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**THE STANWAY FEDERATION ACADEMY TRUST**  
(A company limited by guarantee)

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**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 20 DECEMBER 2011 TO 31 AUGUST 2012**

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**THE STANWAY FEDERATION ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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**Governors**

H Bayliss, Parent Governor (appointed 1 March 2012)  
C A Binmore, Nominated Governor (appointed 1 March 2012)  
D Boggis, Staff Governor (appointed 1 March 2012)<sup>1</sup>  
R Bourne, Nominated Governor (appointed 1 March 2012, resigned 19 June 2012)  
S P Cosham, Staff Governor (appointed 1 March 2012)  
A S Davenall, Member, Vice Chair (appointed 20 December 2011)  
V Edean, Nominated Governor (appointed 1 March 2012)<sup>1</sup>  
N P Evans, Parent Governor (appointed 1 March 2012)  
C A Frogley, Parent Governor (appointed 1 March 2012)  
D Harris, Co-Opted Governor (appointed 1 March 2012)  
J J Heffer, Staff Governor (appointed 1 March 2012)<sup>1</sup>  
D W Kay, Member (appointed 1 March 2012)<sup>1</sup>  
J A Knight, Nominated Governor (appointed 1 March 2012)  
J K Lamb, Member (appointed 1 March 2012)  
H E Marr, Staff Governor (appointed 1 March 2012)  
B M Palmer, Member, Chair (appointed 1 March 2012)<sup>1</sup>  
V J Pratt, Nominated Governor (appointed 1 March 2012)<sup>1</sup>  
J Spademan, Nominated Governor, Responsible Officer (appointed 1 March 2012)  
J C W Tippett, Executive Headteacher, Accounting Officer (appointed 20 December 2011)<sup>1</sup>  
B J Wild, Nominated Governor (appointed 1 March 2012)  
P Houghton, Parent Governor (appointed 1 March 2012, resigned 21 May 2012)  
B Williamson, Member (appointed 1 March 2012)

<sup>1</sup> Finance committee

**Company registered number**

07887953

**Registered office**

Winstree Road,  
Stanway  
Colchester  
Essex  
CO3 0QA

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**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**Advisers (continued)**

**Company secretary**

S D Burns

**Senior Management Team**

Jonathan Tippett, Executive Headteacher  
Diana Fletcher, Deputy Head, Stanway  
Paul Presland, Deputy Head, Stanway  
John Wiltshire, Deputy Head, Stanway  
Jonathan Bland, Deputy Head, Thomas Lord Audley  
Helena Boast, Deputy Head, Thomas Lord Audley  
Scott Holder, Deputy Head, Thomas Lord Audley  
Dominic Hawkins, Assistant Head, Stanway  
Christopher Johnson, Assistant Head, Stanway  
Diane Reed, Assistant Head, Stanway  
Matthew Stancombe, Assistant Head, Stanway  
Lawrence Terroni, Assistant Head, Stanway  
David Boggis, Assistant Head, Thomas Lord Audley  
Matthew Docherty, Assistant Head, Thomas Lord Audley  
Ann Bryant, Assistant Head, Thomas Lord Audley  
Jonathan Else, Assistant Head, Thomas Lord Audley  
Carol Wisbey, Bursar

**Auditors**

Griffin Chapman  
Chartered Accountants  
4 & 5 The Cedars  
Apex 12  
Old Ipswich Road  
Colchester  
Essex  
CO7 7QR

**Bankers**

Lloyds TSB  
27 High Street  
Colchester  
Essex  
CO1 1DU

**Solicitors**

Birkett Long  
Essex House  
42 Crouch Street  
Colchester  
Essex  
CO3 3HH

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**THE STANWAY FEDERATION ACADEMY TRUST**  
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**GOVERNORS' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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The governors present their annual report together with the audited financial statements of the Academy for the period 20 December 2011 to 31 August 2012. The academy commenced business on 1st March 2012.

**Structure, Governance and Management**

Constitution

The Academy 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.

The governors act as the trustees for the charitable activities of the Stanway Federation Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Stanway Federation Academy Trust.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

In accordance with normal practice the academies has purchased insurance to protect the governors and officers from claims arising from negligent acts, errors or omissions whilst on academies business. The cover under the policy is £5M and in the period under review no sums have been paid out.

Principal Activities

The Company's purpose is to advance for the public benefit education for the communities of south and west of Colchester by maintaining, managing and developing academies offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

The Governing Body comprises 5 members, 8 nominated governors, 4 staff governors, 4 parent governors, 1 executive headteacher and 1 co-opted governor. The 5 members are the Chair and the 4 sub-committee chairs from the Stanway Federation governing body. The members then appointed the other governors who were also on the Stanway Federation governing body. Future nominated and co-opted governors will be appointed by the members. 2 Staff governors will be elected by employees of each academy and 2 parent governors will be elected by the parents of each academy, giving a total of 4 staff and 4 parent governors. The Executive Headteacher and/or Academy Headteachers employed by the Academy Trust shall be a governor.

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

All governors undertake training as appropriate to their role. The company subscribes to Essex Governor Services and governors take part in their training programme for new governors, and is also a member of the National Governors Association. However, there is also in-house governor training on specific issues related to the company and other academies within the North East Essex Education Partnership, of which the Federation is a member. A log is kept of all governor training and reviewed on a regular basis at full governing body meetings.

Organisational Structure

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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The governors are responsible for the overall management and control of the academies and formally meet three times a year.

The reviewing and monitoring of the work of the academies is delegated to the 4 sub-committees which are Curriculum & Welfare, Finance, Personnel and Premises. The Finance Committee meets at least 10 times a year and the other committees 5 or 6 times a year. They all work under the chairmanship of a governor appointed at the first committee meeting in each academic year. Terms of Reference of these committees are agreed annually at these meetings. The clerk to the governing body coordinates the work of the full governing body and each committee has their own clerk who prepares agendas and papers and reviews matters arising. The Bursar prepares the accounts of both academies on behalf of the governors, is a member of the Finance Committee and attends full governing body meetings. The executive headteacher is the Accounting Officer.

The governors determine the general policies of the academies. The day to day running of the academies is delegated to the executive headteacher who is supported by the senior leadership teams in each academy. The executive headteacher undertakes the key leadership role in both academies but delegates the day to day educational, pastoral and administrative functions to members of the senior leadership teams. The day to day administration of both academies is undertaken within the policies and procedures approved by the governors. There is deputy headteacher representation from both academies on all sub-committees and all deputy headteachers attend full governing body meetings.

All non-staff governors give their time to the role freely and no remuneration or expenses were paid to the period.

#### Risk Management

The governors are responsible for the overseeing of the risks faced by the academies. Detailed considerations of risk are delegated to the senior leadership teams of the academies. Risks were identified, assessed and controls established throughout the period. A review has been undertaken and an analysis prepared, further work will be undertaken by the various committees to finalise the document. Risk is managed under the headings of strategic, reputational, operational, compliance and financial risks as recommended by the DfE Financial Handbook.

Through the risk management process that is being formalised by the academies, the governors are satisfied that the major risks identified will be adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks will be adequately managed.

#### Connected Organisations, including Related Party Relationships

The Federation is a member of the North East Essex Education Partnership (NEEEP) (Company No. 794738) and the Colchester Teacher Training Consortium.

### **Objectives and Activities**

#### Objects and Aims

The journey from child to adult and the development of the educational and social skills to thrive in our increasingly diverse and ever faster changing society, will always be a challenging experience but it has the potential to be an experience with massive rewards for students, their families and our staff.

Our mission is to harness and develop the skills of all our adult partners, whether employed directly or as part of our wider community, to create an environment where our students are proud and want to participate; where they can develop; where they feel physically and emotionally safe; where respect, good manners and good behaviour towards others are the norm; where lessons are productive and well taught and the learning is productive; and where any mistakes are seen as learning opportunities from which we can grow.

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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Within this environment our mission will be to strive to ensure every single child knows that they matter, believes in their own potential and takes pride in their achievements, whether they be academic, sporting, cultural, social or personal. We will, by our role model and teaching, give them every opportunity to understand that diversity of gender, physical or mental ability and background is a strength to be respected and harnessed and we will celebrate everyone's contribution and successes.

*Objectives, Strategies and Activities*

**The Stanway School 2011-12**

1. Meet A\*-C targets and increase percentage of students making 3-level progress by regular monitoring of data, identifying target groups, early entries in Maths, re-sits, booster classes, catch-up clinics and revision days, re-setting, improving the percentage of good to outstanding lessons and a continued focus on AfL in all lessons.
2. Improve achievement of specific groups including G&T/boys at KS4/FSM by sports-style coaching and mentoring, regular specific assemblies, tracking key individuals and intervening where appropriate, specific revision and preparation sessions and data collections.
3. Improve pedagogy and practice and improve Literacy skills across the curriculum by introducing federation CPD, traffic light posters, conduct learning style audits, sharing of good practice, introducing a whole-academies focus on literacy, increasing subject-specific vocabulary, increasing the use of active reading strategies and develop a literacy catch-up.
4. Develop succession leadership training across academies by introducing middle leader CPD, coaching from SLT and creation of new posts.
5. Improve monitoring/evaluation by Governors, SLT of equal opportunities by ensuring data tracker includes gender, ethnicity, disability, FSM etc.
6. Continue to develop cross-federation collaboration to raise attainment levels, improve financial efficiency by developing cross federation and NEEEP procurement

**Thomas Lord Audley School 2011-12**

1. To achieve or exceed target for 5 A\*-C with English and Maths and 3 levels progress in English and Maths KS2 – 4: Introduction of learning conversations to review exam results; early entry and resetting; support for individuals and groups of learners in KS4 (for early and multiple entry) including 1:1, boosters and mentoring; use of question level analysis techniques using Results +; assessment of pupil progress (APP) which informs lesson planning and revision sessions; line management focus on what happening at classroom level for groups and individuals; LA consultants support in English, Maths and assessment for learning (AfL).
2. To further improve teaching and AfL to increase the number of lessons judged good or better: Personalised support for staff; new teaching and learning coordinators provide coaching for target group teachers identified from department review data; CPD Programme; support from LA ASTs; set up learning and teaching development group; focused use of staff meeting, HOD and department meeting time; introduction of regular learning walks to monitor specific aspects of practice.
3. To improve behaviour for learning and encourage students to see challenge as part of the learning process – build confidence and develop belief: Pastoral data to be monitored and interventions put in place for individual students and groups; increase the involvement of parents at an early stage; CPD on Kagan strategies, thinking skills and behaviour management; mentoring for students; coaching for teachers; further development of the reward system; use of achievement walls/displays.
4. To improve behaviour (reduce on-calls, ISU placements and fixed term exclusions) and attendance (reduce the PA figure): Review internal processes and agree across three houses; increase monitoring of on-call data and early interventions and review fortnightly through the Internal Panel; return from exclusion process to be reviewed and monitored for improved impact; trainee social workers to support individual students/parents with behaviour and attendance issues; further develop early intervention on attendance including contact before term starts; further develop of home visits by attendance officer and other

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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- pastoral staff;
5. To develop the skills of senior leaders and middle leaders in delivering school improvement: Learning conversations in Sept/Oct; support from LA consultants; guidance for line management meetings to include specific questions linked to aspects of the school improvement plan; middle leadership CPD programme; CPD in HODs meetings; mentoring/coaching support provided by SLT and LA consultants.

Public Benefit

The Stanway Federation is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**Achievements and Performance**

**The Stanway School**  
**2011-12**

- The Yr 7 netball team became District Champions.
- The annual Alex Launder Football Tournament involved Yrs 7 and 9 students, with the Yr 9 Stanway team winning the tournament and being presented with their trophy at the Weston Homes Stadium.
- 140 students took part in the Christmas Show which included musical items, dancing and dramatic interludes.
- Shakespeare House's cake sale raised £329 for St Helena Hospice and a non-uniform day raised a further £900 which was split between the Hospice and the academy.
- Gainsborough House raised £870 in a 'Santa Says' competition, a chocolate hamper raffle and non-uniform day for the East Anglia Children's Hospice.
- Rutherford House organised a variety of activities and a quiz night to raise nearly £2,000 for Sport Relief.
- Wellington House hosted a 'C9 Supper' raising £1,962 for the Teenage Cancer Trust.
- Yr 11 students practised their interview skills with Rotarians from the Colchester Rotary Club.
- Yr 9 students met with three WW2 veterans as part of their oral history day but sadly news came that Joe Dutch, a regular visitor to the school, had passed away. His legacy will live on with the Joe Dutch History Prize after he left the school a sum of money in his will.
- Yr 10 Artists visited the Curwen Print Studios to produce a lino cut of their Alice in Wonderland project.
- The kitchen received a 5\* Food Hygiene rating from Colchester Borough Council and the Food Standards Agency.
- The Yr 7 team won the Colchester Youth Speaks junior public speaking competition.
- The Glee Club performed at the Jack Petchey Awards, at which 9 students won awards.
- Yrs 10 & 11 Language students visited TLA to watch plays spoken entirely in French and German.
- Stanway School was named as one of the 100 top performing academies based on sustained improvement in each year from 2008-2011.
- 34 students from across the Federation spent a week skiing on the Austrian slopes in Alpendorf.
- Students spent two mornings off timetables on 'enrichment' activities provided by many outside agencies and facilitators.
- 40 students represented the academies at the Colchester Schools' Prom at Charter Hall.
- The Yr 8 and Yr 11 football teams both became Partnership Champions.
- The Yr 7 netball team won the NEESSA District Championship.
- Female students and staff celebrated International Women's Day by attending a 'Cake 'n' Cuppa' event, raising £100 for Oxfam.
- Yr 10 Geography students visited Walton-on-the-Naze to collect data for their Controlled Assessments.
- The Yr 8 and Yr 11 football teams were crowned District Champions.
- The Music Department held a very successful competition night with ex-students judging the entries.
- 200 Yr 7 students attended the annual Danbury Camp.
- 171 Yr 7 students spent the day in Le Touquet, France.

**Thomas Lord Audley School**

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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- Yrs 10 & 11 Language students visited TLA to watch plays spoken entirely in French and German.
- 34 students from across the Federation spent a week skiing on the Austrian slopes in Alpendorf.
- Former Status Quo drummer, Jeff Rich, gave workshops to Yr 10 & 11 music students.
- Yr 10 sports leaders marshal at the big schools' primary fun run at the Garrison.
- Yr 9 trip to London Dungeons.
- Three Yr 6 students from Monkwick Junior School joined TLA lessons.
- Yr 11 students practised their interview skills with Rotarians from the Colchester Rotary Club.
- Colchester MP, Sir Bob Russell, visited the school to talk about citizenship issues.
- Fashion show held to raise funds for the school prom was a big success.
- Local community helped the school in clearing diseased trees from the corner of the school site.
- BTEC Dance students visited the Royal Opera House.
- Victory in the Colchester & District Street 20 cricket tournament.
- Yr 10 student selected to represent England in a tri-nations boxing tournament.
- Students planted a new herb and fruit garden.
- Two basketball teams were crowned NE Essex Champions.
- £2,800 raised on Sport Relief day.
- 57 students went on a sports trip to Barcelona.
- The first 3 Jack Petchey Award scheme winners were announced.
- International Rugby League professional Paul Broadbent spent a day at the school giving inspirational talks.
- 130 Yr 7 students had a week at Mersea Outdoor Centre.

Going Concern

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

Key Performance Indicators

**The Stanway School**

GCSE results were achieved as follows:

- o 5 A\*-C – 88%.
- o 5 A\*-C with Eng/Maths – 57%, pending appeals because of the national issues with English results
- o Percentage of students making 3-level progress in English – 57% (pending appeals).
- o Percentage of students making 3-level progress in Maths - 84%.

Gross income per student for period March – August 2012 - £2,986

Number of students per teacher – 16.45

**Thomas Lord Audley School**

Record GCSE results were achieved as follows:

- o 5 A\*-C – 78%.
- o 5 A\*-C with Eng/Maths – 58%
- o Percentage of students making 3-level progress in English – 63.6%
- o Percentage of students making 3-level progress in Maths – 64.1%

Gross income per student for period March – August 2012 - £3,188

Number of students per teacher – 17.00

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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### **Financial Review**

Most of the academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

#### Stanway School

The results for the period include an exceptional item within incoming resources of £17,165,988 being the net "donation" of the school buildings and other assets from the predecessor school, less the inherited deficit on the Local Government Pension Scheme.

During the period ended 31 August 2012, General Annual Grant income exceeded recurrent expenditure from the grant by £238,056 and the surplus arising has been carried forward

The balance sheet includes a liability of £1,555,000 in relation to the Academy's FRS 17 valuation of the Local Government Pension Scheme (see note 29 for further details).

#### Thomas Lord Audley School

The results for the period include an exceptional item within incoming resources of £7,520,013 being the net "donation" of the school buildings and other assets from the predecessor school, less the inherited deficit on the Local Government Pension Scheme.

During the period ended 31 August 2012, General Annual Grant income exceeded recurrent expenditure from the grant by £219,091 and the surplus arising has been carried forward.

The balance sheet includes a liability of £1,430,000 in relation to the Academy's FRS 17 valuation of the Local Government Pension Scheme (see note 29 for further details).

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

The academy trust's risk management processes aim to minimise all risk to the academy trust. The only current risk of any materiality relates to the deficit the academy trust holds in the Local Government Pension Scheme. Monthly payments to reduce this deficit have been paid throughout the period. Due to the current volatility of the Bonds Market, it is likely that this deficit will increase despite the payments made.

### **Principal Risks and Uncertainties**

The Governors consider that the principal risks and uncertainties facing the Academy Trust are:

- Other organisations competing for the same sources of income.
- Meeting requisite standards of education for students in core subjects.
- Complying with legislative requirements regarding employment, law, data protection, discrimination, Companies House and HRMC, child protection, the Charity Commission and the National Curriculum.
- Financial risk – not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.

The key controls used by the academy include:

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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- Ensure high quality bidding to attract maximum funding
- Detailed terms of reference for all committees
- Formal agendas for the academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies with periodic reviews
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

### **Reserves Policy**

#### The Stanway School

The Governing Body inherited a sizeable donation of £1,024,739 upon conversion to academy trust status. It also incorporated its Private School Fund of £73,335 into the main academy trust account. Together, these form the bulk of its unrestricted reserves during the period. Reserves have been held to future proof the academy in terms of capital projects for an increasing student roll as well as prudence in relation to business contingencies.

By 31st August 2012 the academy's unrestricted reserves had grown to £1,142,508. It had gained restricted reserves of £238,056. These unrestricted reserves will be used over the next 3 years for capital projects and prudence in relation to normal business contingencies.

#### Thomas Lord Audley School

The Governing Body inherited a sizeable donation of £119,373 upon conversion to academy trust status. It also incorporated its Private School Fund of £39,668 into the main academy account. Together, these form the bulk of its unrestricted reserves during the period. Reserves have been held to future proof the academy in terms of capital projects for an increasing student roll as well as prudence in relation to business contingencies.

By 31st August 2012 the academy's unrestricted reserves had grown to £166,137. It had gained restricted reserves of £219,091. These unrestricted reserves will be used over the next 3 years for capital projects and prudence in relation to normal business contingencies.

The governors have agreed to set aside £250,000 as a contingency fund for the academy trust.

### **Investment Policy**

It is the intention to invest any surplus funds in low risk short term bank deposits.

### **Plans for Future Periods**

#### Stanway School 2012-13

Objective	Implementation
<b>Achievement: Attainment, Learning &amp; Progress and Progress of DSEN</b>	
<ul style="list-style-type: none"><li>• Meet 5 A-C (English, Maths target) 75%</li><li>• Meet 5 A-C 90%, 5 A-G 98%</li></ul>	<ul style="list-style-type: none"><li>• Early entry November 2012 for Maths.</li><li>• Early entry January 2013 for English.</li><li>• Both repeated if necessary.</li></ul>

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

<ul style="list-style-type: none"> <li>Meet 3 levels progress target. Maths 83%, English 80%</li> <li>Meet 4 levels progress target. Maths 50%, English 50%</li> </ul>	<ul style="list-style-type: none"> <li>TBC by October half term</li> </ul>
Improve Science results ensuring they are above National Average.	<ul style="list-style-type: none"> <li>Restructure KS4 groupings.</li> <li>New HOD /AHT appointed.</li> <li>New Coordinators appointed</li> <li>Higher expectations.</li> <li>Higher attainment.</li> <li>Targeted intervention</li> </ul>
Improve Drama and Systems & Control results	<ul style="list-style-type: none"> <li>TBC by October half term</li> </ul>
Improve achievement of most able.	<ul style="list-style-type: none"> <li>Early intervention KS4</li> <li>Programme of extension activities KS3.</li> <li>Partnerships with Grammar School / Federation Schools.</li> <li>Develop Critical Thinking activities.</li> </ul>
Improve the achievement of students with specific groups e.g. DSEN, FSM, EAL, CAL, bottom 20%	<ul style="list-style-type: none"> <li>Targeted support for all students on FSM.</li> <li>Interventions in Year 7 + 8 e.g. Brain Gyms.</li> <li>Autism training for all staff</li> </ul>
Expand Literacy programme across KS3 / KS4	<ul style="list-style-type: none"> <li>Reading Marathons for Years 7 / 8 / 9.</li> <li>Accelerated Reader for Years 7 / 8 / 9.</li> <li>All departments to incorporate reading into POS.</li> <li>Subject specific reading during tutor time KS4.</li> </ul>
<b><u>Quality of Teaching / Curriculum</u></b>	
Improve teaching standards aiming for 90% good or outstanding in lesson observations.	<ul style="list-style-type: none"> <li>Learning Walks introduced.</li> <li>Programme of lesson observations linked to new Ofsted framework.</li> <li>Coaching / PM linked to teaching.</li> </ul>
Embed new PM systems into school practice.	<ul style="list-style-type: none"> <li>Link PM into school, department development plans.</li> <li>Link with P/P coaching programme.</li> </ul>
Further develop pedagogy and practice through our coaching programme.	<ul style="list-style-type: none"> <li>All staff involved in programmes according to interest and need.</li> <li>Share good practice across the school.</li> </ul>
Further develop our Federation CPD programme.	<ul style="list-style-type: none"> <li>Calendared programme of CPD for all staff at all levels.</li> <li>Specific CPD for promotion.</li> </ul>
Develop curriculum to reflect the proposed English Baccalaureate / new examinations	<ul style="list-style-type: none"> <li>Investigate alternative exam boards</li> <li>Curriculum modification discussion</li> <li>Network with schools using English Baccalaureate</li> <li>Network with post 16 organisations</li> </ul>
Develop and implement strategic ICT Plan	<ul style="list-style-type: none"> <li>TBC by October half term</li> </ul>
Develop Federation CPD for support staff	<ul style="list-style-type: none"> <li>TBC by October half term</li> </ul>

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**GOVERNORS' REPORT (continued)**  
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<b>Behaviour, Attendance and Safety</b>	
Ensure attendance target of 95% is met	<ul style="list-style-type: none"> <li>Weekly monitoring</li> <li>Early intervention by HOH/AHOH/AHT</li> </ul>
<ul style="list-style-type: none"> <li>Ensure all staff have refresher CP training.</li> <li>Monitor and evaluate newly formed CP leadership team</li> <li>Appoint new child protection named person and deputy</li> </ul>	<ul style="list-style-type: none"> <li>Training provided – Autumn Term</li> <li>Training provided Autumn Term 2012</li> <li>Train new CPD named person and deputy.</li> </ul>
Reduce still further the number of students sent to the IER / ISU.	<ul style="list-style-type: none"> <li>Introduce new Behaviour/Effort grades.</li> <li>Improve pedagogy and practice.</li> <li>Further Modify the vocation curriculum</li> </ul>
<b>Leadership &amp; Management</b>	
Support SILs in their whole school responsibilities	<ul style="list-style-type: none"> <li>Support provided by DHT</li> <li>Specific tasks assigned to SILs.</li> </ul>
Further develop leadership succession planning at all levels.	<ul style="list-style-type: none"> <li>Develop SILs programme</li> <li>Future leaders identification</li> <li>Leadership Opportunity for future leaders</li> </ul>
Train Governors to be conversant with new Ofsted framework.	<ul style="list-style-type: none"> <li>Training for Governors on Ofsted require</li> <li>Programmed calendared training</li> <li>Reallocated governor links to core subjects, SEN and safeguarding.</li> </ul>
<b>SMSC</b>	
Ensure all assemblies have SMSC elements	<ul style="list-style-type: none"> <li>TBC by October half term</li> </ul>
Audit SMSC provision across the curriculum	<ul style="list-style-type: none"> <li>TBC by October half term</li> </ul>

**Thomas Lord Audley School 2012-13**

<b>Objective</b>	<b>Actions</b>
<b>Priority 1: Every child equipped to achieve Achievement to be at least 'good. Positive attitudes to learning are promoted.</b>	
Secure better progress than all pupils nationally given their starting points in the majority of subjects. Groups, inc D&SEN, compare favourably with the progress than similar groups nationally.  Progress across subject is consistently strong & evidence in pupils work indicates they achieve well.	Students know their target grade/level.
	Student progress data is monitored and discussed between HOD and class teacher.
	Assessment data is collected via SIMs
	Assessments are regular, appropriate and used to inform teaching.
	Interventions are timely and support progress.
	Use of Venn diagram to support grouping, particularly for those students who are expected to gain 5 A* - C.
	Teaching groups are reviewed half-termly
Students acquire knowledge quickly. Students are secure in their K & U in different subjects. Learning is good in all groups of pupils, including SEN and PP.	Students' work is moderated regularly.
	Refine tracking and Impact of PP
	Evaluate Curriculum
	SOW are appropriate, challenging and differentiated with clear student outcomes.
	Lessons are linked to the SOW and build on students' prior knowledge and understanding.
	Assessment for learning is used effectively to support learning.

**THE STANWAY FEDERATION ACADEMY TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

	Exercise books are an accurate and neat record of students' work.
	Assessment feedback tells students what they need to do to improve.
	Following feedback students are provided with opportunities to amend their work.
Students develop and apply a wide range of skills well, inc RWCM. Students are well prepared for the next stage in their education. Pupils read widely and often.	<p>Communication Working Party launched</p> <p>Focus at dept. meetings.</p> <p>Raise engagement for reading through ICT</p> <p>Reading Ages monitored and used in planning appropriate lessons.</p> <p>Develop a consistent approach to supporting students' literacy skills. E.g. writing frames, modelling writing etc.</p> <p>Tutor time is used in Y7 &amp; 8 to support reading.</p> <p>Year 10 reading mentor programme launched</p>
Performance 'will exceed' floor targets and improve faster than nationally and close the gap. Standards for the large majority of groups are at least in line with NAs for all students.	As above.
<b>Priority 2: Only 'good' is good enough</b>	
<b>Quality of Teaching is at least good with some outstanding</b>	
Teaching is mainly good, with examples of outstanding.	<p>CPD to develop P &amp; P</p> <p>Coaching (launch 3 to 2 programme)</p> <p>Learning walks established and opened out to staff to participate.</p>
Students achieve well over time and well across the curriculum.	<p>Learning and Teaching blog launched</p> <p>Coaching 2: 1 programme</p> <p>Meetings should include P &amp; P INSET.</p>
Students are motivated to participate.	<p>Support from the LA, including AST and Consultants.</p> <p>Share cross-federation expertise.</p> <p>Students are recognised for their hard work and success.</p>
Teachers' planning is effective; tasks are challenging; match most students' needs; enthuse and motivate.	<p>Lessons are driven by differentiated learning outcomes which are shared with students.</p> <p>Lesson planning will match students' abilities, interests and aptitudes.</p>
Interventions are sharply focused and timely, matching individual needs accurately. This includes most and least able.	<p>Lesson planning will target underachievement through focused interventions. (English and Maths)</p> <p>Provide opportunities for staff to joint-plan lesson (s) and discuss subject specific pedagogy and practice.</p>
Teachers plan lessons which deepen knowledge.	<p>Additional interventions, such as 1:1</p> <p>Coaching</p> <p>Additional CPD, as appropriate.</p>
Teaching of reading is very effective and is taught consistently across the curriculum.	Reading ages of KS3 teachers are known by all members of staff.

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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

	Lesson planning is informed by students' reading ages and includes DART strategies.
	Reading is given a high profile around the school, for example: Get Caught Reading, Reading Café and other interventions.
	Reading is promoted and celebrated still further, for example assemblies and AR programme.
	As above (See RWCM section.)
Accurate assessment of prior skills, K & U. Progress assessed regularly and accurately. Assessments are discussed with students so that they know how well they have done and what to improve. Teachers listen astutely to students, observe careful and question skilfully...to reshape tasks to improve learning.  Marking is high quality.	Teachers use a wide range of questioning skills to ascertain students' understanding and reshape task accordingly.  Staff mark regularly in accordance with school policy. Develop practice including formative dialogue through www/ebi and language of levels.  Students act on feedback and advice at least every half term.
	Assessment Milestones are embedded in Schemes of Work.
	Teachers use assessment information effectively to plan activities that provide appropriate levels of challenge in line with student's individual starting points.
	Assessments are moderated regularly and changed, if necessary.
Appropriate homework is set and contributes reasonably well to learning.	Homework timetable is in place. Homework is marked through peer, self or teacher assessment. Homework is monitored by the HOD on a half-termly basis.
<b>Priority 3: Every Leader Demonstrating Success.</b> <b>Leaders play a significant role in ensuring positive attitudes and good achievement.</b>	
Achievement has improved (or good performance has been consolidated).	Collect Data through SIMs, up-skill leadership at all levels re: Using 'Data to Make a Difference.' Monitor and track departmental A* - C and 3 levels progress at regular intervals against whole-school target group (s).  Moderate and standardise assessment to ensure that it is reliable and robust.  Use assessment data in order to monitor and track pupils' performance, and if necessary, plan appropriate interventions in order to promote good progress and outcomes.  Ensure that there is an allied expectation that staff modify their teaching in light of pupil performance data.

**THE STANWAY FEDERATION ACADEMY TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

<p>Leaders 'demonstrably work' to improve teaching, enthusing staff and channelling efforts to good effect.</p> <p>Teaching is Good or improving strongly through effective PM.</p> <p>Pupils' progress is not held back by inability to read accurately and fluently.</p>	Pedagogy and Practice foci in all meetings is linked to DIP and impact is assessed.
	Support from LA, AST, NEEEP, Cross-Federation is linked to outcomes
	Joint Planning & Coaching
	Timely and appropriate interventions which secure positive outcomes and help those students who have fallen behind.
	Challenging PM linked closely to school priorities and new teaching standards.
	Consistent approach to supporting students' RWCM, particularly reading.
<p>The curriculum provides a broad range of 'well-organised, imaginative and effective' opportunities for all.</p> <p>Has a positive impact on behaviour, safety, achievement, SEN and SMSC.</p>	Launch Step Up course
	Monitor impact of alternative provision on achievement, attendance and behaviour.
	Evaluate current curriculum in light of changes to BTECs and other non-GCSE subjects.
	Ensure curriculum bids are matched to SIP and DIP and assessed for impact.
	Launch Thematic Reviews
	English GCSE provision is appropriate and meets needs and interests.
<p>Accurate, robust S-E leads to planned, concerted actions which are effective.</p>	Launch new SEF, SIP, Departmental SEF and DIP.
	Refine Line Management Meetings
	Collect Data through SIMs, up-skill leadership at all levels re: Using 'Data to Make a Difference.'
	Assessment data used to inform lesson planning in short and medium term.
<p>Governors systematically challenge SLT. Quality of teaching and achievement has improved.</p> <p><b>Priority 4: Every Child Belongs and Valued</b> <b>There is a positive climate for learning because 'deliberate and effective' action is taken to create a cohesive learning community by promoting SMSC.</b></p>	Present thematic reviews and progress report at Curriculum & Welfare Meetings.
<p>Pupils to be curious about the world around them. They embrace new experiences which broaden their understanding.</p>	Launch Peer Mentoring Scheme
	Launch Health Ambassadors
	Raise profile and increase responsibilities undertaken by Prefects.
	Develop links with Rotarians
	School Council to contribute still further decision-making
	Be the Best that You Can Be! Olympics scheme for Year 8
	Tree Council Scheme with Step Up students
STEM Club	
<p>Engage well with those from different backgrounds. Strong sense of the values common to different groups.</p>	Camp International Scheme
	Peer Mentoring Scheme, Prefects, Reading Mentors etc.

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**THE STANWAY FEDERATION ACADEMY TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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School has a coherent strategy to develop SMSC, demonstrated through a wide range of opportunities.  Impact is evident in teaching and in most students' attitudes.	Audit & Evaluate SMSC provision
	Develop a Coherent strategy for SMSC
	Analyse impact of SMSC on teaching and students' attitude.

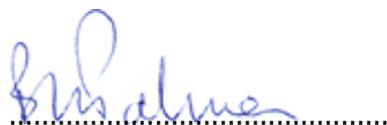
Auditor

In so far as the governors are aware:

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

The auditors, Griffin Chapman, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the members of the Governing Body on 19th November 2012 and signed on its behalf by:



**Brian Palmer**  
[Chair]

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**THE STANWAY FEDERATION ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The governing body has delegated the day-to-day responsibility to the Executive Headteacher, 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 Stanway Federation Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

Attendance during the period at meetings of the governing body in the period was as follows:

<b>Governor</b>	<b>Meetings attended out of a possible 3</b>
Brian Palmer (Chair)	3
Andrew Davenall (Vice Chair)	3
David Kay	3
Julian Lamb	3
Barbara Williamson	3
Carol Binmore	3
Valerie Endean	3
Richard Bourne (resigned 19/06/12)	0 (out of 2)
John Knight	2
Valerie Pratt	3
John Spademan (Responsible Officer)	3
Barry Wild	3
Jonathan Tippett, Executive Headteacher (Accounting Officer)	3
David Harris	0
David Boggis	1
Sarah Cosham	2
John Heffer	3
Helen Marr	2
Nicholas Evans	3
Philip Houghton (resigned 21/05/12)	0 (out of 1)
Helen Bayliss	0
Carol-Ann Frogley	3

The Governing Body has 4 sub-committees:

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**GOVERNANCE STATEMENT (continued)**

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Curriculum & Welfare Committee

The committee has delegated powers to consider and make decisions in respect of the monitoring and overseeing the curriculum, arrangements for students with SEN, G&T and any other target groups, admission arrangements, pastoral care, extra-curricular activities, catering and student welfare. Attendance at meetings in the period was as follows:

<b>Governor</b>	<b>Meetings attended out of a possible 2</b>
Andrew Davenall (Chair)	2
Helen Bayliss	1
David Boggis	1
Sarah Cosham	2
Valerie Endean	2
David Kay	2
Helen Marr	2
Valerie Pratt	2
Jonathan Tippett	2

Finance Committee

The committee has delegated powers to consider and make decisions in respect of the academies' budgets, private fund, financial strategy and policy and the supervision and control of financial procedures, accounts, income and expenditure. Attendance at meetings in the period was as follows:

<b>Governor</b>	<b>Meetings attended out of a possible 5</b>
David Kay (Chair)	5
David Boggis	3
Valerie Endean	5
John Heffer	4
Brian Palmer	5
Valerie Pratt	4
Jonathan Tippett (Accounting Officer)	4

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**GOVERNANCE STATEMENT (continued)**

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Personnel Committee

The Committee has delegated powers to consider and make decisions in respect of reviewing and approving staffing structure, overseeing all personnel-related policies, acting as Staff and Staff Pay/Dismissal Committees, appointing performance management advisor for headteacher and overseeing arrangements of performance management of all other staff. It has delegated to the Headteacher responsibility for the appointment and dismissal of staff below the senior management teams. It assists in the administration of the staffing requirements for the academies both in the teaching and support areas and makes recommendations to the Finance Committee on staffing needs to meet the requirements of the curriculum. Attendance at meetings in the period was as follows:

<b>Governor</b>	<b>Meetings attended out of a possible 2</b>
Barbara Williamson (Chair)	2
Carol Binmore	2
Andrew Davenall	2
Valerie Endean	1
Valerie Pratt	2
John Spademan	2
Jonathan Tippett	1

Premises Committee

The committee has delegated powers to consider and make decisions in respect of advising and authorising the provision of resources and services, reviewing the condition of the academies' buildings, producing a rolling maintenance programme and monitoring health and safety. Attendance at meetings in the period was as follows:

<b>Governor</b>	<b>Meetings attended out of a possible 3</b>
Julian Lamb (Chair)	3
David Boggis	3
Valerie Endean	2
Carol-Ann Frogley	3
David Harris	2
John Heffer	3
Valerie Pratt	3
Helen Marr	3
Barry Wild	3

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

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

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**GOVERNANCE STATEMENT (continued)**

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**CAPACITY TO HANDLE RISK**

The governing body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 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 and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed John Spademan, a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

**REVIEW OF EFFECTIVENESS**

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

- the Board;
- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self assessment process;

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

To address the need for an Audit Committee the Finance Committee is currently reviewing their Terms of Reference to incorporate the audit function and will subsequently be named the Finance and Audit Committee. Approved by order of the members of the governing body on 19 November 2012 and signed on their behalf, by:



**Brian Palmer**  
**[Chair]**



**Jonathan Tippett**  
**[Accounting officer]**

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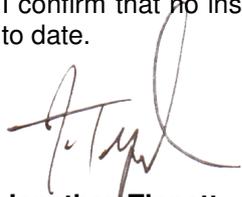
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting officer of The Stanway Federation Academy Trust I have considered my responsibility to notify the academy 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 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 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'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.



**Jonathan Tippett**  
**[Accounting officer]**

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**THE STANWAY FEDERATION ACADEMY TRUST**  
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**GOVERNORS' RESPONSIBILITIES STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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The Governors (who act as trustees for charitable activities of The Stanway Federation Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the governing body on 10 December 2012 and signed on its behalf by:



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**B M Palmer**  
**[Chair]**

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**THE STANWAY FEDERATION ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE STANWAY FEDERATION ACADEMY TRUST**

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We have audited the financial statements of The Stanway Federation Academy Trust for the period ended 31 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, 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 opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS**

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Governors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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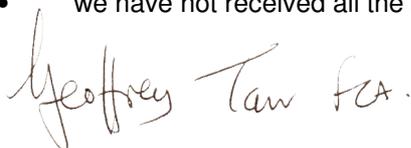
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE STANWAY FEDERATION ACADEMY TRUST**

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



Mr G H Tarr (Senior statutory auditor)

for and on behalf of

**Griffin Chapman**

Chartered Accountants  
Registered Auditors

4 & 5 The Cedars  
Apex 12  
Old Ipswich Road  
Colchester  
Essex  
CO7 7QR  
Date: 21 December 2012

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**THE STANWAY FEDERATION ACADEMY TRUST**  
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE  
STANWAY FEDERATION ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 31 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Stanway Federation Academy Trust during the period 1 March 2012 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 Stanway Federation Academy 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 Stanway Federation Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Stanway Federation Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE STANWAY FEDERATION ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting officer is responsible, under the requirements of The Stanway Federation Academy Trust's funding agreement with the Secretary of State for Education dated 1 March 2012, and the Academies Financial Handbook as published by DfES in 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 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 March 2012 to 31 August 2012 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 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken comprised:

- a) Obtaining a sufficient understanding of the framework of authorities which apply to the academy.
- b) Understanding the system of internal control to secure compliance with the framework for authorities.
- c) Considering the basis on which the Accounting Officer is able to make statements on regularity, propriety and compliance in the Financial Statements.
- d) Assessing the risk of material irregularity, impropriety and non-compliance.
- e) Designing and carrying out tests and drawing of conclusions from this work to provide assurance over

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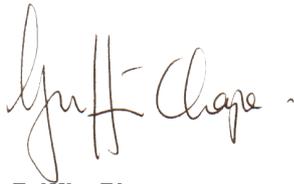
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE  
STANWAY FEDERATION ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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regularity, propriety and compliance.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 March 2012 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.



**Griffin Chapman**

Chartered Accountants

4 & 5 The Cedars  
Apex 12  
Old Ipswich Road  
Colchester  
Essex  
CO7 7QR

Date: 21 December 2012

**THE STANWAY FEDERATION ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account and statement of recognised gains and losses)  
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income - transfer from Local Authority on conversion	3	1,257,115	(2,714,000)	26,142,886	24,686,001
Other voluntary income	3	3,645	-	-	3,645
Activities for generating funds	4	79,504	522,779	-	602,283
Investment income	5	710	-	-	710
Incoming resources from charitable activities	6	-	5,150,121	34,022	5,184,143
<b>TOTAL INCOMING RESOURCES</b>		<b>1,340,974</b>	<b>2,958,900</b>	<b>26,176,908</b>	<b>30,476,782</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	11	32,330	5,308,018	330,953	5,671,301
Governance costs	7	-	15,155	-	15,155
<b>TOTAL RESOURCES EXPENDED</b>	10	<b>32,330</b>	<b>5,323,173</b>	<b>330,953</b>	<b>5,686,456</b>
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS</b>					
		<b>1,308,644</b>	<b>(2,364,273)</b>	<b>25,845,955</b>	<b>24,790,326</b>
Transfers between Funds	22	-	22,421	(22,421)	-
<b>NET INCOME FOR THE YEAR</b>		<b>1,308,644</b>	<b>(2,341,852)</b>	<b>25,823,534</b>	<b>24,790,326</b>
Actuarial gains and losses on defined benefit pension schemes	29	-	(186,000)	-	(186,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>1,308,644</b>	<b>(2,527,852)</b>	<b>25,823,534</b>	<b>24,604,326</b>
<i>Total funds at 20 December 2011</i>		-	-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2012</b>		<b>1,308,644</b>	<b>(2,527,852)</b>	<b>25,823,534</b>	<b>24,604,326</b>

All of the academy's activities derive from acquisitions in the current financial period.

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

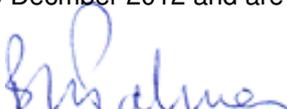
The notes on pages 29 to 50 form part of these financial statements.

**THE STANWAY FEDERATION ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07887953**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2012**

	Note	£	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	18		25,823,533
<b>CURRENT ASSETS</b>			
Stocks	19	25,135	
Debtors	20	525,461	
Cash at bank and in hand		2,021,556	
		<u>2,572,152</u>	
<b>CREDITORS:</b> amounts falling due within one year	21	<u>(806,359)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,765,793</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>27,589,326</u>
Defined benefit pension scheme liability	29		<u>(2,985,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>24,604,326</u></u>
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds:			
Restricted funds	22	457,148	
Restricted fixed asset funds	22	25,823,534	
Restricted funds excluding pension liability		26,280,682	
Pension reserve		<u>(2,985,000)</u>	
Total restricted funds			23,295,682
Unrestricted funds	22		<u>1,308,644</u>
<b>TOTAL FUNDS</b>			<u><u>24,604,326</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 10 December 2012 and are signed on their behalf, by:

  
 .....  
**Brian Palmer, Chair of Governors**

The notes on pages 29 to 50 form part of these financial statements.

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**THE STANWAY FEDERATION ACADEMY TRUST**  
(A company limited by guarantee)

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**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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	<b>Note</b>	<b>period ended 31 August 2012 £</b>
Net cash flow from operating activities	24	763,732
Returns on investments and servicing of finance	25	710
Cash transferred on conversion to an academy trust	27	1,257,114
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>2,021,556</b>

All of the cash flows are derived from acquisitions in the current financial period.

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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	<b>period ended 31 August 2012 £</b>
Increase in cash in the period	2,021,556
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>2,021,556</b>
<b>NET FUNDS AT 31 AUGUST 2012</b>	<b>2,021,556</b>

The notes on pages 29 to 50 form part of these financial statements.

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**THE STANWAY FEDERATION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**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 issued by the EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Company status**

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

**1.3 Fund accounting**

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

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

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**THE STANWAY FEDERATION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Incoming resources**

All incoming resources are included in the Statement of financial activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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

Sponsorship income provided to the academy 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.

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

**1.5 Resources expended**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

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**THE STANWAY FEDERATION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Going concern**

The governors assess whether the use of the 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.

**1.7 Tangible fixed assets and depreciation**

Assets costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and 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 academy's depreciation policy.

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

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

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

Freehold property	2% straight-line basis
Motor vehicles	20% straight-line basis
Fixtures and fittings & equipment	20% straight-line basis
ICT equipment	25% straight-line basis

**1.8 Operating leases**

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

**1.9 Stocks**

Stock consists of purchased goods for resale, such as school uniform and catering. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

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**THE STANWAY FEDERATION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**1. ACCOUNTING POLICIES (continued)**

**1.10 Taxation**

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

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**THE STANWAY FEDERATION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 Pensions**

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 benefit method. As stated in note 29, 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.

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 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.

**1.12 Conversion to an academy trust**

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

The assets and liabilities transferred on conversion from The Stanway School and Thomas Lord Audley School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors 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 academy. 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 27.

**THE STANWAY FEDERATION ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**2. GENERAL ANNUAL GRANT (GAG)**

**The Stanway School**

	2012 £
<b>Result and Carry Forward for the Year</b>	
GAG Allocation for current year	2,803,543
<b>Total GAG Available to spend</b>	2,803,543
Recurrent expenditure from GAG	(2,565,487)
<b>GAG Carried forward to next year</b>	238,056
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(336,425)
<b>GAG to surrender to DfE</b>	(98,369)
(12% rule breached if result is positive)	<b>No breach</b>

**Thomas Lord Audley School**

	2012 £
<b>Result and Carry Forward for the Year</b>	
GAG Allocation for current year	1,963,370
<b>Total GAG Available to spend</b>	1,963,370
Recurrent expenditure from GAG	(1,744,279)
<b>GAG Carried forward to next year</b>	219,091
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(235,604)
<b>GAG to surrender to DfE</b>	(16,513)
(12% rule breached if result is positive)	<b>No breach</b>

**THE STANWAY FEDERATION ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**3. VOLUNTARY INCOME**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Voluntary income - transfer from Local Authority on conversion	1,257,115	23,428,886	24,686,001
Donations	3,645	-	3,645
Voluntary income	<u>1,260,760</u>	<u>23,428,886</u>	<u>24,689,646</u>

**4. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Lettings income	48,413	-	48,413
Music services income	-	7,020	7,020
Trip income	-	45,630	45,630
Catering & uniform sales	19,431	102,106	121,537
Other income	11,660	368,023	379,683
	<u>79,504</u>	<u>522,779</u>	<u>602,283</u>

**5. INVESTMENT INCOME**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Investment income - local cash	710	-	710

**6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Educational operations	-	5,184,143	5,184,143

**THE STANWAY FEDERATION ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
<b>DfE/EFA revenue grant</b>			
General Annual Grant (GAG)	-	4,832,339	4,832,339
Other DfE grants	-	317,782	317,782
	<u>-</u>	<u>5,150,121</u>	<u>5,150,121</u>
<b>Capital grants</b>			
Capital grants	-	34,022	34,022
	<u>-</u>	<u>34,022</u>	<u>34,022</u>
<b>Other funding</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>5,184,143</u>	<u>5,184,143</u>

**7. GOVERNANCE COSTS**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Governance Auditors' remuneration	-	15,155	15,155
	<u>-</u>	<u>15,155</u>	<u>15,155</u>

**THE STANWAY FEDERATION ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**8. DIRECT COSTS**

	Educational operations £	Total 2012 £
Education supplies	195,458	195,458
Examination fees	88,518	88,518
Educational consultancy	2,502	2,502
Other direct costs	85,916	85,916
ICT	15,295	15,295
Depreciation	330,952	330,952
Wages and salaries	2,774,162	2,774,162
National insurance	210,520	210,520
Pension cost	327,266	327,266
	<u>4,030,589</u>	<u>4,030,589</u>

**9. SUPPORT COSTS**

	Educational operations £	Total 2012 £
Pension income/cost (note 17)	59,000	59,000
Maintenance of premises and equipment	215,536	215,536
Cleaning	111,059	111,059
Security and transport	4,583	4,583
Catering	79,814	79,814
ICT	104,990	104,990
Utilities	164,073	164,073
Other support costs	158,449	158,449
Wages and salaries	556,684	556,684
National insurance	19,365	19,365
Pension cost	167,159	167,159
	<u>1,640,712</u>	<u>1,640,712</u>

**10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2012 £	Other costs 2012 £	Total 2012 £
Educational operations	4,055,156	1,616,145	5,671,301
Governance	-	15,155	15,155
	<u>4,055,156</u>	<u>1,631,300</u>	<u>5,686,456</u>

**THE STANWAY FEDERATION ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2012 £	Support costs 2012 £	Total 2012 £
Educational operations	<u>4,030,589</u>	<u>1,640,712</u>	<u>5,671,301</u>

**12. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging:

	period ended 31 August 2012 £
Depreciation of tangible fixed assets: - owned by the charity	<u>330,952</u>

During the period, no Governors received any benefits in kind.  
During the period, no Governors received any reimbursement of expenses.

**13. AUDITORS' REMUNERATION**

	period ended 31 August 2012 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	8,250
Audit-related assurance services	1,500
Internal audit services	920
All other non-audit services not included above	<u>3,885</u>
	period ended 31 August 2012 £
Fees payable to the academy's auditor and its associates in connection with the academy's pension schemes in respect of: The auditing of accounts of the schemes	<u>600</u>

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**THE STANWAY FEDERATION ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**14. STAFF COSTS**

Staff costs were as follows:

	<b>period ended 31 August 2012 £</b>
Wages and salaries	3,330,846
Social security costs	229,885
Other pension costs (Note 29)	494,425
	<hr/> <b>4,055,156</b> <hr/> <hr/>

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

	<b>period ended 31 August 2012 No.</b>
Teachers	98
Premises, administrative and support staff costs	91
Leadership team	20
	<hr/> <b>209</b> <hr/> <hr/>

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

	<b>period ended 31 August 2012 No.</b>
In the band £60,001 - £70,000	3
In the band £140,001 - £150,000	1
	<hr/> <b>4</b> <hr/> <hr/>

The employees above participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these members of staff amounted to £24,214.

**15. GOVERNORS' REMUNERATION**

During the period retirement benefits were accruing to 5 Governors in respect of defined benefit pension schemes.

**THE STANWAY FEDERATION ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration was £126,678 for the period.

**16. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1,371.

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

**17. OTHER FINANCE INCOME/COST**

	<b>period ended 31 August 2012 £</b>
Expected return on pension scheme assets	16,000
Interest on pension scheme liabilities	(75,000)
	(59,000)
	(59,000)

**18. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Office equipment £	Computer equipment £
<b>Cost</b>				
At 20 December 2011	-	-	-	-
Additions	-	-	11,600	-
Transfer on conversion	25,943,732	26,300	37,735	135,119
	25,943,732	26,300	49,335	135,119
At 31 August 2012	25,943,732	26,300	49,335	135,119
<b>Depreciation</b>				
At 20 December 2011	-	-	-	-
Charge for the period	280,430	4,819	5,716	39,988
	280,430	4,819	5,716	39,988
At 31 August 2012	280,430	4,819	5,716	39,988

**THE STANWAY FEDERATION ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**18. TANGIBLE FIXED ASSETS (continued)**

<b>Net book value</b>				
At 31 August 2012	<u>25,663,302</u>	<u>21,481</u>	<u>43,619</u>	<u>95,131</u>
				<b>Total</b>
				<b>£</b>
<b>Cost</b>				
At 20 December 2011				-
Additions				11,600
Transfer on conversion				<u>26,142,886</u>
At 31 August 2012				<u>26,154,486</u>
<b>Depreciation</b>				
At 20 December 2011				-
Charge for the period				<u>330,953</u>
At 31 August 2012				<u>330,953</u>
<b>Net book value</b>				
At 31 August 2012				<u>25,823,533</u>

The governors have based their valuation of the buildings on the insurance value of the premises, discounted to take account of the age of the building at the time of transfer. For the purposes of these financial statements the land is deemed to have no commercial value.

**19. STOCKS**

	<b>2012</b>
	<b>£</b>
Goods for resale and consumables	<u>25,135</u>

**20. DEBTORS**

	<b>2012</b>
	<b>£</b>
Trade debtors	146,800
Other debtors	217,512
Prepayments and accrued income	161,149
	<u>525,461</u>

**THE STANWAY FEDERATION ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**21. CREDITORS:**  
**Amounts falling due within one year**

	2012 £
Trade creditors	251,422
Other creditors	367,060
Accruals and deferred income	187,877
	806,359

**22. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds - all funds	-	1,340,974	(32,330)	-	-	1,308,644
<b>Restricted funds</b>						
Restricted Funds - all funds	-	5,672,900	(5,238,173)	22,421	-	457,148
Pension reserve	-	(2,714,000)	(85,000)	-	(186,000)	(2,985,000)
	-	2,958,900	(5,323,173)	22,421	(186,000)	(2,527,852)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	-	26,176,908	(330,953)	(22,421)	-	25,823,534
Total restricted funds	-	29,135,808	(5,654,126)	-	(186,000)	23,295,682
Total of funds	-	30,476,782	(5,686,456)	-	(186,000)	24,604,326

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**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	1,340,974	(32,330)	-	-	1,308,644
Restricted funds	-	2,958,900	(5,323,173)	22,421	(186,000)	(2,527,852)
Restricted fixed asset funds	-	26,176,908	(330,953)	(22,421)	-	25,823,534
	<u>-</u>	<u>30,476,782</u>	<u>(5,686,456)</u>	<u>-</u>	<u>(186,000)</u>	<u>24,604,326</u>

**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
Tangible fixed assets	-	-	25,823,534	25,823,534
Current assets	1,308,644	1,263,508	-	2,572,152
Creditors due within one year	-	(806,360)	-	(806,360)
Provisions for liabilities and charges	-	(2,985,000)	-	(2,985,000)
	<u>1,308,644</u>	<u>(2,527,852)</u>	<u>25,823,534</u>	<u>24,604,326</u>

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**24. NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>Continuing</b>	<b>Discontinued</b>	<b>period ended</b>
	<b>£</b>	<b>£</b>	<b>31 August</b>
			<b>2012</b>
			<b>Total</b>
			<b>£</b>
Net incoming resources before revaluations	24,790,326	-	24,790,326
Returns on investments and servicing of finance	(710)	-	(710)
Transfer from Local Authority and private funds on conversion	(27,400,001)	-	(27,400,001)
Inherited pension scheme deficit	2,714,000	-	2,714,000
Depreciation of tangible fixed assets	330,953	-	330,953
Capital grants from DfE	(34,022)	-	(34,022)
Increase in stocks	(25,135)	-	(25,135)
Increase in debtors	(525,461)	-	(525,461)
Increase in creditors	806,360	-	806,360
Capital grant transferred to revenue	22,422	-	22,422
FRS 17 pension cost less contributions paid	26,000	-	26,000
FRS 17 pension finance cost	59,000	-	59,000
<b>Net cash inflow from operations</b>			<b>763,732</b>

**25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

		<b>period ended</b>
		<b>31 August</b>
		<b>2012</b>
		<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received		710
		<b>710</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets		(11,600)
Capital grants from DfE		11,600
<b>Net cash inflow capital expenditure</b>		<b>-</b>

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**26. ANALYSIS OF CHANGES IN NET DEBT**

	20 December 2011 £	Cash flow £	Other non-cash changes £	31 August 2012 £
Cash at bank and in hand:	-	2,021,556	-	2,021,556
<b>Net funds</b>	<b>-</b>	<b>2,021,556</b>	<b>-</b>	<b>2,021,556</b>

**27. CONVERSION TO AN ACADEMY TRUST**

On 1 March 2012 The Stanway School and Thomas Lord Audley School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Stanway Federation Academy Trust from Essex County Council 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 in the Statement of financial activities as voluntary income.

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	-	-	25,943,732	25,943,732
- Other tangible fixed assets	-	-	199,154	199,154
Budget surplus/(deficit) on LA funds	1,144,112	-	-	1,144,112
Budget surplus/(deficit) on other school funds	113,003	-	-	113,003
LGPS pension surplus/(deficit)	-	(2,714,000)	-	(2,714,000)
<b>Net assets/(liabilities)</b>	<b>1,257,115</b>	<b>(2,714,000)</b>	<b>26,142,886</b>	<b>24,686,001</b>

**28. CAPITAL COMMITMENTS**

At 31 August 2012 the academy had capital commitments as follows:

	2012 £
Contracted for but not provided in these financial statements	245,250

**29. PENSION COMMITMENTS**

The academies's employees belong to two principal pension schemes: the Teacher's Pension Scheme for

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**29. PENSION COMMITMENTS (continued)**

England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex 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 March 2010.

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions 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 (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ('SCR') is 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 investigation, 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 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, 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

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**29. PENSION COMMITMENTS (continued)**

6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

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

**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 period ended 31 August 2012 was £183,000, of which employer's contributions totalled £141,000. The agreed contribution rate for future years are 12.3% for employers and 5.5% - 7.5% for employees.

As described in note 27 the LGPS obligation relates to the employees of the academies, who were the employees transferred as part of the conversion from the maintained schools and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academies at the balance sheet date.

The amounts recognised in the Balance Sheet are as follows:

	<b>period ended 31 August 2012 £</b>
Present value of funded obligations	<b>(3,642,159)</b>
Fair value of scheme assets	<b>657,159</b>
	<hr/>
Net liability	<b>(2,985,000)</b>
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**29. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities are as follows:

	<b>period ended 31 August 2012 £</b>
Current service cost	(167,159)
Interest on obligation	(75,000)
Expected return on scheme assets	16,000
	(226,159)
Total	(226,159)

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

	<b>period ended 31 August 2012 £</b>
Current service cost	167,159
Interest cost	75,000
Contributions by scheme participants	42,000
Actuarial Losses	190,000
Opening defined benefit obligation	3,168,000
	3,642,159
Closing defined benefit obligation	3,642,159

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

	<b>period ended 31 August 2012 £</b>
Expected return on assets	16,000
Actuarial gains and (losses)	4,000
Contributions by employer	141,160
Contributions by employees	42,000
Opening fair value of scheme assets	453,999
	657,159
	657,159

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £190,000.

The academies expects to contribute £286,000 to its Defined benefit pension scheme in 2013.

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**29. PENSION COMMITMENTS (continued)**

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

	<b>2012</b>
Equities	<b>68.00 %</b>
Gilts	<b>6.00 %</b>
Other bonds	<b>9.00 %</b>
Property	<b>13.00 %</b>
Cash	<b>4.00 %</b>

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

	<b>2012</b>
Discount rate for scheme liabilities	<b>3.90 %</b>
Expected return on scheme assets at 31 August	<b>5.20 %</b>
Rate of increase in salaries	<b>3.70 %</b>
Rate of increase for pensions in payment / inflation	<b>1.90 %</b>
Proportion of employees opting for early retirement	<b>1.90 %</b>

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

	<b>2012</b>
Retiring today	
Males	<b>22.7</b>
Females	<b>25.3</b>
Retiring in 20 years	
Males	<b>24.1</b>
Females	<b>26.8</b>

Amounts for the current period are as follows:

Defined benefit pension schemes

	<b>2012</b>
	<b>£</b>
Defined benefit obligation	<b>(3,642,159)</b>
Scheme assets	<b>657,159</b>
Deficit	<b>(2,985,000)</b>
Experience adjustments on scheme assets	<b>4,000</b>

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**30. OPERATING LEASE COMMITMENTS**

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

	<b>Land and buildings 2012 £</b>	<b>Other 2012 £</b>
<b>Expiry date:</b>		
Within 1 year	-	<b>3,091</b>
Between 2 and 5 years	-	<b>811</b>
After more than 5 years	-	<b>936</b>
	<u>          </u>	<u>          </u>

**31. RELATED PARTY TRANSACTIONS**

The Stanway Federation is a member of The North East Essex Education Partnership (NEEEP) together with five other academies. NEEEP is a company incorporated in England and Wales limited by guarantee. During the period The Stanway Federation paid £11,150 into the company on account of educational services provided.

During the period The Stanway Federation recharged teaching and support staff salaries of £290,797 to Alderman Blaxill School, of which Jonathan Tippett is Executive Headteacher. This is included in the financial statements as other income.

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 arise involving such 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.