

REGISTERED COMPANY NUMBER: 07698729

Report of the Governors and
Financial Statements for the Year Ended 31 August 2017
for
Sexey's School

Moore Stephens
Chartered Accountants and Statutory Auditor
30 Gay Street
Bath
BA1 2PA

Sexey's School

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for the Year Ended 31 August 2017

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Sexey's School

Reference and Administrative Details
for the Year Ended 31 August 2017

MEMBERS

J Gasson-Hargreaves
S Bennett
M C Edgar
P Andrews
C Straker-Nesbit
P Mensah (appointed 15.12.16)
J Whittaker (appointed 15.12.16)
R Currie (appointed 15.9.16)
M Dennis (appointed 15.12.16)
K Stewart (resigned 14.12.16)
J L Wilson
J M Bailey
P M W Kelham (resigned 31.8.17)
A M Groskop
M F Bowman
E M Miller
I H Latif
L J Metherell (resigned 11.9.16)

GOVERNORS

I H Latif (Headmaster)
J M Bailey (Priest)
P M W Kelham (Retired) (resigned 31.8.17)
J L Wilson (Civil Servant Manager)
K Stewart (Teacher) (resigned 14.12.16)
L J Metherell (Finance Officer) (resigned 11.9.16)
A M Groskop (Councillor)
P Andrews
M F Bowman
M C Edgar
E M Miller
J Gasson-Hargreaves
S Bennett
C Straker-Nesbit
R Currie (appointed 15.9.16)
M Dennis (appointed 15.12.16)
P Mensah (appointed 15.12.16)
J Whittaker (appointed 15.12.16)

COMPANY SECRETARY

H Rogerson

Sexey's School

Reference and Administrative Details
for the Year Ended 31 August 2017

SENIOR MANAGEMENT TEAM	L Nixon D Bull P G Clackson I H Latif (Headteacher) P R Todd B Stubbs
REGISTERED OFFICE	Cole Road Bruton Somerset BA10 0DF
REGISTERED COMPANY NUMBER	07698729
AUDITORS	Moore Stephens Chartered Accountants and Statutory Auditor 30 Gay Street Bath BA1 2PA
SOLICITORS	Stone King 13 Queen Square Bath BA1 2HJ
BANKERS	Lloyds TSB Lloyds Bank High street Gillingham Dorset SP8 4AQ

Sexey's School

Report of the Governors for the Year Ended 31 August 2017

The governors who are also directors of the academy for the purposes of the Companies Act 2006, present their report with the financial statements of the academy for the year ended 31 August 2017. The governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18, serving a catchment area in Bruton for day pupils. Boarding students are attracted locally, nationally and internationally. It currently has a pupil capacity of 602 and had a roll of 593 in the school census on 5th October 2017.

OBJECTIVES AND ACTIVITIES

Objectives and aims

- To provide a holistic, all-round education to the students at Sexey's School by following a broad and balanced curriculum
- To provide a safe, secure and settled environment for boarding students at Sexey's School which promotes well-being and confidence to enable them to embrace and understand the education they receive

OBJECTIVES AND ACTIVITIES

Significant activities

The School Development Plan for the academic year 2016-17 highlighted four main areas of school improvement:

1. To improve student progress across the School

- Data-embed the use of Service for Improved Schools' Results Analysis (SISRA) by sixth form tutors in academic monitoring
- Embed the use of SISRA for a more regular (monthly) systematic review of department performance at AS and A level through Line Management meetings with Deputy Head
- Review the success of intervention strategies for underperforming students
- Use Senior Leadership Team (SLT) to highlight and mentor focus group students
- Develop the role of sixth form tutors in academic monitoring
- Staff development and training opportunities to facilitate the introduction of new A-level curriculum (over three years).
- Increased allocation of time for regular department planning time to review and reflect on the progress of the students and the new course and to put in place strategies for continued improvement.
- Faculty reviews - student voice and work scrutiny, lesson observations, to identify strengths and weaknesses and put action plans in place.
- Introduce personalised learning checks for all A-level subjects
- Establish a system to replace levels (Life After Levels)
- The DfE changes in the curriculum and its assessment at KS3, KS4 and in the Sixth Form will be successfully introduced while maintaining excellence in student outcomes against the new accountability measures such as Progress 8 and Attainment 8
- Students will achieve Fisher Family Trust (FFT) Aspire '20' standard or better outcomes (progress and attainment) at age 16 in 2016 examinations
- At least 60% of examination results at A level will be A*-B or higher outcomes and viability of post-16 courses ensured

2. Improvement of Leadership and Vision at all levels

- Review the recently introduced structures of senior and middle leadership need to be monitored by SLT to deliver the changes to curriculum, student progress and results
- Increase numbers across school in boarding and day
- Four form entry in Years 7 and 8 and overall student numbers generally
- The development of a 5 year building and accommodation plan that both demonstrates how up to 600 students will live and work in the school and be ready to provide Academies Capital Maintenance Fund (ACMF) bids as necessary
- Continuous development of the Christian ethos of the school with the introduction of A-level Theology & Philosophy in September 2016 and the appointment of a School Chaplain
- Research the possibilities of partnership with other primary and secondary schools locally to develop a wider educational community, which enhances learning in the locality. This will include exploring the development of an age 5-18 Multi-Academy Trust (MAT) with local primary schools, potential partnerships, hard or soft federations with other secondary schools; potential boarding places for Years 5 and 6 from service families consequent upon the Ministry of Defence's (MoD's) investigation of state boarding in early school years
- Introduction of School Development Groups to focus on key areas for development at the school. Chance for colleagues to develop leadership skills and contribute to whole school leadership
- Improve Sexey's relative and absolute performance in terms of attendance throughout the school
- Ensure recruitment package is as attractive as possible for new colleagues

OBJECTIVES AND ACTIVITIES

Significant activities

- Greater focus on Pupil Premium students across the school and the need to ensure the 'gap' between students is as small as possible
- Greater involvement in Challenge Partners work. Four colleagues to undertake reviews and involvement in the development of the Somerset Hub
- Middle leader Consistency - faculty reviews will support this.
- School Council Chairman to attend SLT and Governors meetings half termly to voice student suggestions.
- Review the Pastoral support structure in school with an emphasis on a student-centred approach, resolving incidents more quickly and student well-being. Implement Sept 2016.
- Raise the profile of Gifted & Talented (G&T) activities within the school and wider community.

3. Improvement in the development of learning at the school.

- Focus on the development of excellent lesson planning across the school - need for clear aims, objectives and rationale to lessons and programmes of study
- Introduction of Faculty Learning Briefings (FLBs). Part of distribution of leadership in the development of learning.
- Greater, but less bureaucratic and 'high stakes' observation and development of learning. No use of lesson grades on observations. Increased SLT focus on observing learning around the school - Learning Walks.
- Curriculum to be reviewed to ensure it is as effective as possible from 2017 with a particular focus on Modern Foreign Languages (MFL).
- Teaching, Learning and Assessment to be standing agenda items in line management meetings, faculty meetings and fortnightly in SLT meetings.
- Greater monitoring of effective use of homework throughout the school. Ensure the best practice is present across the school.
- Ensure greater consistency in the development of student reflection on feedback through green pen comments and other assessment activities.
- Greater opportunities for students to develop learning in the school. Establishment of student groups to discuss the effectiveness of learning in the school and have a greater input into school improvement.
- Deepen involvement of colleagues in Challenge Partners activities e.g. more reviewers to carry on reviews, development of Somerset Hub.
- Development of new school approach to Key Stage 3 assessment.
- Develop of new schemes of learning for GCSE and A Level courses. Choice of new specifications. Ensure provision is the strongest possible
- Introduction of sharper and more effective provision of Personal, Social and Health Education (PSHE). Improved mapping of Spiritual, Moral, Social and Cultural development (SMSC) aspects of education across Sexey's
- Introduction of year group assemblies covering PSHE topics, boost student aspirations and increase student cohesion
- Development of discrete and cohesive Year 11 Aspirations activities including GCSE General Studies.
- Discrete Philosophy courses to be extended across Key Stage 3.
- Ensure provision and outcomes are as strong, and even more importantly consistent, across departments / faculties with particular focus on Science, MFL and ICT.
- Ensure GCSE Science controlled assessment marks are raised.
- Refine school Teaching and Learning Policy to more accurately outline where the school is and how it will improve.
- Audit, develop and evaluate Gifted and Talented provision across the whole school. Ensure policy, register, pedagogical approaches and activities are sharpened.

OBJECTIVES AND ACTIVITIES

Significant activities

- Improve Homework completion using year group assemblies and PSHE to emphasize its importance and supporting students with a poor record of completion.

4. Improving Student and Staff Wellbeing

- Increase range of positive reinforcement to encourage student / teacher excellence.
- Relaunch a buddy system for new staff.
- Raise the profile of Care First for all staff.
- Develop an annual calendar to help colleagues with organisation and planning.
 - Plan and deliver a programme of presentations to all year groups on safety and well-being, including e-safety, substance abuse (including alcohol), emotional well-being, managing stress and radicalisation through Tutor groups and Year group assemblies
- Provide training for key personnel in the sixth form working with students with emotional and stress issues.
- Review the leadership opportunities provided by the prefect system to raise the profile of school leaders in the community.
- Improve student support by use of Common Assessment Frameworks and the recording and monitoring of Pastoral Interventions on SIMS.
- Review the Behaviour Policy to remove inconsistencies and increase the emphasis on Restorative Justice to resolve conflict, reducing the need for punitive measures
- School focus on reducing the use of abusive language, in particular Homophobic, Racist and Disablist language
- Establish a support group to increase confidence and resilience of students and provide opportunities for student voice.
- Review PSHE programmes.

Public benefit

The academy trust governors have due regard to the Charity Commission guidance on public benefit in deciding what activities the academy should undertake. The school continues to work closely with the local community by engaging with various bodies and providing numerous opportunities for collaboration.

Partnerships with schools and charities in Zambia and China, the British Council, the Confucius Centre in Southampton, the Diocese of Bath and Wells, Macmillan Cancer Support (the school's official charity partner), Boarding for Barnado's, Cancer Research, Sexey's Hospital, the Boarding School's Association, St Mary's, Bruton, Hauser & Wirth, At the Chapel, Kilver Court, Sharpham Park, Taste, Godminster Cheese, Barbers' Cheese, Wyke Farms, Bruton Vets, Candle Conferences, Youth Cinema Foundation, Tower Learning Community, Western Gazette, What's On Somerset, Bath Literature Festival, Wells Literature Festival, The Royal Shakespeare Company, Bruton Utd FC, North Dorset RFC, Bath Rugby Club, Somerset CCC, National Schools' Equestrian Association, Bruton Hockey Club, Bruton Swimmers, Upton Noble Primary School, Bruton Primary School, King's School, Bruton, Bruton School for Girls, the Parent Staff Association and the Old Sexeians Association.

The School also aims to provide the use of its facilities to local community groups in accordance with the guidance laid out by Ofsted with regards its boarding accommodation and commitment to safeguarding. The focus of the 's School's activities remains the provision of secondary education to those students enrolled at the school.

Sexey's School

Report of the Governors for the Year Ended 31 August 2017

STRATEGIC REPORT

Achievement and performance

Key financial performance indicators

A Level and GCSE results were outstanding again this year:-

A Level

- 41% of students achieved A*- A
- 69% of students achieved A*- B
- 88% of students achieved A*- C

GCSE

- 91% achieved levels 9 to 4 (including English & Maths)
- 86% achieved A* - C (excluding English & Maths, 66% nationally)
- Value added score 1047 (national average 1000)

Sexey's School surpassed its targets at both GCSE and A-level and topped the Somerset, Dorset, Wiltshire, Devon and Cornwall league tables and is in the top 5% of schools in the country for value added measures.

In October 2016 the school had a boarding inspection which resulted in an inadequate judgement. A subsequent monitoring visit in January 2017 stated that the school did not meet National Minimum Standards for Boarding. Also in January 2017 the school had a full academic inspection resulting in a judgement of Requires Improvement.

Financial review

Principal funding sources

The principle sources of funding for the school are the School Budget Share provided by the state and the boarding fees charged to parents / carers for boarding students.

Formula funding changes have reduced funding from the state at a time when costs are increasing and a planned deficit for the academic function is in place going forward. Long-term financial planning continues to be undertaken but in the meantime, boarding reserves are expected to meet any cash-flow difficulties until information on the national funding formula can be considered.

Governors are provided with regular financial monitoring reports, including any variances from the original budget.

The pension reserve is in deficit due to the Academy Trust's share of the LGPS liabilities exceeding its share of the assets. The current employers' contribution rate has been inflated so that provision is made to eventually eliminate the deficit.

Investment policy and objectives

The school only has cash investments and currently accesses an improved interest rate by depositing funds in a 32-day notice account with Lloyds Bank.

STRATEGIC REPORT

Financial review

Reserves policy

For the academic provision, the school allocates as much of the funding provided in-year to those students being educated in the same year.

Reserves are accumulated from the boarding provision and each year, the school leadership and governors assess the capital improvements required to the boarding stock in order to properly maintain the Trusts assets. Funding is then applied in order to meet the priorities set.

All unrestricted funds are committed to offset, as far as possible, the forecast deficit for the academic provision.

Due to the economic climate and particularly the reduced funding levels for the academic function, governors have not committed a significant element of the reserves, apart from pressing capital items, until a firmer picture emerges for education funding going forward. Governors will utilise reserves for cash-flow purposes if required and will continue to model the long-term financial plan as and when further guidance on the national funding formula becomes available.

The level of reserves at the year-end totalled £10,917,772 of which £25,000 was unrestricted and the remainder was restricted to be used for the purposes of providing education.

Going concern

After considering extensive financial information the Board of Trustees has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Principal risks and uncertainties

Leadership and governors have assessed the principal risks and uncertainties as follows:-

- Numbers on roll are below capacity - student numbers in the secondary education sector have been falling nationally since 2011 following the low birth rates of early 2000. They are expected to rise again from 2017. Student numbers in the primary sector suggest that this is a reasonable assumption. Sexey's has increased its admissions into Year 7 (day) in order to increase student numbers overall. It is likely that this strategy will be repeated annually for the next 2 years
- Reductions in State Funding impact negatively on the school - changes to the funding formula have led to a reduction in state funding and at the same time the introduction of a national fair funding formula should see imbalances in funding between local authorities with similar characteristics addressed, yielding more funding for the lowest funded authorities of which Somerset is one. Long-term financial planning continues to be a priority and spending plans will be reviewed when more information about future funding on education is available
- Ofsted - not getting a positive outcome from the academic monitoring inspection expected in Spring 2018; not coming out of the inadequate category for boarding

STRATEGIC REPORT

Future plans

In order to ensure the future viability of the school, the increased intake into Year 7 will continue. Classroom accommodation is currently under review and several options are being considered.

The School's Development Plan for 2017-18 includes the following areas:

1. To support all students to make expected and accelerated progress in all subjects with a particular focus on Maths and Science
2. To develop existing systems for tracking and supporting disadvantaged students in making expected or accelerated progress in a range of measures
3. To maintain the arrangements for safeguarding and welfare as effective
4. To ensure that all behaviour incidents are recorded and analysed effectively and acted upon
5. To work towards the financial stability of the school over a 3-5 years forecast
6. To maintain the national minimum standards for boarding and develop practice further

A detailed SDP with targets and outcomes, actions planned, responsibilities and resources required is available on request.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Sexey's School Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sexey's School. Sexey's Trading Company Ltd is a wholly owned subsidiary of Sexey's School and all profits made by the trading company are gifted to the school in furtherance of its objects.

Details of the trustees who served during the year 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The composition of the academy governing body is as follows:-

- The incumbent of Bruton Parish; the Archdeacon of Wells appointee; 2 Sexey's Hospital Foundation appointees; 1 Bruton Town Council nominee; 3 elected parents (at least one of whom will be the parent of a boarding student); 3 appointed by the Trustees (two of whom will be parents at the time of election); the Head as ex-officio; 2 elected staff and 2 co-opted
- Elected parent and staff governors: All of those eligible to stand are invited to submit nominations signed by a proposer and seconder. A ballot is held if more than one nomination is received by the deadline. The returning officer for elections is the Clerk.
- Co-opted governors: the Trust generally advertises locally, according to the skill set required.
- Archdeacon of Wells, Sexey's Hospital Foundation, Bruton Town Council nominees: the relevant body is asked to provide a nomination for the Trust to consider, or to endorse a nomination proposed by Trust. Nominees may be already known to the Trust or may have responded to an advertisement.
- Trustees appointees: appointed by the Trustees of Sexey's School (Charity). Appointees may be already known to the Trust or may have responded to an advertisement.
- The Incumbent of Bruton Parish and the Head: ex-officio.

On appointment, all trustees are given a copy of both CC3 and CC8, published by the Charities Commission. New trustees are also offered one-to-one training with the Business Manager on the financial aspects of the school so that they can better understand the income and expenditure plans.

New trustees receive induction training by Somerset County Council Governor Services on the roles and responsibilities of school governors. An in-house briefing is also provided by the Clerk. Further training is then dependent on each governor's individual responsibilities (e.g. Finance committee, Safeguarding etc) and background. The Full Governing Body will annually undertake training on topics of particular interest e.g. Ofsted, performance data.

Organisational structure

The Head Master is ex-officio governor and Principal Accounting Officer. Strategic and operational issues are normally discussed at the weekly leadership team meeting. Decisions that concern changes to the term dates, curriculum offer and / or that would have a significant impact upon financial plans are discussed with governors at either sub-committee level or with the full board.

Induction and training of new trustees

On appointment, all trustees are given a copy of both CC3 and CC8, published by the Charities Commission. New trustees are also offered one-to-one training with the Business Manager on the financial aspects of the school so that they can better understand the income and expenditure plans.

New trustees receive induction training by Somerset County Council Governor Services on the roles and responsibilities of school governors. An in-house briefing is also provided by the Clerk. Further training is then dependent on each governor's individual responsibilities (e.g. Finance committee, Safeguarding etc) and background. The Full Governing Body will annually undertake training on topics of particular interest e.g. Ofsted, performance data.

Arrangements for setting pay and remuneration of key management personnel

The academy has continued to adopt the national pay ranges for staff, including senior leaders. Any salary increases are within agreed pay ranges and are only applied following successful appraisal arrangements provided objectives are met.

Sexey's School

Report of the Governors
for the Year Ended 31 August 2017

AUDITORS

The auditors, Moore Stephens, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the governors, incorporating a strategic report, approved by order of the board of governors, as the company directors, on and signed on the board's behalf by:



Governor

E MÜLLER

Governance Statement
for the Year Ended 31 August 2017

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Sexey's School 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 Head Master, 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 Sexey's School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings Attended	Out of a possible
J Bailey	3	5
M Bowman (Chair)	4	5
A Groskop	4	5
M Kelham	5	5
I Latif	5	5
P Mensah	4	5
M Dennis	4	5
L Metherell	1	1
E Miller	5	5
K Stewart	2	2
J Wilson	5	5
R Currie	4	5
M Edgar	3	5
P Andrews	4	5
J Gasson - Hargreaves	4	5
S Bennett	4	5
C Straker - Nesbit	4	5
J Whittaker	1	4

Following the review of governance structures in 2013/14 the new committee structure has been successfully implemented, proving capable of handling the volume of the workload and enabling governors to be assigned to areas of activity aligned with their skills and interests. Governor recruitment remains buoyant. A new 1891 sub-committee has been formed, specifically to consider the strategic direction of the school in the medium to long term.

The finance and resources committee is a sub-committee of the main board of trustees. Its purpose is to:

- Consider and review all financial aspects of the school - annual audit and accounts, income, expenditure, performance against budget, fees control, investments, capital improvements, finance-related policies, numbers on roll
- To test and review internal control systems
- Consider risks, threats and uncertainties facing the school
- Consider matters relating to staff - salaries, grading reviews, HR-related policies

Sexey's School

Governance Statement for the Year Ended 31 August 2017

- Consider matters relating to premises - carbon reduction, health & safety, premises management

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a Possible
E Miller	3	3
M Bowman	3	3
M Edgar	2	3
I Latif	3	3
J Wilson	3	3
J Gasson - Hargreaves	3	3

Governor	Meetings attended	Out of a possible
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As central government public sector bodies academy trusts are required to provide assurance that they are appropriately managed and are controlling the resources for which they are responsible. This assurance must be communicated in a governance statement. The text of this statement will need to be amended to reflect the circumstances of the individual academy trust, particularly where it is a new academy trust.

Review of Value for Money

As accounting officer the Head Master has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Challenging contracts as they approach expiration and obtaining several quotations and / or tenders for larger projects
- Regular, detailed financial reports to the governing body which include performance against budget
- Regular reviews of internal processes by an appropriately qualified external assessor

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sexey's School Academy Trust for the period 1st September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed E Miller, a trustee with financial experience, to carry out a programme of internal checks.

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

- testing of purchasing systems and processes and petty cash arrangements;
- testing of finance system;
- checking on income arrangements

Recommendations arising from the reviewers checks in the year were:

- to ensure purchase orders are raised for all capital expenditure
- to ensure purchase orders are raised for all repairs & maintenance expenditure over agreed limits
- to ensure petty cash is reconciled monthly by another finance person than the one dealing with transactions and that there is an audit trail of this being carried out
- to ensure the charging and remissions policy is published on the School's website

On a termly basis the reviewer reports to the board of trustees, through the finance and resources committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As accounting officer the Head Master has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of reviewer
- the work of the external auditor
- the work of the staff within the academy trust who have responsibility for the development and maintenance of the internal control framework

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


Sexey's School

Governance Statement
for the Year Ended 31 August 2017

Approved by order of the members of the board of trustees on 13.12.17 and signed on its behalf by:


.....
- Governor

E. MILLER


.....
Accounting Officer

I. LATIF

Sexey's School

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2017

As accounting officer of Sexey's School I have considered my responsibility to notify the academy board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy board of governors are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2017.

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



.....
I. Latif - Accounting Officer

I. LATIF

Date: 13.12.17

Sexey's School

Statement of Governors Responsibilities for the Year Ended 31 August 2017

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

Company law requires the 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 academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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

The governors are responsible for ensuring that in its conduct and operation the academy 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 ESFA/DfE have been applied for the purposes intended.

In so far as the governors are aware:

- there is no relevant audit information of which the academy's auditors are 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 auditors are aware of that information.

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2015;
- make judgements and estimates that are reasonable and prudent;

Sexey's School

Statement of Governors Responsibilities
for the Year Ended 31 August 2017

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of governors on13.12.17..... and signed on it's behalf by:

E. Müller

Governor

E. MÜLLER

Report of the Independent Auditors to the Members of
Sexey's School

Opinion

We have audited the financial statements of Sexey's School (the 'academy') for the year ended 31 August 2017 on pages twenty four to forty nine. 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 Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA).

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 the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Report of the Independent Auditors to the Members of Sexey's School

Other information

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

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.

Responsibilities of governors

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

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
Sexey's School

Slocombe

Daniel Slocombe (Senior Statutory Auditor)
for and on behalf of Moore Stephens
Chartered Accountants and Statutory Auditor
30 Gay Street
Bath
BA1 2PA

Date: *14th December 2017*

Independent Reporting Accountant's Assurance Report on Regularity to Sexey's School and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sexey's School during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Sexey's School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sexey's School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes but not limited to the following:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, review for any indication of purchase for personal use by Staff, Headteacher or Governors;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Obtaining formal representation from the Governing Body and Accounting Officer acknowledging

Independent Reporting Accountant's Assurance Report on Regularity to Sexey's School and the Education and Skills Funding Agency

their responsibilities;

- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries, obtaining supporting documentation and making further enquiries into any such items where relevant.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Stephens

Moore Stephens
Chartered Accountants
30 Gay Street
Bath
BA1 2PA

Date: *14th December 2017*

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2017

				31.8.17	31.8.16	
	Not es	Unrestricted fund £	Restricted funds £	Restricted fixed asset fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	-	71,229	71,229	21,247
Charitable activities						
Funding for the academy's educational operations	3	-	2,559,459	-	2,559,459	2,445,492
Provision of boarding activities	25	-	2,397,648	-	2,397,648	2,352,026
Other trading activities	4	19,890	67,283	-	87,173	82,280
Investment income	5	25,960	-	-	25,960	49,908
Total		45,850	5,024,390	71,229	5,141,469	4,950,953
EXPENDITURE ON						
Raising funds	7	-	36,260	-	36,260	17,482
Charitable activities						
Academy's educational operations		45,850	3,117,961	144,355	3,308,166	3,050,687
Provision of boarding activities	25	-	2,241,012	-	2,241,012	2,158,904
Total	6	45,850	5,395,233	144,355	5,585,438	5,227,073
NET INCOME/(EXPENDITURE)						
		-	(370,843)	(73,126)	(443,969)	(276,120)
Transfers between funds	22	-	(37,918)	37,918	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	99,000	-	99,000	(706,000)
Net movement in funds		-	(309,761)	(35,208)	(344,969)	(982,120)

The notes form part of these financial statements

Sexey's School

Statement of Financial Activities - continued
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2017

				31.8.17	31.8.16
	Unrestricted	Restricted	Restricted	Total	Total
	fund	funds	fixed asset	funds	funds
Not	£	£	fund	£	£
es			£		
RECONCILIATION OF FUNDS					
Total funds brought forward	25,000	(1,052,167)	11,944,939	10,917,772	11,899,892
	_____	_____	_____	_____	_____
TOTAL FUNDS CARRIED FORWARD	<u>25,000</u>	<u>(1,361,928)</u>	<u>11,909,731</u>	<u>10,572,803</u>	<u>10,917,772</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

All of the academy trust's activities derive from continuing operations during the above two financial periods.

The notes form part of these financial statements

Sexey's School

Statement of Financial Position

At 31 August 2017

	Notes	31.8.17 £	31.8.16 £
FIXED ASSETS			
Tangible assets	13	11,909,731	11,944,939
Investments	14	<u>1</u>	<u>1</u>
		11,909,732	11,944,940
CURRENT ASSETS			
Stocks	15	-	3,625
Debtors	16	642,248	725,558
Cash at bank		<u>1,355,815</u>	<u>1,671,923</u>
		1,998,063	2,401,106
CREDITORS			
Amounts falling due within one year	17	<u>(899,991)</u>	<u>(1,132,895)</u>
NET CURRENT ASSETS		<u>1,098,072</u>	<u>1,268,211</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,007,804	13,213,151
CREDITORS			
Amounts falling due after more than one year	18	(45,001)	(30,379)
PENSION LIABILITY	23	<u>(2,390,000)</u>	<u>(2,265,000)</u>
NET ASSETS		<u>10,572,803</u>	<u>10,917,772</u>

The notes form part of these financial statements

Sexey's School

Statement of Financial Position - continued

At 31 August 2017

	Not es 22	31.8.17 £	31.8.16 £
FUNDS			
Unrestricted funds:			
Designated funds		25,000	25,000
Restricted funds:			
General Annual Grant		(509,452)	(187,301)
Provision of Boarding facilities		1,537,524	1,400,134
Pension reserve		(2,390,000)	(2,265,000)
EFA capital grants		402,501	347,273
Academic assets from conversion		4,833,697	4,934,110
Capital expenditure from GAG		83,081	92,156
Private donations		8,734	8,928
Boarding assets from conversion		4,829,192	4,925,733
Other boarding assets		<u>1,752,526</u>	<u>1,636,739</u>
		<u>10,547,803</u>	<u>10,892,772</u>
TOTAL FUNDS		<u>10,572,803</u>	<u>10,917,772</u>

The financial statements were approved by the Board of Governors on 13 Dec 2017 and were signed on its behalf by:



Governor

E MILLER

The notes form part of these financial statements

Sexey's School

Statement of Cash Flows
for the Year Ended 31 August 2017

	Notes	31.8.17 £	31.8.16 £
Cash flows from operating activities:			
Cash generated from operations	26	<u>(118,200)</u>	<u>178,179</u>
Net cash provided by (used in) operating activities		<u>(118,200)</u>	<u>178,179</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(312,366)	(190,031)
Capital grants from DfE/ESFA		88,498	21,247
Interest received		9,881	23,908
Dividends received		<u>16,079</u>	<u>26,000</u>
Net cash provided by (used in) investing activities		<u>(197,908)</u>	<u>(118,876)</u>
Change in cash and cash equivalents in the reporting period		(316,108)	59,303
Cash and cash equivalents at the beginning of the reporting period		<u>1,671,923</u>	<u>1,612,620</u>
Cash and cash equivalents at the end of the reporting period		<u>1,355,815</u>	<u>1,671,923</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Sexey's School meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

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

Grants

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

1. ACCOUNTING POLICIES - continued

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the academy has provided the goods or services.

Expenditure

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

Raising funds

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

Charitable activities

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

Leased assets

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Land and buildings transferred to the Academy on conversion from the Local Authority have been included at their depreciated replacement cost.

Depreciation

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 Buildings	50 years
Fixtures and Fittings	10 years
Computer Equipment	3 years
Motor Vehicles	5 years

A full years depreciation is charged on assets in the year of acquisition.

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

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

Stocks

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency.

Liabilities

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

Provisions

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

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES - continued

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Critical accounting estimates

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

2. DONATIONS AND CAPITAL GRANTS

	31.8.17	31.8.16
	£	£
Grants	<u>71,229</u>	<u>21,247</u>

Grants received, included in the above, are as follows:

	31.8.17	31.8.16
	£	£
Capital grants	<u>71,229</u>	<u>21,247</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted	Restricted	31.8.17	31.8.16
	funds	funds	Total	Total
	£	£	funds	funds
			£	£
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	2,458,677	2,458,677	2,371,000
Other DFE Revenue Grants	<u>-</u>	<u>54,255</u>	<u>54,255</u>	<u>53,313</u>
	-	2,512,932	2,512,932	2,424,313
DfE/ESFA capital grant				
Capital grants	-	17,269	17,269	-
Other government grant				
Local authority grants	<u>-</u>	<u>29,258</u>	<u>29,258</u>	<u>21,179</u>
	<u>-</u>	<u>2,559,459</u>	<u>2,559,459</u>	<u>2,445,492</u>

4. OTHER TRADING ACTIVITIES

	31.8.17	31.8.16
	£	£
Activities and trips	11,017	25,221
Other	<u>76,156</u>	<u>57,059</u>
	<u>87,173</u>	<u>82,280</u>

Sexey's School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

5. INVESTMENT INCOME

	31.8.17	31.8.16
	£	£
Short term deposits	9,881	23,908
Shares in group undertakings	<u>16,079</u>	<u>26,000</u>
	<u>25,960</u>	<u>49,908</u>

6. EXPENDITURE

				31.8.17	31.8.16
	Staff costs	Non-pay expenditure			
	£	Premises	Other costs	Total	Total
	£	£	£	£	£
Raising funds					
Costs of fundraising	-	-	36,260	36,260	17,482
Charitable activities					
Academies educational operations					
Direct costs	2,114,639	82,801	272,492	2,469,932	2,304,642
Allocated support costs	479,811	92,007	266,416	838,234	746,045
Provision of boarding activities					
Direct costs	952,859	-	267,753	1,220,612	1,200,214
Allocated support costs	<u>203,983</u>	<u>220,090</u>	<u>596,327</u>	<u>1,020,400</u>	<u>958,690</u>
	<u>3,751,292</u>	<u>394,898</u>	<u>1,439,248</u>	<u>5,585,438</u>	<u>5,227,073</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.17	31.8.16
	£	£
Depreciation - owned assets	347,574	318,943
Auditors Remuneration	10,000	8,000
Auditors Remuneration - Non audit work	500	750
Operating Leases	<u>20,252</u>	<u>4,950</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

7. RAISING FUNDS**Costs of fundraising**

	31.8.17	31.8.16
	£	£
Costs of generating voluntary income	<u>36,260</u>	<u>17,482</u>

8. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
Direct costs - academy's educational operations	45,850	2,424,082	2,469,932	2,304,642
Direct costs - provision of boarding activities	-	1,220,612	1,220,612	1,200,214
Support costs - academy's educational operations	-	838,234	838,234	746,045
Support costs - provision of boarding activities	-	<u>1,020,400</u>	<u>1,020,400</u>	<u>958,690</u>
	<u>45,850</u>	<u>5,503,328</u>	<u>5,549,178</u>	<u>5,209,591</u>

	Academy's educational operations £	Provision of boarding activities £	31.8.17 Total £	31.8.16 Total £
Analysis of support costs				
Support staff costs	479,811	203,983	683,794	577,530
Depreciation	8,170	78,226	86,396	61,611
Telephone & internet costs	10,026	8,565	18,591	12,278
Premises costs	92,007	220,090	312,097	359,382
Other support costs	242,074	501,380	743,454	683,452
Governance costs	<u>6,146</u>	<u>8,156</u>	<u>14,302</u>	<u>10,482</u>
Total support costs	<u>838,234</u>	<u>1,020,400</u>	<u>1,858,634</u>	<u>1,704,735</u>

9. GOVERNORS' REMUNERATION AND BENEFITS

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

I Latiff (principal and governor)

Remuneration: £70,000 - £80,000 (2016: £70,000 - £80,000)

Er's Pension: £10,000-£15,000 (2016: £10,000 - £15,000)

S Lewis (staff governor)

Remuneration: £nil (2016: £20,000 - £30,000)

Er's Pension: £nil (2016: £0 - £5,000)

P Clackson (Staff Governor)

Remuneration: £nil (2016: £40,000 - £50,000)

Er's Pension: £nil (2016: £5,000 - £10,000)

L Metherell (Staff Governor)

Remuneration: £5,000 - £10,000 (2016: £20,000 - £30,000)

Er's Pension: £0 - £5,000 (2016: £0 - £5,000)

C Straker-Nesbit (Staff Governor)

Remuneration: £40,000 - £50,000 (2016: £30,000 - £40,000)

Er's Pension: £5,000 - £10,000 (2016: £5,000 - £10,000)

J Whitaker (Staff Governor)

Remuneration: £10,000 - £20,000 (2016: £nil)

Er's Pension: £0 - £5,000 (2016: £nil)

During the period ended 31 August 2017 no travel and subsistence expenses were reimbursed to trustees.

Other related party transactions involving the trustees are set out in note 24.

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2017 nor for the year ended 31 August 2016.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

10. STAFF COSTS

	31.8.17	31.8.16
	£	£
Wages and salaries	2,910,470	2,808,972
Social security costs	247,039	210,738
Operating costs of defined benefit pension schemes	<u>580,332</u>	<u>459,016</u>
	3,737,841	3,478,726
Supply teacher costs	<u>13,451</u>	<u>17,917</u>
	<u><u>3,751,292</u></u>	<u><u>3,496,643</u></u>

The average number of persons (including senior management team) employed by the academy during the year was as follows:

	31.8.17	31.8.16
Teachers	33	33
Administration and support	56	56
Management	<u>6</u>	<u>6</u>
	<u><u>95</u></u>	<u><u>95</u></u>

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

	31.8.17	31.8.16
£70,001 - £80,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2017, pension contributions for this staff member amounted to £12,786 (2016: £12,659).

Key Management Personnel

The senior management team of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £421,773 (2016: £465,626).

11. 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 £1,000,000 on any one claim and the cost for the period ended 31 August 2017 was £1,424 (2016: £1,452).

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted fixed asset fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	-	21,247	21,247
Charitable activities				
Funding for the academy's educational operations	-	2,445,492	-	2,445,492
Provision of boarding activities	-	2,352,026	-	2,352,026
Other trading activities	24,112	58,168	-	82,280
Investment income	49,908	-	-	49,908
Total	74,020	4,855,686	21,247	4,950,953
EXPENDITURE ON				
Raising funds	-	17,482	-	17,482
Charitable activities				
Academy's educational operations	24,112	2,886,067	140,508	3,050,687
Provision of boarding activities	-	2,158,904	-	2,158,904
Total	24,112	5,062,453	140,508	5,227,073
NET INCOME/(EXPENDITURE)	49,908	(206,767)	(119,261)	(276,120)
Transfers between funds	(229,668)	239,319	(9,651)	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	(706,000)	-	(706,000)
Net movement in funds	(179,760)	(673,448)	(128,912)	(982,120)
RECONCILIATION OF FUNDS				
Total funds brought forward	204,760	(378,719)	12,073,851	11,899,892
TOTAL FUNDS CARRIED FORWARD	25,000	(1,052,167)	11,944,939	10,917,772

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2016	12,649,084	653,716	111,797	13,414,597
Additions	<u>36,908</u>	<u>264,898</u>	<u>10,560</u>	<u>312,366</u>
At 31 August 2017	<u>12,685,992</u>	<u>918,614</u>	<u>122,357</u>	<u>13,726,963</u>
DEPRECIATION				
At 1 September 2016	1,096,731	287,722	85,205	1,469,658
Charge for year	<u>228,496</u>	<u>101,156</u>	<u>17,922</u>	<u>347,574</u>
At 31 August 2017	<u>1,325,227</u>	<u>388,878</u>	<u>103,127</u>	<u>1,817,232</u>
NET BOOK VALUE				
At 31 August 2017	<u>11,360,765</u>	<u>529,736</u>	<u>19,230</u>	<u>11,909,731</u>
At 31 August 2016	<u>11,552,353</u>	<u>365,994</u>	<u>26,592</u>	<u>11,944,939</u>

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 September 2016 and 31 August 2017	<u>1</u>
NET BOOK VALUE	
At 31 August 2017	<u>1</u>
At 31 August 2016	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Sexey's School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

14. FIXED ASSET INVESTMENTS - continued

Sexeys Trading Company Limited

Nature of business: trading activity of the academy

Class of share:	%
Ordinary	holding 100

15. STOCKS

	31.8.17	31.8.16
	£	£
Clothing	<u>-</u>	<u>3,625</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.8.16
	£	£
Trade debtors	484,841	607,021
VAT	49,398	19,013
Prepayments and accrued income	<u>108,009</u>	<u>99,524</u>
	<u>642,248</u>	<u>725,558</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.8.16
	£	£
Trade creditors	125,870	72,827
Other creditors	97,996	102,768
Accruals and deferred income	<u>676,125</u>	<u>957,300</u>
	<u>899,991</u>	<u>1,132,895</u>

Deferred Income

	2017	2016
	£	£
Deferred income at 1 September	830,299	711,151
Resources deferred in the year	(680,264)	830,299
Amounts released from previous years	(830,299)	(711,151)
Deferred income at 31 August	680,264	830,299

At the balance sheet date the School was holding funds received in advance for boarding fees (£670,053) (2016: £740,940)) and other deposits.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.17	31.8.16
	£	£
Amounts owed to group undertakings	1	1
Accruals and deferred income	<u>45,000</u>	<u>30,378</u>
	<u>45,001</u>	<u>30,379</u>

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.17	31.8.16
	£	£
Within one year	15,952	20,252
Between one and five years	<u>34,121</u>	<u>50,073</u>
	<u>50,073</u>	<u>70,325</u>

20. MEMBERS' LIABILITY

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				31.8.17	31.8.16
	Unrestricted fund	Restricted funds	Restricted fixed asset fund	Total funds	Total funds
	£	£	£	£	£
Fixed assets	-	-	11,909,731	11,909,731	11,944,939
Investments	-	1	-	1	1
Current assets	25,000	1,973,063	-	1,998,063	2,401,106
Current liabilities	-	(899,991)	-	(899,991)	(1,132,895)
Long term liabilities	-	(45,001)	-	(45,001)	(30,379)
Pension liability	-	(2,390,000)	-	(2,390,000)	(2,265,000)
	<u>25,000</u>	<u>(1,361,928)</u>	<u>11,909,731</u>	<u>10,572,803</u>	<u>10,917,772</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

22. MOVEMENT IN FUNDS

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.17 £
Unrestricted funds				
Designated funds	25,000	-	-	25,000
Restricted funds				
General Annual Grant	(187,301)	(303,479)	(18,672)	(509,452)
Provision of Boarding facilities	1,400,134	156,636	(19,246)	1,537,524
Pension reserve	(2,265,000)	(125,000)	-	(2,390,000)
EFA capital grants	347,273	55,228	-	402,501
Academic assets from conversion	4,934,110	(100,413)	-	4,833,697
Capital expenditure from GAG	92,156	(27,747)	18,672	83,081
Private donations	8,928	(194)	-	8,734
Boarding assets from conversion	4,925,733	-	(96,541)	4,829,192
Other boarding assets	1,636,739	-	115,787	1,752,526
	10,892,772	(344,969)	-	10,547,803
TOTAL FUNDS	10,917,772	(344,969)	-	10,572,803

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Designated funds	45,850	(45,850)	-	-
Restricted funds				
General Annual Grant	2,493,101	(2,796,580)	-	(303,479)
Other Government grants	12,103	(12,103)	-	-
Provision of Boarding facilities	2,397,648	(2,241,012)	-	156,636
Private	67,283	(67,283)	-	-
Other DFE Revenue Grants	54,255	(54,255)	-	-
EFA capital grants	71,229	(16,001)	-	55,228
Pension reserve	-	(224,000)	99,000	(125,000)
Academic assets from conversion	-	(100,413)	-	(100,413)
Capital expenditure from GAG	-	(27,747)	-	(27,747)
Private donations	-	(194)	-	(194)
	5,095,619	(5,539,588)	99,000	(344,969)
TOTAL FUNDS	5,141,469	(5,585,438)	99,000	(344,969)

22. MOVEMENT IN FUNDS - continued

Notes

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2017. This limit was not exceeded.

The designated fund of £25,000 is to be spent on a specific capital improvement project.

23. PENSION AND SIMILAR OBLIGATIONS

Teachers' pension scheme

Introduction

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2017 was £199,000 (2016: £181,000), of which employer's contributions totalled £149,000 (2016: £133,000) and employees' contributions totalled £50,000 (2016: £48,000) The agreed contribution rates for future years are 14.1 per cent for employers and between 5.9% and 10.7% for employees.

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

23. PENSION AND SIMILAR OBLIGATIONS
 - continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Present value of funded obligations	(4,195,000)	(3,039,000)
Fair value of plan assets	<u>1,805,000</u>	<u>774,000</u>
	<u>(2,390,000)</u>	<u>(2,265,000)</u>
Deficit	<u>(2,390,000)</u>	<u>(2,265,000)</u>
Liability	<u>(2,390,000)</u>	<u>(2,265,000)</u>

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

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Current service cost	324,000	215,000
Net interest from net defined benefit asset/liability	<u>48,000</u>	<u>54,000</u>
	<u>372,000</u>	<u>269,000</u>
Actual return on plan assets	<u>896,000</u>	<u>106,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

23. PENSION AND SIMILAR OBLIGATIONS
- continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Defined benefit obligation	3,039,000	2,041,000
Current service cost	324,000	215,000
Contributions by scheme participants	50,000	48,000
Interest cost	67,000	80,000
Benefits paid	(63,000)	(131,000)
Remeasurement of obligations	<u>778,000</u>	<u>786,000</u>
	<u>4,195,000</u>	<u>3,039,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Fair value of scheme assets	774,000	618,000
Contributions by employer	149,000	133,000
Contributions by scheme participants	50,000	48,000
Administrative expenses	(1,000)	-
Interest on assets	19,000	26,000
Remeasurement of assets	877,000	80,000
Benefits paid	<u>(63,000)</u>	<u>(131,000)</u>
	<u>1,805,000</u>	<u>774,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Remeasurement of obligations	(778,000)	(786,000)
Remeasurement of assets	<u>877,000</u>	<u>80,000</u>
	<u>99,000</u>	<u>(706,000)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

23. PENSION AND SIMILAR OBLIGATIONS
- continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Equities	1,285,000	534,000
Gilts	99,000	52,000
Other Bonds	179,000	87,000
Property	163,000	79,000
Cash	<u>79,000</u>	<u>22,000</u>
	<u>1,805,000</u>	<u>774,000</u>

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

	At 31 August 2017	At 31 August 2016
Retiring today		
Males	23.9	23.8
Females	25.1	26.2
Retiring in 20 years		
Males	26.2	26.1
Females	27.4	28.5

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

	31.8.17	31.8.16
Discount rate	2.6%	2.2%
Future salary increases	4.2%	4.1%
Future pension increases	2.7%	2.3%

24. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2017.

25. ACADEMY BOARDING TRADING ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	31.8.17	31.8.16
	£	£
Income		
Boarding fees	2,079,792	2,054,098
Carried forward	<u>2,079,792</u>	<u>2,054,098</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

25. ACADEMY BOARDING TRADING ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017 - continued

	31.8.17	31.8.16
	£	£
Brought forward	2,079,792	2,054,098
Catering	89,964	87,207
Music tuition	44,771	42,658
Other income	174,515	153,670
Uniform	<u>8,606</u>	<u>14,393</u>
	2,397,648	2,352,026
Expenditure		
Direct costs		
Teaching and educational support staff	952,859	908,047
Educational supplies	645	4,905
Examination fees	464	436
Educational consultancy	600	600
Other direct costs	<u>266,044</u>	<u>286,226</u>
	1,220,612	1,200,214
Indirect costs		
Support staff costs	203,983	216,397
Depreciation	203,219	178,433
Telephone & internet costs	8,565	5,624
Recruitment and support	33,431	26,699
Maintenance of premises and equipment	172,609	148,186
Cleaning	10,616	14,475
Rent and rates	53,458	53,841
Energy costs	89,740	80,497
Insurance	-	6,046
Subscriptions	11,344	15,875
Other support costs	<u>233,435</u>	<u>212,617</u>
	1,020,400	958,690
Total operating costs	<u>2,241,012</u>	<u>2,158,904</u>
Net surplus on boarding	156,636	193,122
Surplus brought forward	1,400,134	1,195,991
Transfers	<u>(19,246)</u>	<u>11,021</u>
Surplus carried forward	<u>1,537,524</u>	<u>1,400,134</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

26. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.17	31.8.16
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(443,969)	(276,120)
Adjustments for:		
Depreciation	347,574	318,943
Capital grants from DfE/ESFA	(88,498)	(21,247)
Dividends received	(16,079)	(26,000)
Interest received	(9,881)	(23,908)
Decrease in stocks	3,625	3,351
Decrease in debtors	83,310	64,919
(Decrease)/increase in creditors	(218,282)	2,241
Difference between pension charge and cash contributions	<u>224,000</u>	<u>136,000</u>
Net cash provided by (used in) operating activities	<u>(118,200)</u>	<u>178,179</u>

