066	5,417,616
Pension scheme liability	26	<u>(34,000)</u>	<u>-</u>
<b>Net assets including pension liability</b>		<u><u>4,680,066</u></u>	<u><u>5,417,616</u></u>
<b>Funds</b>	18		
Restricted funds		4,564,048	5,347,460
Unrestricted funds			
General reserve fund		<u>116,018</u>	<u>70,156</u>
<b>Total funds</b>		<u><u>4,680,066</u></u>	<u><u>5,417,616</u></u>

Approved by the board of directors on 21<sup>st</sup> December 2012

On behalf of the board:

Edward Probert

Canon Edward Probert

**SARUM ACADEMY**  
**CASH FLOW STATEMENT**  
**AS AT 31 AUGUST 2012**

	Note	2012 £	2011 £
Net cash inflow from operating activities	21	(339,809)	841,419
Returns on investments and servicing of finance	22	1,006	883
Capital expenditure	23	<u>(10,784)</u>	<u>(76,565)</u>
<b>Increase in cash in the year</b>	24	<u>(349,587)</u>	<u>765,737</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2011		<u>765,737</u>	<u>-</u>
<b>Net Funds at 31 August 2012</b>		<u><u>416,150</u></u>	<u><u>765,737</u></u>

## SARUM ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

---

#### 1. Accounting policies

##### **Basis of preparation**

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

##### **Going concern**

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

##### **Incoming resources**

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

##### ▪ **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year 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.

##### ▪ **Other income**

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

##### **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.

##### ▪ **Cost of generating funds**

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

##### ▪ **Charitable activities**

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

##### ▪ **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

##### **Fixed assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

## SARUM ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

---

#### 1. Accounting policies (continued)

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

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

Leasehold buildings	3 years & 50 years straight line
Furniture and fixtures	5 years straight line
Computer equipment	3 year straight line
Motor vehicles	5 years straight line

Leasehold buildings are depreciated over their estimated useful life. A large proportion of the current buildings are earmarked for demolition at the end of 2013, when occupation is taken of the new buildings the construction of which commenced in February 2012. The acquisition cost and useful life of these buildings have been depreciated to reflect this future event.

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

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

#### Leased assets

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

#### Stock

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

#### Taxation

The Academy is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or 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.

#### Retirement benefits

Retirement benefits to employees of the Academy 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 Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective method. As stated in note 26 the TPS is a multi-employer scheme and the Academy 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.



**SARUM ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**1. Accounting policies (continued)**

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

**Fund accounting**

Unrestricted income represents those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the governors.

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

**2. General Annual Grant**

**a. Results and Carry Forward for the Year**

	2012 £	2011 £
GAG brought forward from previous year	240,304	-
GAG allocation for the current year	<u>2,949,656</u>	<u>2,927,011</u>
<b>Total GAG available to spend</b>	<b>3,189,960</b>	<b>2,927,011</b>
Recurrent expenditure from GAG	(2,833,017)	(2,686,707)
Fixed assets purchased from GAG	<u>(33,074)</u>	<u>-</u>
<b>GAG carried forward to next year</b>	<b>323,869</b>	<b>240,304</b>
Maximum permitted GAG carry forward at the end of current year (12% of allocation for current year)	<u>(353,959)</u>	<u>(351,241)</u>
<b>GAG to surrender to DfE</b> (12% rule breached if result is positive)	<u>(30,090)</u>	<u>(110,937)</u>
	no breach	no breach

**b. Use of GAG brought forward from previous year for recurrent purposes**

Recurrent expenditure from GAG in current year	2,833,017	2,686,707
GAG allocation for current year	(2,949,656)	(2,927,011)
GAG allocation for previous year x 2%	<u>(58,540)</u>	<u>-</u>
<b>GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year</b> (2% rule breached if result is positive)	<u>(175,179)</u>	<u>(240,304)</u>
	no breach	no breach

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

<b>3. Voluntary Income</b>				
	Unrestricted £	Restricted £	2012 £	2011 £
Donations - Capital	-	-	-	5,615,394
Other donations	6,457	-	-	-
	<u>6,457</u>	<u>-</u>	<u>-</u>	<u>5,615,394</u>
<b>4. Activities for Generating Funds</b>				
	Unrestricted £	Restricted £	2012 £	2011 £
Hire of facilities	48,767	-	48,767	47,415
Visit income	-	42,849	42,849	-
Other income	39,560	-	39,560	48,127
	<u>88,327</u>	<u>42,849</u>	<u>131,176</u>	<u>95,542</u>
<b>5. Investment Income</b>				
	Unrestricted £	Restricted £	2012 £	2011 £
Interest receivable	1,006	-	1,006	883
	<u>1,006</u>	<u>-</u>	<u>1,006</u>	<u>883</u>
<b>6. Funding for Academy's Educational Operations</b>				
	Unrestricted £	Restricted £	2012 £	2011 £
<b>DfE / EFA revenue grants</b>				
General Annual Grant (GAG)	-	2,949,656	2,949,656	2,927,011
Start up grants	-	684,299	684,299	939,912
Other DfE / EFA grants	-	726,076	726,076	981,741
	<u>-</u>	<u>4,360,031</u>	<u>4,360,031</u>	<u>4,848,664</u>
<b>Other Government grants</b>				
School Standards Funds	-	-	-	31,429
Special educational projects	-	21,626	21,626	260,085
	<u>-</u>	<u>21,626</u>	<u>21,626</u>	<u>291,514</u>
	<u>-</u>	<u>4,381,657</u>	<u>4,381,657</u>	<u>5,140,178</u>
<b>7. Expenditure</b>				
Expenditure includes:			2012 £	2011 £
Auditors' remuneration - audit			6,500	8,400
- other services			3,000	-
Depreciation on owned assets			711,133	701,539
Depreciation on assets under leasing agreements			-	5,573
Operating leases			9,723	54,354

**SARUM ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**8. Resources expended**

	Staff Costs £	Non-pay Expenditure Premises      Other Costs £                      £		2012 £	2011 £
Academy's educational operation					
Direct costs	2,741,329	23,988	383,223	3,148,540	3,671,895
Allocated support costs	<u>680,517</u>	<u>218,698</u>	<u>241,474</u>	<u>1,140,689</u>	<u>1,049,073</u>
	<u>3,421,846</u>	<u>242,686</u>	<u>624,697</u>	<u>4,289,229</u>	<u>4,720,968</u>
Governance costs including un-allocated support costs	-	-	49,928	49,928	26,269
	<u>3,421,846</u>	<u>242,686</u>	<u>674,625</u>	<u>4,339,157</u>	<u>4,747,237</u>

**9. Charitable Activities - Academy's educational operations**

	Unrestricted £	Restricted £	2012 £	2011 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	2,741,329	2,741,329	3,234,114
School visit expenditure	-	55,398	55,398	-
Depreciation	-	23,988	23,988	19,968
Educational supplies	-	173,483	173,483	145,249
Exam fees	-	91,633	91,633	76,677
Staff development	-	14,696	14,696	20,788
Educational consultancy	-	32,828	32,828	104,726
Other direct costs	-	<u>15,185</u>	<u>15,185</u>	<u>70,373</u>
	-	<u>3,148,540</u>	<u>3,148,540</u>	<u>3,671,895</u>
<b>Allocated support costs</b>				
Support staff costs	-	680,517	680,517	637,234
Severance payments	-	197,544	197,544	-
Recruitment and support	-	21,382	21,382	14,208
Maintenance of premises and equipment	-	56,910	56,910	30,647
Cleaning	-	4,507	4,507	10,162
Rent and rates	-	37,316	37,316	37,520
Light and heat	-	94,977	94,977	77,743
Insurance	-	27,545	27,545	30,308
Security and transport	-	19,805	19,805	25,079
Computer costs	-	56,186	56,186	83,935
Catering	-	55,673	55,673	51,812
Bank charges	-	91	91	65
Other support costs	-	<u>85,780</u>	<u>85,780</u>	<u>50,360</u>
	-	<u>1,338,233</u>	<u>1,338,233</u>	<u>1,049,073</u>
	-	<u>4,486,773</u>	<u>4,486,773</u>	<u>4,720,968</u>

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

10. Governance costs

	Unrestricted £	Restricted £	2012 £	2011 £
Legal and professional fees	40,968	-	40,968	16,789
Auditors remuneration				
Audit of financial statements	6,500	-	6,500	8,400
Responsible officer audit	2,460	-	2,460	1,080
	<u>49,928</u>	<u>-</u>	<u>49,928</u>	<u>26,269</u>

Legal and professional fees include HR, IT, legal, payroll and other support costs for the administration function.

11. Staff costs

Staff costs during the year were:

	2012 £	2011 £
Wages and salaries	2,814,646	3,072,271
Social security costs	214,118	234,779
Pension costs	<u>363,526</u>	<u>391,370</u>
	3,392,290	3,698,420
Supply teacher costs	19,658	56,917
Compensation payments	<u>197,544</u>	<u>116,012</u>
	<u>3,609,492</u>	<u>3,871,349</u>

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

	2012 No	2011 No
Charitable activities		
Teachers	56	55
Administration and support	39	31
Management	<u>8</u>	<u>7</u>

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

	2012 No	2011 No
£60,001 - £70,000	1	2
£100,001 - £110,000	.	1
£110,001 - £120,000	<u>1</u>	<u>-</u>

52 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £271,886 (2011 - £299,625). The other employees participated in the Local Government Pension Scheme, pension contributions amounted to £91,640 (2011 - £91,744).

12. Governors' remuneration and expenses

The principal who is on the governing board only receives remuneration in respect of services provided in undertaking her role of Principal and not in respect of her services as a governor. Other governors did not receive any remuneration nor travel or subsistence claims from the Academy in respect of their roles as governors, in the year. The value of the Principal's remuneration was £114,448 (2011 - £105,000).

**SARUM ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**13. Governors' and Officers' Insurance**

In accordance with normal commercial practice, the Academy has purchased insurance to protect the governors and officers from claims arising from negligent act, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5 million on any one claim and the cost for the year ended 31 August 2012 was £1,760.

**14. Tangible Fixed Assets**

	Leasehold Buildings £	Furniture and Fixtures £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 September 2011	4,230,602	1,398,586	34,908	27,863	5,691,959
Additions	-	23,904	9,170	-	33,074
Disposals	-	-	-	(27,863)	(27,863)
At 31 August 2012	<u>4,230,602</u>	<u>1,422,490</u>	<u>44,078</u>	<u>-</u>	<u>5,697,170</u>
<b>Depreciation</b>					
At 1 September 2011	410,186	279,717	11,636	5,573	707,112
Charge for the year	410,186	284,498	16,449	-	711,133
Disposals	-	-	-	(5,573)	(5,573)
At 31 August 2012	<u>820,372</u>	<u>564,215</u>	<u>28,085</u>	<u>-</u>	<u>1,412,672</u>
<b>Net book values</b>					
At 31 August 2012	<u>3,410,230</u>	<u>858,275</u>	<u>15,993</u>	<u>-</u>	<u>4,284,498</u>
At 31 August 2011	<u>3,820,416</u>	<u>1,118,869</u>	<u>23,272</u>	<u>22,290</u>	<u>4,984,847</u>

The cost of leasehold buildings represents the donation in kind from the Diocese of Salisbury for the long-leasehold and is at a value considered by the trustees to be appropriate taking into account the new development which is expected to be completed for the beginning of the 2013/14 academic year.

The cost of furniture and fixtures includes £1,384,792 being a donation in kind which represents the value of assets transferred to the Academy by Salisbury High School.

**15. Debtors**

	2012 £	2011 £
Trade debtors	30,918	6,486
Prepayments	31,897	20,878
Other debtors	136,403	44,805
	<u>199,218</u>	<u>72,169</u>

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

16. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	52,810	110,400
Other taxation and social security	67,459	80,093
Other creditors	55,441	160,778
Finance lease liability	-	5,268
Accruals and deferred income	10,090	31,038
	<u>185,800</u>	<u>387,577</u>

17. Creditors: amounts falling due in more than one year

	2012 £	2011 £
Finance lease liability	-	17,560
	<u>-</u>	<u>17,560</u>

18. Funds

	Balance at 1 September 2011 £	Incoming Resources £	Resources Expended £	Gains, losses and Transfers £	Balance at 31 August 2012 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	240,304	2,916,582	(2,833,017)	-	323,869
Start Up Grant	-	684,299	(684,299)	-	-
Other DfE / YPLA Grants	78,420	726,076	(804,496)	-	-
Other Government Grants	100,486	21,626	(122,112)	-	-
	<u>419,210</u>	<u>4,348,583</u>	<u>(4,443,924)</u>	<u>-</u>	<u>323,869</u>
<b>Restricted fixed asset funds</b>					
DfE / YPLA capital grants	-	-	-	-	-
Capital expenditure from GAG	-	33,074	-	-	33,074
Private sector capital donation	4,928,250	-	(687,145)	-	4,241,105
	<u>4,928,250</u>	<u>33,074</u>	<u>(687,145)</u>	<u>-</u>	<u>4,274,179</u>
<b>Pension reserve</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,000)</u>	<u>(34,000)</u>
<b>Total restricted funds</b>	<u>5,347,460</u>	<u>4,381,657</u>	<u>(5,131,069)</u>	<u>(34,000)</u>	<u>4,564,048</u>

**SARUM ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2012**

**18. Funds (continued)**

	Balance at 1 September 2011	Incoming Resources £	Resources Expended £	Gains, losses and Transfers £	Balance at 31 August 2012 £
<b>Unrestricted funds</b>					
Unrestricted funds	70,156	95,790	(49,928)	-	116,018
<b>Total unrestricted funds</b>	<u>70,156</u>	<u>95,790</u>	<u>(49,928)</u>	<u>-</u>	<u>116,018</u>
<b>Total funds</b>	<u>5,417,616</u>	<u>4,477,447</u>	<u>(5,180,997)</u>	<u>(34,000)</u>	<u>4,680,066</u>

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

**Private sector capital donation**

This fund represents the value of assets transferred from Salisbury High School and the value of land held under a leasehold arrangement with the Diocese of Salisbury. The costs set against this fund represents the annual depreciation charge provided to allocate the value of these assets over their estimated useful life.

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

	Unrestricted £	Restricted £	Restricted Fixed Asset £	Total £
Tangible fixed assets	-	43,393	4,241,105	4,284,498
Current assets	116,018	499,350	-	615,368
Current liabilities	-	(185,800)	-	(185,800)
Pension scheme liability	-	(34,000)	-	(34,000)
<b>Total net assets</b>	<u>116,018</u>	<u>322,943</u>	<u>4,241,105</u>	<u>4,680,066</u>

**20. Financial commitments**

**Operating leases**

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as follows:

	2012 £	2011 £
<b>Other</b>		
Expiring within one year	8,098	8,098
Expiring within two and five years inclusive	8,415	9,167
	<u>16,513</u>	<u>17,265</u>

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

21. Reconciliation of net income to net inflow from operating activities

	2012 £	2011 £
Net income	(703,550)	5,417,616
Depreciation (note 14)	711,133	707,112
Capital grants from DfE and other capital income	-	(5,615,394)
Interest receivable (note 5)	(1,006)	(883)
(Increase) in debtors	(127,049)	(72,169)
(Decrease)/increase in creditors	(219,337)	405,137
<b>Net cash inflow from operating activities</b>	<b>(339,809)</b>	<b>841,419</b>

22. Returns on investment and servicing of finance

	2012 £	2011 £
Interest received	1,006	883
<b>Net cash inflow from investment and servicing of finance</b>	<b>1,006</b>	<b>883</b>

23. Capital expenditure and financial investment

	2012 £	2011 £
Purchase of tangible fixed assets	(33,074)	(5,691,959)
Disposal of fixed assets	22,290	-
Capital funding received from sponsors and others	-	5,615,394
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(10,784)</b>	<b>(76,565)</b>

24. Analysis of changes in net funds

	Balance at 1 September 2011 £	Cash flows £	Balance at 31 August 2012 £
Cash in hand and at bank	765,737	(349,587)	416,150
<b>Total net funds</b>	<b>765,737</b>	<b>(349,587)</b>	<b>416,150</b>

25. Members' Liability

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



SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

---

**26. Pension and similar obligations**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire 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 was 31 March 2004 and of the LGPS 31 August 2012.

There are no outstanding or prepaid contributions at either the beginning or the end of the financial year. Contributions totalling £363,526 (2011 - £391,370) were payable to the schemes for the year ended 31 August 2012.

**Teachers' Pension Scheme**

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

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

Under the TPS Agreement, employer contribution rates from 1 April 2012 are continuing at 14.1% with employee rates varying between 6.4% and 8.8%. For subsequent years data and information is being collated to inform a Government review of the tiering structures in advance of the Department for Education consulting on contribution increases for 2013/14 onwards.

The government have set a gross cost ceiling for the main public service pension schemes of 21.7% with a net cost ceiling of 12.1% and an average employee contribution of 9.6%. The Government Actuary's Department has in a report dated 9 March 2012 concluded that the TPS Agreement scheme design is within this required cost ceiling. This conclusion is dependent on and sensitive to the data, methodology and assumptions adopted and further details on these are available in the full Government Actuary's report which is available on the Department for Education website.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The employer's contributions for the year ended 31 August 2012 was £91,640 (2011 - £91,744). The agreed contribution rates for future years are 12.9 per cent for employers and 15.6 per cent for employees.

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

26. Pension and similar obligations (continued)

Principal Actuarial Assumptions	At 31 August 2012
Rate of increase in salaries	4.5%
Rate of increase for pension in payment / inflation	2.2%
Discount rate of scheme liabilities	4.1%
Inflation assumption (CPI)	0.8%

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

	At 31 August 2012
Retiring today	
Males	21.3
Females	23.6
Retiring in 20 years	
Males	24.9
Females	25.5

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

	Expected return at 31 August 2012	Fair Value at 31 August 2012
Equities	5.5%	965,000
Bonds	3.5%	273,000
Property	3.7%	158,000
Cash	2.8%	<u>43,000</u>
<b>Total market value of assets</b>		1,439,000
Present value of scheme liabilities - Funded		<u>(1,473,000)</u>
<b>(Deficit)/surplus in the scheme</b>		<u><u>(34,000)</u></u>

The actual return on scheme assets was £115,000 (2011 - £65,000).

Amounts recognised in the statement of financial activities

	2012 £	2011 £
Current service cost	98,000	128,000
Past service cost	<u>-</u>	<u>-</u>
<b>Total operating charge</b>	<u><u>98,000</u></u>	<u><u>128,000</u></u>

SARUM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

26. Pension and similar obligations (continued)

Analysis of pension finance income / (costs)

	2012 £	2011 £
Expected return on pension scheme assets	(76,000)	(62,000)
Interest on pension liabilities	61,000	58,000
Pension finance income / (costs)	<u>(15,000)</u>	<u>(4,000)</u>

The actuarial gain and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £138,000 gain.

Movements in the present value of defined benefit obligations

	2012 £	2011 £
At 1 September 2011	1,045,000	1,129,000
Current service cost	98,000	128,000
Interest cost	61,000	58,000
Employee contributions	40,000	42,000
Actuarial loss /(gain)	185,000	(310,000)
Benefits paid	44,000	(2,000)
At 31 August 2012	<u>1,473,000</u>	<u>1,045,000</u>

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

	2012 £	2011 £
At 1 September 2011	1,169,000	955,000
Expected return on assets	76,000	62,000
Actuarial (gain) / loss	10,000	3,000
Employer contributions	100,000	109,000
Employee contributions	40,000	42,000
Benefits paid	44,000	(2,000)
At 31 August 2012	<u>1,439,000</u>	<u>1,169,000</u>

The estimated value of employer contributions for the year ended 31 August 2013 is £90,000.

27. Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

There were no material related party transactions during the year.

		DUTY ELT	DUTY CALL OUT	SECONDARY CALL
Sat	22-Dec-12	Andrew Available		Jonathan Everest
Sun	23-Dec-12	Stuart Available		Jonathan Everest
Mon	24-Dec-12	Tricia Available	James Wyatt	
Tue	25-Dec-12	Ruth Available	James Wyatt	
Wed	26-Dec-12	Bruce Available		Jonathan Everest
Thu	27-Dec-12	Dawn Higgins	James Wyatt	
Fri	28-Dec-12	Stuart Available	James Wyatt	
Sat	29-Dec-12	Andrew Available	James Wyatt	
Sun	30-Dec-12	Bruce Available	James Wyatt	
Mon	31-Dec-12	Louise Henderson	James Wyatt	
Tue	01-Jan-13	Tricia Available		
Wed	02-Jan-13	Dawn Higgins	James Wyatt	
Thu	03-Jan-13	Jen available	James Wyatt	
Fri	04-Jan-13	Louise Henderson	James Wyatt	
Sat	05-Jan-13	Jen available		Jonathan Everest
Sun	06-Jan-13	Bruce or Tricia		Jonathan Everest

James Wyatt                      Call Out 1  
Jonathan Everette                Call Out 2  
Trisha Friskney-Adams        Call Out 3  
  
Mike McCarthy                    All call Out