

REGISTERED COMPANY NUMBER: 07698729

Report of the Governors and
Financial Statements for the Year Ended 31 August 2019
for
Sexey's School

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

Sexey's School

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for the Year Ended 31 August 2019

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Sexey's School

Reference and Administrative Details
for the Year Ended 31 August 2019

MEMBERS

H Cullen
K Baker (from 28/11/18)
J Simons (from 3/7/19)
M C Edgar (until 3/7/19)
E M Miller
J M Bailey (until 3/7/19)
J L Wilson
J Gasson-Hargreaves
M Dennis (until 3/7/19)
J Whittaker (until 14/12/18)
Robin Currie (until 4/10/18)
Patricia Mensah (until 19/6/19)

GOVERNORS

J M Bailey (Priest) (resigned 3.7.19)
J L Wilson
M C Edgar (resigned 3.7.19)
E M Miller
J Gasson-Hargreaves
R Currie (resigned 4.10.18)
M Dennis (resigned 3.7.19)
P Mensah (resigned 3.7.19)
J Whittaker (resigned 14.12.18)
J R Simons (appointed 3.7.19)
K E V S Baker (appointed 28.11.18) (resigned 26.9.19)
A L Hodges
D M Palmer (appointed 20.3.19)

SENIOR MANAGEMENT TEAM

H Cullen
D Bull (until 16/11/18)
P G Clackson
M Kiely (from 8/1/18 until 24/6/19)
R Dalzell (from 23/4/19)
A Davidson (from 24/6/19)
D Glover

REGISTERED OFFICE

Cole Road
Bruton
Somerset
BA10 0DF

REGISTERED COMPANY NUMBER

07698729

Sexey's School

Reference and Administrative Details
for the Year Ended 31 August 2019

AUDITORS

Moore
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 2019

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

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 665 and had a roll of 607 in the school census on 4th October 2019.

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.

Sexey's School

Report of the Trustees for the Year Ended 31 August 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The composition of the academy governing body is currently 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 the 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.

The Governing Body recognises the importance of access to a range of skills and experience when appointing new Governors and for this reason (in part), the existing structure is the subject of an external review currently being undertaken by a National Leader of Governance.

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.

Organisational structure

The Headteacher 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.

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 Trustees
for the Year Ended 31 August 2019

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

SIP Objectives 2018/19

Exceptional Student Engagement Objectives (7)

- Student behaviour is good (SE1)
- Through celebrating success a culture of being exceptional in all that we do is fostered (SE2)
- Students are committed to being exceptional in their personal presentation and wear their uniform with pride (SE3).
- The House system promotes identity, engagement and fun across the school (SE4).
- The assembly programme provides opportunities for further developing SMCS, Christian ethos and raising aspirations (SE5).
- Through student leadership opportunities, students are actively involved in co-construction and school improvement (SE6).
- Attendance is good (SE7).

Exceptional Teaching & Learning Objectives (3)

- All students experience an exceptional learning experience every lesson of every day (TL1).
- Exceptional professional development impacts on the quality of teaching and learning and staff development (TL2).
- Systematic and robust quality assurance of teaching and learning is in place (TL3).

Exceptional Leadership and Management Objectives (9)

- SLT leadership – all members of SLT are highly effective role models in the qualities of good leadership.
- Middle leadership – middle leaders have an established and ongoing collaborative relationship with a department within a school or MAT that is high performing to support external collaboration as a mechanism for school improvement (LM2).
- Accountability – effective accountability at all leadership levels (LM3).
- Reporting to parents supports parents in knowing where their son or daughter is in their learning journey (LM4).
- Governance is highly effective (LM5).
- There is a culture of safeguarding and safeguarding is highly effective. (LM6).
- There is a culture of ensuring staff feel valued and celebration for their contribution to our school improvement drive (LM7).
- Staff absence is effectively monitored to reduce the impact on student's educational experience (LM8).
- Recruitment of students is strong (LM9).

Exceptional Curriculum and Students Objectives (5)

- Data is effectively used to track progress and inform teaching and learning (CS1).
- The curriculum is effective and provides students with the education opportunities that prepares them for life beyond school (CS2).
- All student make good progress across all subjects (CS3).
- High quality Catch up will be provided for all students not 'Secondary Ready' (CS4).

Sexey's School

Report of the Trustees for the Year Ended 31 August 2019

- Students with SEND make good progress (CS5).

Exceptional Pupil Premium Objectives (3)

- Pupil Premium students are not disadvantaged by opportunity or resource (PP1).
- Pupil Premium students receive exceptional care, advice and guidance (PP2).
- There is a culture of high aspirations for all students and unrelenting commitment to support them in their learning (PP3).

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 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, Candle Conferences, Youth Cinema Foundation, Tower Learning Community, Western Gazette, What's On Somerset, Bath Literature Festival, Wells Literature Festival, 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 it's boarding accommodation and commitment to safeguarding. The focus of the school's activities remains the provision of secondary education to those students enrolled at the school.

Sexey's School

Report of the Trustees for the Year Ended 31 August 2019

ACHIEVEMENT AND PERFORMANCE

A Level and GCSE were strong again this year, again above national averages:-

A Level Headlines

- 98% Pass rate
- 83% A*-C,
- 24% A* or A
- 63% achieving A* to B
-

ALPS Report

The strategic indicator known as the Quality Indicator (QI) tells you about the progress made across all examination entries across the school or college. It contains every grade taken by each subject and gives you a clear view of how your overall curriculum performed this year.

2019 Results QI Score = 2

GCSE Results

- P8 = 0.2
- 70% gaining a standard pass (9-4) in GCSE Maths and English compared to National of 66.9%
- 48% gaining a standard (9-5) in GCSE Maths and English
- Number of 7+ grades = 23% (National is 21%)
- 82% 4+ in English, 72% 5+ in English
- 76% 4+ in Maths, 52% 5+ in Maths

Going concern

After considering extensive financial information and seeking advice from the schools accountants, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies

Sexey's School

Report of the Trustees for the Year Ended 31 August 2019

FINANCIAL REVIEW

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 historically 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. A National Funding Formula has now been implemented which will lead to more funding per student. Long-term financial planning continues to be undertaken but in the meantime, boarding reserves are expected to meet any cash-flow difficulties. A recovery plan is in place.

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.

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, at times, 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 information is available.

The level of reserves at the year-end totalled £9,658,542 all of which was restricted to be used for the purposes of providing education.

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.

FUTURE DEVELOPMENTS

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 2019-20 is currently under review and will be available soon.

Sexey's School

Report of the Trustees
for the Year Ended 31 August 2019

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. Applications for day places continue to exceed the number available.
- State Funding impact negatively on the school - 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 next academic monitoring inspection; not coming out of the inadequate category.

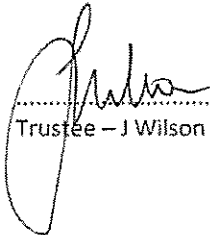
AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees 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 auditors, Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 5 December 2019 and signed on its behalf by:


.....
Trustee – J Wilson

Sexey's School

Governance Statement for the Year Ended 31 August 2019

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 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 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	4	5
M Bowman	4	5
A Groskop	3	3
G Kelly	5	5
P Mensah	5	5
M Dennis	4	5
J Wilson (Co-chair)	5	5
J Wilson (Co-chair)	5	5
R Currie	4	5
M Edgar	5	5
P Andrews	5	5
J Gasson-Hargreaves	2	5
S Bennett	0	1
C Straker-Nesbit	3	4
J Whittaker	4	4
A Hodges	4	5

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.

Sexey's School

Governance Statement for the Year Ended 31 August 2019

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
- 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
J Wilson	6	6
M Edgar	6	6
H Cullen	5	6
J Wilson	6	6
J Gasson-Hargreaves	5	6
A Hodges	4	6

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 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Governance Statement
for the Year Ended 31 August 2019

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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Following a recent review of Governance by an external consultant, it was recommended that the Trustees consider separating audit and risk from the Finance & Resources sub-committee and introducing a stand-alone sub-committee. This has been agreed and will be set up during the financial year 2019-2020.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the 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 J Wilson, 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 schools 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.

Sexey's School

Governance Statement
for the Year Ended 31 August 2019

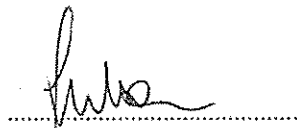
Review of Effectiveness

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.

Approved by order of the members of the board of trustees on 5 December and signed on its behalf by: 2019



J Wilson - Trustee



H Cullen - Accounting Officer

Sexey's School

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2019

As accounting officer of Sexey's School I have considered my responsibility to notify the charitable company board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the charitable company 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.

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

I confirm that the following instances of funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

- Financial issues - That the school has set a deficit budget (academic only) for 2019-2020. Boarding reserves will be utilised for cash-flow purposes and the school and governing body will be reviewing long-term financial plans with a view to bringing the budget back into balance.



.....
H Cullen - Accounting Officer

Date: 5th December 2019 .

Sexey's School

Statement of Trustees Responsibilities
for the Year Ended 31 August 2019

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

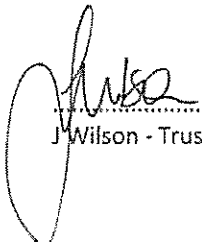
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources 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 2005;
- 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 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 ESFA/DfE have been applied for the purposes intended.

Approved by order of the board of trustees on 5 December 2019 and signed on it's behalf by:


.....
J Wilson - Trustee

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 2019 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 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 2018 to 2019.

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.

Emphasis of matter – going concern

We draw attention to note 1 in the financial statements which describes the uncertainty of the Company limited by guarantee's ability to continue as a going concern for at least 12 months from the date of signing this report due to the Governors' decision to work with the Regional School's Commissioner (RSC) and ESFA to find a suitable Multi-Academy Trust to join by September 2020.

Our opinion is not qualified in respect of this matter.

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

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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, 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.

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

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.

Use of our report

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.



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

Date: 23rd December 2019

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 2018 to 2019, 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 2018 to 31 August 2019 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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;

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

- Obtaining formal representation from the Governing Body and Accounting Officer acknowledging 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore

Moore
Chartered Accountants
30 Gay Street
Bath
BA1 2PA

Date: 23rd December 2019

Sexey's School

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2019

					31.8.19	31.8.18
	Notes	Unrestricted fund £	Restricted funds £	Restricted fixed asset fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	-	163,109	163,109	203,448
Charitable activities						
Funding for the academy's educational operations	3	-	2,854,991	-	2,854,991	2,543,473
Provision of boarding activities	26	-	2,070,022	-	2,070,022	2,161,506
Other trading activities	4	15,126	68,489	-	83,615	88,711
Investment income	5	75,095	-	-	75,095	79,908
Total		90,221	4,993,502	163,109	5,246,832	5,077,046
EXPENDITURE ON						
Raising funds	7	-	34,216	1,186	35,402	53,738
Charitable activities						
Academy's educational operations	9	-	3,229,209	159,902	3,389,111	3,120,545
Provision of boarding activities	26	-	2,210,259	-	2,210,259	2,319,664
Costs of generating funds from activities		90,221	-	-	90,221	121,199
Total	6	90,221	5,473,684	161,088	5,724,993	5,615,146
NET INCOME/(EXPENDITURE)						
		-	(480,182)	2,021	(478,161)	(538,100)
Transfers between funds	23	-	(110,731)	110,731	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(351,000)	-	(351,000)	453,000
Net movement in funds		-	(941,913)	112,752	(829,161)	(85,100)

Sexey's School

Statement of Financial Activities - continued
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2019

				31.8.19	31.8.18	
	Notes	Unrestricted fund £	Restricted funds £	Restricted fixed asset fund £	Total funds £	Total funds £
RECONCILIATION OF FUNDS						
Total funds brought forward		-	(1,288,839)	11,776,542	10,487,703	10,572,803
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		<u>-</u>	<u>(2,230,752)</u>	<u>11,889,294</u>	<u>9,658,542</u>	<u>10,487,703</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.

Sexey's School

Statement of Financial Position
At 31 August 2019


	Notes	31.8.19 £	31.8.18 £
FIXED ASSETS			
Intangible assets	14	3,556	4,742
Tangible assets	15	11,885,736	11,771,800
Investments	16	<u>1</u>	<u>1</u>
		11,889,293	11,776,543
CURRENT ASSETS			
Debtors	17	833,318	839,543
Cash at bank		<u>636,275</u>	<u>1,015,391</u>
		1,469,593	1,854,934
CREDITORS			
Amounts falling due within one year	18	(902,343)	(937,655)
		<u>567,250</u>	<u>917,279</u>
NET CURRENT ASSETS			
		<u>567,250</u>	<u>917,279</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,456,543	12,693,822
CREDITORS			
Amounts falling due after more than one year	19	(1)	(19,119)
PENSION LIABILITY	24	(2,798,000)	(2,187,000)
		<u>9,658,542</u>	<u>10,487,703</u>
NET ASSETS		<u>9,658,542</u>	<u>10,487,703</u>

Sexey's School

Statement of Financial Position - continued
At 31 August 2019

	Notes	31.8.19	31.8.18
	23	£	£
FUNDS			
Unrestricted funds:		-	-
Restricted funds:			
General Annual Grant		(205,060)	(687,852)
Provision of Boarding facilities		772,307	1,586,013
Pension reserve		(2,798,000)	(2,187,000)
ESFA capital grants		724,336	597,369
Academic assets from conversion		4,638,519	4,735,219
Capital expenditure from GAG		255,796	60,343
Private donations		8,346	8,540
Boarding assets from conversion		4,632,828	4,730,714
Other boarding assets		<u>1,629,470</u>	<u>1,644,357</u>
		<u>9,658,542</u>	<u>10,487,703</u>
TOTAL FUNDS		<u>9,658,542</u>	<u>10,487,703</u>

The financial statements were approved by the Board of Governors on 5 December 2019 and were signed on its behalf by:


.....
Governor

Sexey's School

Statement of Cash Flows
for the Year Ended 31 August 2019

	Notes	31.8.19 £	31.8.18 £
Cash flows from operating activities:			
Cash generated from operations	27	<u>(196,966)</u>	<u>(414,246)</u>
Net cash provided by (used in) operating activities		<u>(196,966)</u>	<u>(414,246)</u>
Cash flows from investing activities:			
Purchase of intangible fixed assets		-	(5,928)
Purchase of tangible fixed assets		(473,596)	(215,445)
Capital grants from DfE/ESFA		221,446	220,695
Dividends received		<u>70,000</u>	<u>74,500</u>
Net cash provided by (used in) investing activities		<u>(182,150)</u>	<u>73,822</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(379,116)	(340,426)
Cash and cash equivalents at the beginning of the reporting period		<u>1,015,391</u>	<u>1,355,815</u>
Cash and cash equivalents at the end of the reporting period		<u>636,275</u>	<u>1,015,391</u>

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 2018 to 2019 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

In accordance with our responsibilities we, as directors of the company limited by guarantee, annually consider the going concern basis of the company. In December 2019, the ESFA has approved a loan to the Academy Trust of £700,000 to support the cashflow constraints and the deficit budget for the 2019/20 academic year.

A recovery plan has been agreed by the Governors and the ESFA to repay this loan and bring the Academy Trust's budgets back into surplus in 2023-24. As part of the recovery plan, the Governors agree to identify a Multi-Academy Trust that supports the underlying visions and ethos of Sexey's School, with a view to joining the MAT by September 2020.

As a result of these transactions and plans we, as directors of the company limited by guarantee, are confident that the Academy Trust will have sufficient working capital and, accordingly, we consider it appropriate to prepare these financial statements on a going concern basis.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

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.

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 2019

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 2019

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 24, 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 24 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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 2019

2. DONATIONS AND CAPITAL GRANTS

	31.8.19	31.8.18
	£	£
Grants	<u>163,109</u>	<u>203,448</u>

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

	31.8.19	31.8.18
	£	£
Capital grants	<u>163,109</u>	<u>203,448</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	2,716,358	2,716,358	2,456,511
Other DFE Revenue Grants	<u>-</u>	<u>72,250</u>	<u>72,250</u>	<u>56,649</u>
	-	2,788,608	2,788,608	2,513,160
DfE/ESFA capital grant				
Capital grants	-	58,337	58,337	17,247
Other government grant				
Local authority grants	<u>-</u>	<u>8,046</u>	<u>8,046</u>	<u>13,066</u>
	<u>-</u>	<u>2,854,991</u>	<u>2,854,991</u>	<u>2,543,473</u>

4. OTHER TRADING ACTIVITIES

	31.8.19	31.8.18
	£	£
Activities and trips	6,962	9,728
Other	<u>76,653</u>	<u>78,983</u>
	<u>83,615</u>	<u>88,711</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

5. INVESTMENT INCOME

	31.8.19	31.8.18
	£	£
Short term deposits	5,095	5,408
Shares in group undertakings	<u>70,000</u>	<u>74,500</u>
	<u>75,095</u>	<u>79,908</u>

6. EXPENDITURE

	Non-pay expenditure			31.8.19	31.8.18
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Raising funds					
Costs of fundraising					
Direct costs	-	-	34,216	34,216	52,552
Costs incurred by trading for a fundraising purpose					
Direct costs	-	-	1,186	1,186	1,186
Charitable activities					
Academies educational operations					
Direct costs	1,919,988	89,176	242,926	2,252,090	2,248,457
Allocated support costs	691,761	47,639	397,621	1,137,021	993,287
Provision of boarding activities					
Direct costs	874,821	-	253,786	1,128,607	1,208,763
Allocated support costs	<u>313,890</u>	<u>226,870</u>	<u>631,113</u>	<u>1,171,873</u>	<u>1,110,901</u>
	<u>3,800,460</u>	<u>363,685</u>	<u>1,560,848</u>	<u>5,724,993</u>	<u>5,615,146</u>

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

	31.8.19	31.8.18
	£	£
Depreciation - owned assets	359,660	353,376
Computer software amortisation	1,186	1,186
Auditors Remuneration	10,475	10,270
Auditors Remuneration - Non audit work	525	515
Operating Leases	<u>15,720</u>	<u>20,252</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

7. RAISING FUNDS**Costs of fundraising**

	31.8.19	31.8.18
	£	£
Costs of generating voluntary income	<u>34,216</u>	<u>52,552</u>

Costs incurred by trading for a fundraising purpose

	31.8.19	31.8.18
	£	£
Depreciation	<u>1,186</u>	<u>1,186</u>

Aggregate amounts	<u>35,402</u>	<u>53,738</u>
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8. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
Direct costs - academy's educational operations	-	2,252,090	2,252,090	2,248,457
Direct costs - provision of boarding activities	-	1,128,607	1,128,607	1,208,763
Support costs - academy's educational operations	-	1,137,021	1,137,021	993,287
Support costs - provision of boarding activities	<u>-</u>	<u>1,171,873</u>	<u>1,171,873</u>	<u>1,110,901</u>
	<u>-</u>	<u>5,689,591</u>	<u>5,689,591</u>	<u>5,561,408</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

8. CHARITABLE ACTIVITIES - continued

	Academy's educational operations £	Provision of boarding activities £	Teaching schools £	31.8.19 Total £	31.8.18 Total £
Analysis of support costs					
Support staff costs	691,761	313,890	-	1,005,651	940,637
Depreciation	10,008	71,881	-	81,889	102,436
Telephone & internet costs	8,595	10,599	-	19,194	18,996
Premises costs	68,466	259,186	-	327,652	495,716
Other support costs	346,817	483,253	-	830,070	534,864
Governance costs	<u>11,374</u>	<u>33,064</u>	-	<u>44,438</u>	<u>11,539</u>
Total support costs	<u><u>1,137,021</u></u>	<u><u>1,171,873</u></u>	<u><u>-</u></u>	<u><u>2,308,894</u></u>	<u><u>2,104,188</u></u>

9. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs £	Totals £
Costs of generating funds from activities	90,221	-	90,221
Academy's educational operations	2,161,869	1,137,021	3,298,890
Provision of boarding activities	<u>1,128,607</u>	<u>1,171,873</u>	<u>2,300,480</u>
	<u><u>3,380,697</u></u>	<u><u>2,308,894</u></u>	<u><u>5,689,591</u></u>

10. GOVERNORS' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration was as follows:

H Cullen (principal)

Remuneration: £70,000 - £75,000 (2018: £nil)

Er's Pension: £10,000 - £15,000 (2018: £nil)

J Whitaker (Staff Governor)

Remuneration: £5,000 - £10,000 (2018: £15,000 - £20,000)

Er's Pension: £nil (2018: £nil)

Other related party transactions involving the trustees are set out in note 26.

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2019 nor for the year ended 31 August 2018.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

11. STAFF COSTS

	31.8.19	31.8.18
	£	£
Wages and salaries	2,890,953	2,800,930
Social security costs	239,110	239,467
Operating costs of defined benefit pension schemes	<u>658,640</u>	<u>622,553</u>
	3,788,703	3,662,950
Supply teacher costs	<u>11,757</u>	<u>7,763</u>
	<u>3,800,460</u>	<u>3,670,713</u>

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

	31.8.19	31.8.18
Teachers	34	33
Administration and support	66	50
Management	<u>6</u>	<u>7</u>
	<u>106</u>	<u>90</u>

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

	31.8.19	31.8.18
£70,001 - £80,000	<u>1</u>	<u>-</u>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2019, pension contributions for this staff member amounted to £11,885 (2018: £nil).

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 £298,401 (2018: £407,432).

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2019 was £1,577 (2018: £1,558). The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

13. 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	-	-	203,448	203,448
Charitable activities				
Funding for the academy's educational operations	-	2,543,473	-	2,543,473
Provision of boarding activities	-	2,161,506	-	2,161,506
Other trading activities	16,291	72,420	-	88,711
Investment income	79,908	-	-	79,908
Total	96,199	4,777,399	203,448	5,077,046
EXPENDITURE ON				
Raising funds	-	52,552	1,186	53,738
Charitable activities				
Academy's educational operations	-	2,973,818	146,727	3,120,545
Provision of boarding activities	-	2,319,664	-	2,319,664
Costs of generating funds from activities	121,199	-	-	121,199
Total	121,199	5,346,034	147,913	5,615,146
NET INCOME/(EXPENDITURE)	(25,000)	(568,635)	55,535	(538,100)
Transfers between funds	-	188,724	(188,724)	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	453,000	-	453,000
Net movement in funds	(25,000)	73,089	(133,189)	(85,100)
RECONCILIATION OF FUNDS				
Total funds brought forward	25,000	(1,361,928)	11,909,731	10,572,803
TOTAL FUNDS CARRIED FORWARD	-	(1,288,839)	11,776,542	10,487,703

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

14. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 September 2018	<u>5,928</u>
AMORTISATION	
At 1 September 2018	1,186
Charge for year	<u>1,186</u>
At 31 August 2019	<u>2,372</u>
NET BOOK VALUE	
At 31 August 2019	<u>3,556</u>
At 31 August 2018	<u>4,742</u>

15. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2018	12,842,829	965,691	133,888	13,942,408
Additions	385,561	44,727	43,308	473,596
Disposals	<u>-</u>	<u>(16,300)</u>	<u>-</u>	<u>(16,300)</u>
At 31 August 2019	<u>13,228,390</u>	<u>994,118</u>	<u>177,196</u>	<u>14,399,704</u>
DEPRECIATION				
At 1 September 2018	1,556,860	491,066	122,682	2,170,608
Charge for year	239,344	98,517	21,799	359,660
Eliminated on disposal	<u>-</u>	<u>(16,300)</u>	<u>-</u>	<u>(16,300)</u>
At 31 August 2019	<u>1,796,204</u>	<u>573,283</u>	<u>144,481</u>	<u>2,513,968</u>
NET BOOK VALUE				
At 31 August 2019	<u>11,432,186</u>	<u>420,835</u>	<u>32,715</u>	<u>11,885,736</u>
At 31 August 2018	<u>11,285,969</u>	<u>474,625</u>	<u>11,206</u>	<u>11,771,800</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

16. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 September 2018 and 31 August 2019	<u>1</u>
NET BOOK VALUE	
At 31 August 2019	<u>1</u>
At 31 August 2018	<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:

Sexeys Trading Company Limited

Nature of business: trading activity of the academy

Class of share:	%
Ordinary	holding 100

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£	£
Trade debtors	514,679	492,693
VAT	132,566	186,735
Prepayments and accrued income	<u>186,073</u>	<u>160,115</u>
	<u>833,318</u>	<u>839,543</u>

Sexey's School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£	£
Trade creditors	259,586	235,739
Other creditors	105,791	106,236
Accruals and deferred income	<u>536,966</u>	<u>595,680</u>
	<u>902,343</u>	<u>937,655</u>

Deferred Income

	2019	2018
	£	£
Deferred income at 1 September	592,247	680,264
Resources deferred in the year	461,532	592,247
Amounts released from previous years	(592,247)	(680,264)
Deferred income at 31 August	461,532	592,247

At the balance sheet date the School was holding funds received in advance for boarding fees of £427,486 (2018: £584,030) and other deposits.

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

	31.8.19	31.8.18
	£	£
Amounts owed to group undertakings	1	1
Accruals and deferred income	<u>-</u>	<u>19,118</u>
	<u>1</u>	<u>19,119</u>

20. LEASING AGREEMENTS

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

	31.8.19	31.8.18
	£	£
Within one year	8,801	15,720
Between one and five years	<u>9,600</u>	<u>18,401</u>
	<u>18,401</u>	<u>34,121</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

21. 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.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	Restricted fixed asset fund £	Total funds £
				31.8.19
Fixed assets	-	-	11,889,292	11,889,292
Investments	-	-	1	1
Current assets	-	1,469,593	-	1,469,593
Current liabilities	-	(902,343)	-	(902,343)
Long term liabilities	-	(1)	-	(1)
Pension liability	-	(2,798,000)	-	(2,798,000)
	<u>-</u>	<u>(2,230,751)</u>	<u>11,889,293</u>	<u>9,658,542</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted fund £	Restricted funds £	Restricted fixed asset fund £	Total funds £
				31.8.18
Fixed assets	-	-	11,776,542	11,776,542
Investments	-	1	-	1
Current assets	-	1,854,934	-	1,854,934
Current liabilities	-	(937,655)	-	(937,655)
Long term liabilities	-	(19,119)	-	(19,119)
Pension liability	-	(2,187,000)	-	(2,187,000)
	<u>-</u>	<u>(1,288,839)</u>	<u>11,776,542</u>	<u>10,487,703</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

23. MOVEMENT IN FUNDS

	At 1.9.18 £	Net movement in funds £	Transfers between funds £	At 31.8.19 £
Restricted funds				
General Annual Grant	(687,852)	10,254	472,538	(205,060)
Provision of Boarding facilities	1,586,013	(230,437)	(583,269)	772,307
Pension reserve	(2,187,000)	(611,000)	-	(2,798,000)
ESFA capital grants	597,369	126,967	-	724,336
Academic assets from conversion	4,735,219	(96,700)	-	4,638,519
Capital expenditure from GAG	60,343	(28,250)	223,703	255,796
Private donations	8,540	-	(194)	8,346
Boarding assets from conversion	4,730,714	-	(97,886)	4,632,828
Other boarding assets	1,644,357	5	(14,892)	1,629,470
	10,487,703	(829,161)	-	9,658,542
TOTAL FUNDS	10,487,703	(829,161)	-	9,658,542

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	90,221	(90,221)	-	-
Restricted funds				
General Annual Grant	2,774,696	(2,764,442)	-	10,254
Other Government grants	8,046	(8,046)	-	-
Provision of Boarding facilities	2,070,043	(2,300,480)	-	(230,437)
Private	68,467	(68,467)	-	-
Other DFE Revenue Grants	72,250	(72,250)	-	-
ESFA capital grants	163,109	(36,142)	-	126,967
Pension reserve	-	(260,000)	(351,000)	(611,000)
Academic assets from conversion	-	(96,700)	-	(96,700)
Capital expenditure from GAG	-	(28,250)	-	(28,250)
Other boarding assets	-	5	-	5
	5,156,611	(5,634,772)	(351,000)	(829,161)
TOTAL FUNDS	5,246,832	(5,724,993)	(351,000)	(829,161)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted Funds				
Designated funds	25,000	(25,000)	-	-
Restricted Funds				
General Annual Grant	(509,452)	(160,477)	(17,923)	(687,852)
Provision of Boarding facilities	1,537,524	(158,158)	206,647	1,586,013
Pension reserve	(2,390,000)	203,000	-	(2,187,000)
ESFA capital grants	402,501	182,872	11,996	597,369
Academic assets from conversion	4,833,697	(98,478)	-	4,735,219
Capital expenditure from GAG	83,081	(28,665)	5,927	60,343
Private donations	8,734	(194)	-	8,540
Boarding assets from conversion	4,829,192	-	(98,478)	4,730,714
Other boarding assets	1,752,526	-	(108,169)	1,644,357
	10,547,803	(60,100)	-	10,487,703
TOTAL FUNDS	<u>10,572,803</u>	<u>(85,100)</u>	<u>-</u>	<u>10,487,703</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

23. MOVEMENT IN FUNDS - continued

Comparative 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	96,199	(121,199)	-	(25,000)
Restricted funds				
General Annual Grant	2,477,522	(2,637,999)	-	(160,477)
Other Government grants	9,302	(9,302)	-	-
Provision of Boarding facilities	2,161,506	(2,319,664)	-	(158,158)
Private	72,420	(72,420)	-	-
Other DFE Revenue Grants	56,649	(56,649)	-	-
ESFA capital grants	203,448	(20,576)	-	182,872
Pension reserve	-	(250,000)	453,000	203,000
Academic assets from conversion	-	(98,478)	-	(98,478)
Capital expenditure from GAG	-	(28,665)	-	(28,665)
Private donations	-	(194)	-	(194)
Boarding assets from conversion	-	(98,478)	-	(98,478)
Other boarding assets	-	(108,169)	-	(108,169)
	<u>4,980,847</u>	<u>(5,493,947)</u>	<u>453,000</u>	<u>(60,100)</u>
TOTAL FUNDS	<u><u>5,077,046</u></u>	<u><u>(5,615,146)</u></u>	<u><u>453,000</u></u>	<u><u>(85,100)</u></u>

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 2019. This limit was not exceeded.

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

24. 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.

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £215,779 (2018: £247,019). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

24. PENSION AND SIMILAR OBLIGATIONS
- continued

The total contribution made for the year ended 31 August 2019 was £262,000 (2018: £243,000), of which employer's contributions totalled £201,000 (2018: £187,000) and employees' contributions totalled £61,000 (2018: £56,000) 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.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Present value of funded obligations	(5,103,000)	(4,194,000)
Fair value of plan assets	<u>2,305,000</u>	<u>2,007,000</u>
	<u>(2,798,000)</u>	<u>(2,187,000)</u>
Deficit	<u>(2,798,000)</u>	<u>(2,187,000)</u>
Liability	<u>(2,798,000)</u>	<u>(2,187,000)</u>

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

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Current service cost	361,000	377,000
Net interest from net defined benefit asset/liability	55,000	59,000
Past service cost	<u>43,000</u>	<u>-</u>
	<u>459,000</u>	<u>436,000</u>
Actual return on plan assets	<u>151,000</u>	<u>79,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

24. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Defined benefit obligation	4,194,000	4,195,000
Current service cost	361,000	377,000
Past service cost	43,000	-
Contributions by scheme participants	61,000	56,000
Interest cost	110,000	108,000
Benefits paid	(113,000)	(119,000)
Remeasurement of obligations	<u>447,000</u>	<u>(423,000)</u>
	<u>5,103,000</u>	<u>4,194,000</u>

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

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Fair value of scheme assets	2,007,000	1,805,000
Contributions by employer	201,000	187,000
Contributions by scheme participants	61,000	56,000
Administrative expenses	(2,000)	(1,000)
Interest on assets	55,000	49,000
Remeasurement of assets	96,000	30,000
Benefits paid	<u>(113,000)</u>	<u>(119,000)</u>
	<u>2,305,000</u>	<u>2,007,000</u>

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

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Remeasurement of obligations	(447,000)	423,000
Remeasurement of assets	<u>96,000</u>	<u>30,000</u>
	<u>(351,000)</u>	<u>453,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

24. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Equities	1,633,000	1,445,000
Gilts	137,000	108,000
Other Bonds	211,000	181,000
Property	187,000	178,000
Cash	137,000	95,000
	<u>2,305,000</u>	<u>2,007,000</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 2019	At 31 August 2018
Retiring today		
Males	22.9	24.0
Females	24.0	25.2
Retiring in 20 years		
Males	24.6	26.3
Females	25.8	27.5

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

	31.8.19	31.8.18
Discount rate	1.85%	2.65%
Future salary increases	3.7%	3.8%
Future pension increases	2.2%	2.3%

25. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2019.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

26. ACADEMY BOARDING TRADING ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

	31.8.19	31.8.18
	£	£
Income		
Boarding fees	1,799,954	1,879,422
Catering	116,300	107,485
Music tuition	41,901	39,839
Other income	111,480	134,006
Uniform	387	754
Other income	21	-
	<u>2,070,043</u>	<u>2,161,506</u>
Expenditure		
Direct costs		
Teaching and educational support staff	874,821	949,497
Educational supplies	361	619
Examination fees	1,203	1,108
Other direct costs	252,222	257,539
	<u>1,128,607</u>	<u>1,208,763</u>
Indirect costs		
Support staff costs	313,890	217,185
Depreciation	199,756	206,647
Telephone & internet costs	10,599	10,737
Recruitment and support	34,373	35,543
Maintenance of premises and equipment	167,342	282,981
Cleaning	9,563	10,180
Rent and rates	59,748	57,365
Energy costs	114,503	92,490
Subscriptions	2,525	6,618
Other support costs	259,574	191,155
	<u>1,171,873</u>	<u>1,110,901</u>
Total operating costs	<u>2,300,480</u>	<u>2,319,664</u>
Net (deficit)/surplus on boarding	(230,437)	(158,158)
Surplus brought forward	1,586,013	1,537,524
Transfers	<u>(583,269)</u>	<u>206,647</u>
Surplus carried forward	<u><u>772,307</u></u>	<u><u>1,586,013</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

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

	31.8.19	31.8.18
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(478,161)	(538,100)
Adjustments for:		
Depreciation	360,846	354,562
Capital grants from DfE/ESFA	(221,446)	(220,695)
Dividends received	(70,000)	(74,500)
Decrease/(increase) in debtors	6,225	(197,295)
(Decrease)/increase in creditors	(54,430)	11,782
Difference between pension charge and cash contributions	<u>260,000</u>	<u>250,000</u>
Net cash provided by (used in) operating activities	<u>(196,966)</u>	<u>(414,246)</u>

28. SUBSEQUENT EVENTS

In December 2019 the ESFA approved a loan to the Academy Trust of £700,00. In addition, the Governors agreed to identify a Multi-Academy Trust with a view to joining the MAT by September 2020. No adjustment has been made to the fair value of assets at this stage. Fair values will be obtained at the point when the Academy Trust joins a MAT.