

Company Registration Number: 07694641 (England & Wales)

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**SIR WILLIAM ROMNEY'S SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Members**

Mr Jon Green  
Mr Steven Mackay

**Trustees**

Mrs Roz Goodwin, Chair  
Mr Jon Green, Vice Chair (resigned 31 May 2017)  
Mr Stephen Hirst  
Mrs Natalie Morley (resigned 30 November 2016)  
Mrs Susan Noble (resigned 1 December 2016)  
Mrs Lisa Williamson (resigned 25 January 2017)  
Mr Jonathan Bell, Head Teacher and Accounting Officer (appointed 1 September 2016)  
Mr Charles Burkinshaw (appointed 6 October 2016)  
Mr Peter Dillon (appointed 7 November 2016)  
Mrs Clare Truscott-Jones (appointed 7 November 2016)  
Mr Thomas Henley (resigned 15 September 2016)  
Mrs Colleen Smith (resigned 17 September 2016)  
Miss Trudi Baker (appointed 8 December 2016)  
Mr Brian Cook (appointed 8 December 2016)  
Mrs Anne Geers (appointed 5 October 2017)  
Mrs Katy Riddington (appointed 5 October 2017)

**Company registered number**

07694641

**Company name**

Sir William Romney's School

**Principal and registered office**

Lowfield Road  
Tetbury  
Gloucestershire  
GL8 8AE

**Company secretary**

Mrs Deborah Anderson-Dixon

**Chief executive officer**

Mr Jonathan Bell

**Senior management team**

Mr J Bell, Head Teacher  
Miss K Hopson, Assistant Head Teacher  
Miss J Daniels, Assistant Head Teacher (resigned 31 August 2017)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

**Independent auditors**

Randall & Payne LLP  
Chartered Accountants & Statutory Auditors  
Chargrove House  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA

**Bankers**

Lloyds Bank Plc  
14 Castle Street  
Cirencester  
Gloucestershire  
GL7 1QJ

**Solicitors**

Harrison Clark Rickerbys LLP  
Ellenborough House  
Wellington St  
Cheltenham  
GL50 1YD

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**SIR WILLIAM ROMNEY'S SCHOOL**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Governors' present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

**Reference and administrative details**

Reference and administrative details are shown in the schedule of reference and administrative details on page 1.

**The trustees**

The trustees (governors) who served the Academy during the period are indicated in the reference and administrative details.

**Structure, governance and management**

**a. CONSTITUTION**

The Academy Trust is a company limited by guarantee (registered number 7694641) and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Company was incorporated on 5th July 2011 and fully transitioned operations as of 1st August 2011 following a decision by the governing body and acceptance by the Secretary of State for Education that the School become an academy as of this date.

The governors act as the trustees for the charitable activities of Sir William Romney's School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Sir William Romney's School.

The governors act as the trustees for the charitable activities of Sir William Romney's School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Sir William Romney's School.

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

**b. MEMBERS' LIABILITY**

Every member of the Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member and to pay such amounts as may be required not exceeding £10 for the debt and liabilities contracted before he/she ceased to be a member. The Secretary of State for Education can direct the governors of the Trust in certain circumstances where the quality of education is deemed unsatisfactory.

**c. GOVERNORS INDEMNITIES**

The Academy has purchased insurance to cover governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The cost of this insurance for the financial year 16/17 was £283.75.

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**SIR WILLIAM ROMNEY'S SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The Members of the Trust are responsible for the appointment of governors except three parent governors and two staff governors who will be appointed through an election process directed by the governing body. In the event that these positions are not filled, the members of the Trust are able to appoint to these positions.

The number of Governors shall be not less than three and shall be subject to a maximum of fifteen.

**e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Governors are appointed based on the skills that they will bring to the governing body or based on a proposal to the governing body by representative groups. On appointment, governors receive information relating to the Trust and attend a briefing and receive an induction pack on the role and responsibilities of governors.

During the year, governors are offered all necessary training.

**f. ORGANISATIONAL STRUCTURE**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

All governors are members of the full governing body. In addition governors are members of committees who report to the full governing body. There are two governors committees.

The Resources Committee report to the full governing body on personnel, finance, premises and related issues. The Learning Committee report to the full governing body. The full governing body meets on at least five occasions per year.

Terms of reference exist for each committee which will be reviewed annually.

The day to day running of the School is delegated to the Trust/Governing Body under the leadership of the Head Teacher, Jonathan Bell, who is the Accounting Officer.

**g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

For the Headteacher

The Headteacher will be appraised by the Governing Body, supported by a suitably skilled and/or experienced external adviser who has been appointed by the Governing Body for that purpose. The qualifications and experience required of an external adviser are not set by regulation. It is for the governing body to decide who they wish to use as an external adviser, ideally with the agreement of the Headteacher.

Headteachers can raise an objection to the Chair of Governors, in writing and with good reason, outlining why an appointed governor should be excluded from the appraisal process.

The external adviser is not responsible for determining a recommendation to the Pay Committee on whether an increment should be paid to the Headteacher, following the review; this is a matter for the Governor's panel alone. However, Governors can ask for advice and should take account of any advice offered.

For all other Employees

The Headteacher is responsible for the appraisal of all other employees but may delegate this responsibility to others who will normally have line management responsibility for those they appraise.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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All appraisers, including allocated members of the governing body, should be provided with appropriate training.

Teaching staff should be able to object to the appointment of an appraiser, on professional grounds, in writing to the Headteacher who will consider this and make a decision. Where the objections are rejected by the Headteacher, the teacher should be advised in writing.

#### **h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

The Trust has no connected organisations.

#### **Objectives and Activities**

##### **a. OBJECTS AND AIMS**

The Trust's object is to advance for the public benefit education for children aged 11 to 16 by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The aims of the Trust are:

- Every individual is equally important; students of all abilities and backgrounds are provided with the opportunity to develop the skills, experiences and knowledge to achieve their potential and to prepare for their future lives.
- To ensure that learning is experienced at a personal level because we know and understand all of our students. Students are encouraged to be both aspirational and ambitious through being resilient, collaborative and independent learners.
- To provide a safe, caring and enriching environment where all members of our community know and respect each other. Our students believe in themselves and contribute to the development of others, both in school and beyond.

##### **b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The School's objective for the period ending 31st August 2017 was to raise the attainment level of all students through care and well-being, curriculum structure, teaching and learning, and leadership development.

Student roll - the total number on roll for the period 1st September 2016 to 31st August 2017 was 402

Admissions - the School has a PAN of 125 and is undersubscribed with an average of 81 students in each year group.

Attendance - the attendance level achieved for the period ending 31st August 2017 was 93.56% (before 31st May 95.06% due to study leave)

Permanent exclusions - the aim is to have permanent exclusions only in exceptional circumstances. Sir William Romney's School had 3 permanent exclusions during the period from 1st September 2016 to 31st August 2017.

Staffing - the average number of (full time equivalent) teaching staff employed during the period 1st September 2016 to 31st August 2017 was 26.

On 1st January 2014 Cotswold District Council transferred the ownership and management of Tetbury Leisure Centre to the academy trust. The purpose of the transfer is to save money at the Local Authority whilst ensuring the public will still be able to enjoy excellent leisure facilities.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The trust has established a subsidiary trading company specifically to run the leisure services under the name of Sir William Romney's Leisure Ltd. The dual lease agreement which was in existence between Cotswold District Council and Sir William Romney's School has been surrendered.

As part of the transfer arrangement, the Council will pay a grant to Sir William Romney's Leisure Ltd to support the provision of the leisure facilities for use by the general public over a six-year period. All relevant staff that were employed by the Council have transferred to the company established by the trust under Transfer of Undertakings (Protection of Employment) Regulations legislation which safeguards their terms and conditions. Sir William Romney's Leisure Ltd has also established its own Local Government Pension Scheme.

The trust has made a commitment to work with the local community and encourage them to play a big part in the success of the leisure centre. The trust made improvements to the leisure centre ready for the start of January 2014 and continues to do so.

**c. PUBLIC BENEFIT**

The Trust will promote for the benefit of inhabitants of Tetbury and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Academy Trust governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

**d. PRINCIPAL ACTIVITIES**

Sir William Romney's School converted to Academy status on 1st August 2011 at which point the entity's operations commenced. The Academy Trust's principal activities are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

**Strategic report**

**Achievements and performance**

**a. KEY PERFORMANCE INDICATORS**

The School was graded Good in all aspects by OFSTED in February 2016.

OFSTED praised the dynamic leadership of the Head Teacher and effective senior leadership team. Similarly, middle leadership was also considered to be a particular strength across the entire school. Governance was also acknowledged as possessing a clear understanding of the school's strengths and areas for further development.

The school commissioned an external review of provision and outcomes for disadvantaged students in 2016. Senior and middle leadership were praised for their insightful understanding of individual students' barriers to learning and the social and academic progress made by disadvantaged students.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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We are delighted by the outcomes Sir William Romney's School students have achieved in their GCSEs this August 2017. The percentage of students who achieved five or more standard passes (grade 4 or higher) with English and maths was 60.2%. The percentage of students who achieved five or more good passes (grade 5 or higher) with English and maths was 35.42%. Subject results across the school were good and there were some outstanding results in subject areas such as art, child development, geography, ICT and catering.

However, while attainment was good, the progress made by our students was very good. The value added score in 2014, at 1019, was very good and was among the best among comprehensive schools in the county. In 2015 it was even better at 1026. The Department for Education now judges school performance according to the Progress 8 measure. The school's Progress 8 measure in 2016 was +0.28 which indicates that students are making at least a third of a grade more progress than expected. Despite the introduction of new challenging GCSE examinations in English and maths, the school's Progress 8 measure has remained positive in 2017 with an overall score of +0.2. Compared to neighbouring schools we are placed third when measured against this new criterion and higher than most comprehensive schools across the local authority.

We are very proud of the achievements of our students last year and this is a reflection on their hard work, the efforts of their teachers and the support from their parents.

The academic examination results for the School are set out in the tables below.

Results showing year on year comparison from 2014 to 2017 for GCSE (KS4) results:

Results	2014	2015	2016*	2017 (or equivalents)
5+ A* - C	61%	71%	66%	66.33%
5+ A* - C including Maths and English	39%	56%	44.44%	60.2%

\*Please be aware that DfE no longer judges school performance on this measure. From 2016, school's KS4 performance is evaluated against Progress 8. In this measure a '0' would indicate that students are making expected progress and a minus figure would indicate that students are not making expected levels of progress (for reference the national floor plate is -0.5). Sir William Romney's School achieved a significantly above average score of +0.2.

The Academy complies with all terms and conditions of its Funding Agreement including the level of GAG carry forward allowed.

Other key performance indicators include:

Attendance levels are regularly above 94%

Progression from Year 11 to college, sixth form, employment or training is above 98%.

The School places importance on staff retention and development in order to maintain the highest standards of teaching and learning.

#### **b. GOING CONCERN**

After making appropriate enquiries, the Governing Body 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Financial review**

**a. RESERVES POLICY**

The school and its trading subsidiary had free reserves, unrestricted and restricted excluding the pension deficit, of £145,746, as shown in the consolidated figures as at 31 August 2017. The reserves will be allocated and spent as part of School Improvement Plan to update, improve and maintain its facilities and resources. A capital spending plan has been completed detailing the short, medium and long term needs and plans of the School for which reserves will be allocated and determined in order of priority to meet the needs of the School.

**b. MATERIAL INVESTMENTS POLICY**

The School does not anticipate that any funds will be invested in the medium and long term so there is no requirement for a specific investment policy. Any surplus funds are either allocated for additional resource expenditure or to offset any shortfall between income and expenditure in the following year.

In the event that sufficient reserves were available to invest then the aim would be to ensure funds that the School does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the School's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The School does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

The School will after constructing and reporting forecasts versus budgets consider whether it is prudent to deposit funds into an account where improved terms are offered. As improved terms are generally only offered where funds are invested for a fixed term, it may be prudent for the School not to invest funds in this manner.

**c. PRINCIPAL RISKS AND UNCERTAINTIES**

The School is in the process of creating a risk register, a Risk Management Policy and risk review process. The objectives will be to determine an approach, and where it is considered necessary put in place measures of control and mitigation in order to manage risk.

The principal risks are falling student rolls, lower standards of achievement and failure to safeguard the students of the School

Key controls in place are:

- An organisational structure with defined roles, responsibilities and authorisation levels
- Terms of reference for the committees of the Governing Body
- Financial planning, budgeting and regular management reporting highlighting areas of financial risk
- Formal written and published policies for employees
- Vetting procedures as required by law for the protection of the vulnerable

The Academy has recognised its share of the local government pension scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard no. 17. A deficit has been recognised at 31 August 2017. Future contribution rates are adjusted in line with actuarial reports so as to reduce this deficit.

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**SIR WILLIAM ROMNEY'S SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Risk Management**

The governors have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the Trust's risk management process is undertaken on an annual basis and key controls in place include:

- Formal agendas for all committee activity
- Terms of reference for all governing body and delegated committees under the direction of the governing body
- Pecuniary interests of governors reviewed at each meeting
- Comprehensive budgeting and management reporting
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

**d. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Academy has developed risk management procedures as outlined above. The Governors have assessed the major risks to which the Academy is exposed and a formal review of the Trust's risk management process is undertaken on an annual basis.

**e. FINANCIAL REVIEW**

The Trust's financial position demonstrates total income of £2,857,280 with a surplus (excluding LGPS pension deficit and restricted fixed asset movement) at the 31 August 2017 of £81,507. The surplus has been allocated to reserves.

The reserves will be utilised for continuous improvements and for projects for the repair and replacement of educational equipment and materials. Reserves will also be allocated to the repair, replacement and updating of the School building, its plant equipment and contents.

A capital development plan is prepared and reviewed each year by the Governors in order that reserves can be prioritised and spent according to the needs of the School.

The principal financial management policies adopted in the year are:

- conducting regular financial reviews of income and expenditure versus planned budgets at the Governors' Resources Committee meetings;
- consideration as to whether the financial income demonstrates a robust and stable position enabling the provision of sufficient quality resources to fulfil the School's educational obligations.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

The aim is to provide a structure for continuous improvement and achievement.

**Strategic aims 2015-18**

1. To have achieved and maintained an 'Outstanding' Ofsted judgement
2. For Progress 8 to be significantly above the national average
3. To be the local school of choice
4. To be financially secure and have levels of funding to support the school's business aspirations
5. To create a culture of ambition and aspiration by the SWR community collaborating to achieve our aspiration and ambition for all.
6. To have first class school facilities and environment that support learning and reflect our values and ethos

The school improvement objectives for the 2016-17 year are:

'To create a culture of ambition and aspiration by having high expectations of students, parents, staff and governors.'

In terms of the site facilities of the School and leisure centre, a capital works programme is in place to ensure the School is maintained and updated to the highest of standards within funding constraints.

**FUNDS HELD AS CUSTODIAN**

The School operates an account within the main accounting system (The Lewis Prize), for the purpose of distributing prizes for students. The income and expense and fund balances are included the year end accounts of the Academy for the period ending 31st August 2017.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 7.12.17 and signed on its behalf by:



**Mrs R Goodwin**  
**Chair of Trustees**

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**SIR WILLIAM ROMNEY'S SCHOOL**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Governors, we acknowledge we have overall responsibility for ensuring that Sir William Romney'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 Teacher, 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 Sir William Romney's School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 7 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Roz Goodwin, Chair	7	7
Mr Jon Green, Vice Chair	5	5
Mr Stephen Hirst	7	7
Mrs Natalie Morley	1	1
Mrs Susan Noble	0	1
Mrs Lisa Williamson	1	2
Mr Jonathan Bell, Head Teacher and Accounting Officer	6	7
Mr Charles Burkinshaw	3	7
Mr Peter Dillon	5	5
Mrs Clare Truscott-Jones	5	5
Miss Trudi Baker	6	6
Mr Brian Cook	6	6

The Resources Committee is a sub-committee of the main Governing Body. The previous separate Resources and Personnel Committees merged in October 2015. Its purpose is to have responsibility for the overall financial position of the school in compliance with the Education Funding Agency regulations and to establish procedures for the appointment and management of staff, and to deal with staffing relating matters.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Roz Goodwin	4	6
Mr Jonathan Bell	6	6
Mr Stephen Hirst	6	6
Mr Jon Green	5	5
Mrs Natalie Morley	1	2
Mr Brian Cook	4	4

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**GOVERNANCE STATEMENT (continued)**

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The Learning Committee is a sub-committee of the main Governing Body (previously known as the Curriculum Committee. Its purpose is to have responsibility for leading and developing the overall standard of education and welfare of the students at Sir William Romney's School.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Roz Goodwin	3	5
Mr Jonathan Bell	4	5
Mrs Susan Noble	2	2
Mrs Lisa Williamson	1	2
Mr Charles Burkinshaw	3	5
Mr Peter Dillon	4	4
Mrs Clare Truscott-Jones	4	4
Miss Trudi Baker	3	3
Mr Brian Cook	1	1

The Strategy Committee is no longer a separate committee since September 2015. The responsibilities of establishing the vision, aims and objectives for the school are now embedded within the main Governing Body.

#### **REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Head Teacher 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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Value for money has been achieved through reviewing long and short term contracts within the school, examples are:

- The 5 year photocopying contract has been replaced with a 3 year contract, this has resulted in savings of £14,000 per year.
- The fire, security and alarm systems contract has been replaced and will provide savings of £5,000 per year without compromising the Health & Safety at the school.
- All staff vacancies are reviewed and either not replaced, or revised for cost efficiency.
- All expenditure is subject to scrutiny to ensure necessity and efficiency.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sir William Romney's School Academy Trust for the year 1 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 Governing Body 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 Governing

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**GOVERNANCE STATEMENT (continued)**

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Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 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 Governing Body .

A Risk Management Policy - a risk register and process of review is in the process of being implemented.

**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 Governing Body ;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Randall & Payne LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

In light of the impending budget cuts and difficulties with balancing budgets it was decided to host a peer visit day (consisting of 3 schools) to concentrate on how each school has managed the 17/18 budget and how the schools are going to have to plan for the future. A day of shared practice and knowledge proved a useful information gathering exercise and has now produced action points to review and evaluate services during the coming year. Topics covered during the day included:

1. Business Continuity
2. HCSS Budgeting Software
3. Insurance
4. Deficit Budgets
5. Ideas for maximising income
6. Ideas for saving costs
7. Compliancy

On a regular basis, the auditors report to the Governing Body through the audit committee on the operation of the systems of control and on the discharge of the Governing Body ' financial responsibilities.

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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

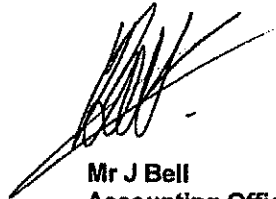
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 Governing Body on 7.12.17 and signed on their behalf, by:



**Mrs R Goodwin**  
**Chair of Trustees**



**Mr J Bell**  
**Accounting Officer**



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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Sir William Romney's School I have considered my responsibility to notify the academy trust board of trustees 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 trust 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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 trustees and ESFA.



**Mr J Bell**  
**Accounting Officer**

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees (who act as governors of Sir William Romney's School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 the group and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group 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 and the group 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 ESFA/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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 7.12.17 and signed on its behalf by:



**Mrs R. Goodwin**  
**Chair of Trustees**

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIR WILLIAM ROMNEY'S SCHOOL**

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**OPINION**

We have audited the financial statements of Sir William Romney's School (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the group Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the group Consolidated Balance Sheet, the group Consolidated Statement of Cash Flows and the related notes, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

**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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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.

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIR WILLIAM ROMNEY'S SCHOOL**

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**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report 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.

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.

**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 Trustees' Report including the Group Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group Strategic Report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the group and the parent academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Group Strategic Report.

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIR  
WILLIAM ROMNEY'S SCHOOL**

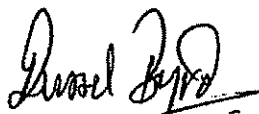
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In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis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

**AUDITORS' 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 an Auditors' Report 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.



Russel Byrd FCA FCCA (Senior Statutory Auditor)

for and on behalf of

**Randall & Payne LLP**

Chartered Accountants & Statutory Auditors

Chargrove House  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA

Date: 14<sup>th</sup> December 2017

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SIR WILLIAM ROMNEY'S SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 20 April 2015 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 Sir William Romney's School during the year 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 Sir William Romney'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 Sir William Romney'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 Sir William Romney's School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SIR WILLIAM ROMNEY'S SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Sir William Romney's School's funding agreement with the Secretary of State for Education dated 11 March 2013, 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 year 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.

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**


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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SIR WILLIAM ROMNEY'S SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

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



**Randall & Payne LLP**

Chartered Accountants & Statutory Auditors

Chargrove House  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA

Date: 14<sup>th</sup> December 2017.

**SIR WILLIAM ROMNEY'S SCHOOL**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted funds - Fixed Assets 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	3,311	17,821	11,121	32,253	32,803
Charitable activities	3	1,846	2,606,625	-	2,608,471	2,526,869
Other trading activities	4	77,115	139,264	-	216,379	235,398
Investments	5	177	-	-	177	282
<b>TOTAL INCOME</b>		<b>82,449</b>	<b>2,763,710</b>	<b>11,121</b>	<b>2,857,280</b>	<b>2,795,352</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		55,691	2,777,961	142,100	2,975,752	2,967,219
<b>TOTAL EXPENDITURE</b>	8	<b>55,691</b>	<b>2,777,961</b>	<b>142,100</b>	<b>2,975,752</b>	<b>2,967,219</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	19	26,758 (516)	(14,251) 516	(130,979) -	(118,472) -	(171,867) -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		26,242	(13,735)	(130,979)	(118,472)	(171,867)
Actuarial gains/(losses) on defined benefit pension schemes	24	-	370,000	-	370,000	(256,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>26,242</b>	<b>356,265</b>	<b>(130,979)</b>	<b>251,528</b>	<b>(427,867)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		12,209	(1,134,970)	6,409,630	5,286,869	5,714,736
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>38,451</b>	<b>(778,705)</b>	<b>6,278,651</b>	<b>5,538,397</b>	<b>5,286,869</b>

The notes on pages 27 to 51 form part of these financial statements.



**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07694641**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	14		6,272,465		6,393,042
<b>CURRENT ASSETS</b>					
Debtors	16	99,441		103,766	
Cash at bank and in hand		335,138		150,142	
		<u>434,579</u>		<u>253,908</u>	
<b>CREDITORS: amounts falling due within one year</b>	17	<b>(209,314)</b>		<b>(173,081)</b>	
<b>NET CURRENT ASSETS</b>			<u><b>225,265</b></u>		<u><b>80,827</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>6,497,730</b></u>		<u><b>6,473,869</b></u>
<b>CREDITORS: amounts falling due after more than one year</b>	18		<u><b>(73,333)</b></u>		<u><b>-</b></u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u><b>6,424,397</b></u>		<u><b>6,473,869</b></u>
Defined benefit pension scheme liability	24		<u><b>(886,000)</b></u>		<u><b>(1,187,000)</b></u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u><b>5,538,397</b></u></u>		<u><u><b>5,286,869</b></u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	19	107,295		52,030	
Restricted funds - fixed assets	19	6,278,651		6,409,630	
Restricted income funds excluding pension liability		<u>6,385,946</u>		<u>6,461,660</u>	
Pension reserve		<u>(886,000)</u>		<u>(1,187,000)</u>	
Total restricted income funds			<u><b>5,499,946</b></u>		<u><b>5,274,660</b></u>
Unrestricted income funds	19		<u><b>38,451</b></u>		<u><b>12,209</b></u>
<b>TOTAL FUNDS</b>			<u><u><b>5,538,397</b></u></u>		<u><u><b>5,286,869</b></u></u>

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**CONSOLIDATED BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2017**

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The financial statements on pages 22 to 51 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



**Mrs R. Goodwin**  
**Chair of Trustees**



**Mr Jonathan Bell, Head Teacher**  
**Accounting Officer**

**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07694641**

**ACADEMY BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	14		6,259,794		6,393,042
Investments	15		1		1
			6,259,795		6,393,043
<b>CURRENT ASSETS</b>					
Debtors	16	108,476		107,384	
Cash at bank		207,362		117,141	
		315,838		224,525	
<b>CREDITORS: amounts falling due within one year</b>	17	(148,014)		(144,286)	
<b>NET CURRENT ASSETS</b>			167,824		80,239
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,427,619		6,473,282
Defined benefit pension scheme liability	24		(942,000)		(1,190,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			5,485,619		5,283,282
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds		107,295		52,031	
Restricted funds - Fixed Assets		6,281,873		6,409,630	
Restricted funds excluding pension asset		6,389,168		6,461,661	
Pension reserve		(942,000)		(1,190,000)	
Total restricted funds			5,447,168		5,271,661
Unrestricted funds			38,451		11,621
<b>TOTAL FUNDS</b>			5,485,619		5,283,282

The financial statements were approved by the Trustees, and authorised for issue, on 7.12.17 and are signed on their behalf, by:



Mrs R. Goodwin  
Chair of Trustees



Mr Jonathan Bell, Head Teacher  
Accounting Officer

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	21	<u>196,630</u>	<u>(16,159)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		177	282
Purchase of tangible fixed assets		(22,932)	(53,659)
Capital grants from DfE/ESFA		11,121	11,003
<b>Net cash used in investing activities</b>		<u>(11,634)</u>	<u>(42,374)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>184,996</b>	<b>(58,533)</b>
Cash and cash equivalents brought forward		<u>150,142</u>	<u>208,675</u>
<b>Cash and cash equivalents carried forward</b>	22	<u><u>335,138</u></u>	<u><u>150,142</u></u>

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sir William Romney's School constitutes a public benefit entity as defined by FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy alone as permitted by section 408 of the Companies Act 2006.

**1.2 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 academy 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.

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

General Annual Grant is recognised in full in the 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 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.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**1.5 Basis of consolidation**

The financial statements consolidate the accounts of Sir William Romney's School and all of its subsidiary undertakings ('subsidiaries').

The academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The income and expenditure account for the year dealt with in the accounts of the academy was £23,000 (2016 - £-33000).

**1.6 Turnover**

Turnover comprises revenue recognised by the academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

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**SIR WILLIAM ROMNEY'S SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% on cost
Plant and machinery	-	10% on cost
Fixtures and fittings	-	10% on cost
Computer equipment	-	20% - 33.33% on cost

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.

**1.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

**1.9 Operating leases**

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

**1.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.11 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.12 Liabilities and provisions**

Liabilities and provisions 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 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 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.

**1.13 Taxation**

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

**1.14 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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**1. ACCOUNTING POLICIES (continued)**

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.15 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.16 Critical accounting estimates and areas of judgment**

Estimates and judgments 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 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.

Critical areas of judgment:

Fixed asset valuations have been included at their estimated fair value at the date of conversion, and depreciated over their useful life since. With no formal valuations occurring since this date, the judgment is to assess whether this valuation is still appropriate in the accounts.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted funds - Fixed Assets 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	3,311	17,821	-	21,132	21,799
Capital Grants	-	-	11,121	11,121	11,004
	<u>3,311</u>	<u>17,821</u>	<u>11,121</u>	<u>32,253</u>	<u>32,803</u>
<b>Total 2016</b>	<u>6,626</u>	<u>15,174</u>	<u>11,003</u>	<u>32,803</u>	

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**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	2,259,025	2,259,025	2,207,040
Student Support Services (Academy Post 16 Bursary Funding)	-	18,639	18,639	18,117
Pupil Number Adjustment (PNA)	-	102,963	102,963	106,869
Universal Infant Free School Meals (UiFSM)	-	94,262	94,262	90,517
Insurance	-	9,690	9,690	23,705
Start Up Grants	-	114,157	114,157	67,892
PE and Sports Grant	-	7,889	7,889	12,729
Insurance claims	1,846	-	1,846	-
	<u>1,846</u>	<u>2,606,625</u>	<u>2,608,471</u>	<u>2,526,869</u>
<i>Total 2016</i>	<u>54,997</u>	<u>2,457,372</u>	<u>2,512,369</u>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Sales of uniform	1,772	-	1,772	8,411
Hire of facilities	1,809	-	1,809	1,874
Catering	60,957	-	60,957	59,159
Rental income	12,577	-	12,577	12,954
	<u>77,115</u>	<u>-</u>	<u>77,115</u>	<u>82,398</u>

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**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income - local cash	177	-	177	282
<i>Total 2016</i>	<u>282</u>	<u>-</u>	<u>282</u>	

**6. DIRECT COSTS**

	Educational Operations £	Total 2017 £	Total 2016 £
Pension finance cost	24,000	24,000	33,000
Staff expenses	51,527	51,527	-
Educational supplies	30,199	30,199	108,613
Examination fees	9,049	9,049	33,146
Educational consultancy	20,271	20,271	-
Other staff costs	27,705	27,705	14,178
Agency Teaching Staff	41,581	41,581	-
Educational Activities	105,910	105,910	-
Wages and salaries	1,224,328	1,224,328	1,302,488
National insurance	118,214	118,214	110,791
Pension cost	209,655	209,655	203,469
Depreciation	110,172	110,172	110,175
Subtotal	<u>1,972,611</u>	<u>1,972,611</u>	<u>1,915,860</u>
Other direct costs	-	-	120,455
	<u>1,972,611</u>	<u>1,972,611</u>	<u>2,036,315</u>
<i>At 31 August 2016</i>	<u>1,991,394</u>	<u>1,991,394</u>	

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**7. SUPPORT COSTS**

	Educational Operations £	Total 2017 £	Total 2016 £
Staff expenses	11,831	11,831	-
Other staff costs	746	746	-
Insurance	2,775	2,775	25,626
Technology costs	60,142	60,142	11,363
Other	9,541	9,541	34,972
Maintenance of premises	53,738	53,738	30,876
Special facilities	33,246	33,246	128,714
Cleaning and caretaking	12,439	12,439	4,740
Operating lease rentals	39,335	39,335	4,249
Rates	197	197	26,071
Energy	55,450	55,450	38,003
Publicity & Marketing	3,732	3,732	-
Telephone & Postage	25,665	25,665	37,542
Travel & Subsistence	17,436	17,436	17,439
Professional Fees	15,194	15,194	26,203
Wages and salaries	472,858	472,858	366,817
National insurance	24,920	24,920	23,038
Pension cost	131,968	131,968	103,263
Depreciation	31,928	31,928	44,079
Subtotal	<u>1,003,141</u>	<u>1,003,141</u>	<u>922,995</u>
Other support costs	-	-	23,975
	<u>1,003,141</u>	<u>1,003,141</u>	<u>946,970</u>
<i>At 31 August 2016</i>	<u>975,825</u>	<u>975,825</u>	

During the year ended 31 August 2017, the academy incurred the following Governance costs:  
£8,000 (2016 - £5,375) included within the table above in respect of Educational Operations.

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**8. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
	-	-	-	-	125,068
Educational Operations:					
Direct costs	1,617,778	-	354,833	1,972,611	2,004,549
Support costs	605,745	113,880	283,516	1,003,141	837,603
	<u>2,223,523</u>	<u>113,880</u>	<u>638,349</u>	<u>2,975,752</u>	<u>2,967,220</u>
<i>Total 2016</i>	<u>2,182,664</u>	<u>198,188</u>	<u>587,953</u>	<u>2,968,805</u>	

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	143,508	142,496
Auditors' remuneration - audit	8,500	8,500
Operating lease rentals	15,334	11,850
Auditors' remuneration - non-audit	2,500	2,500
	<u>170,142</u>	<u>175,746</u>

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**10. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,738,390	1,669,305
Social security costs	143,509	133,829
Operating costs of defined benefit pension schemes	341,623	306,732
	<u>2,223,522</u>	<u>2,109,866</u>
Supply teacher costs	41,581	1,584
	<u>2,265,103</u>	<u>2,111,450</u>

The average number of persons employed by the academy during the year was as follows:

	2017 No.	2016 No.
Teaching	26	29
Administration	23	25
Management	1	1
	<u>50</u>	<u>55</u>

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

	2017 No.	2016 No.
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	1

Employer pension contributions in relation to the above employees totals £11,594 (2016 - £Nil). In the prior year the employee chose not to enrol in a pension scheme and therefore there were no employer contributions paid.

The key management personnel 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 £248,125 (2016 - £228,492).



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**11. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017	2016
		£	£
Mr S Mackay	Remuneration	-	80,000-85,000
Ms C Smith	Remuneration	-	35,000-40,000
	Pension contributions paid	-	5,000-10,000
Mr J Bell	Remuneration	70,000-75,000	-
	Pension contributions paid	10,000-15,000	-
Mr P Dillon	Remuneration	30,000-35,000	-
	Pension contributions paid	5,000-10,000	-
Mrs C Truscott-Jones	Remuneration	20,000-25,000	-
	Pension contributions paid	0-5,000	-

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £195 to 1 Trustees).

**12. TRUSTEES' 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 £5 million on any one claim and the cost for the year ended 31 August 2017 was £284 (2016 - £284).

**13. OTHER FINANCE INCOME**

	2017	2016
	£	£
Interest income on pension scheme assets	24,000	39,000
Interest on pension scheme liabilities	(48,000)	(72,000)
	<u>(24,000)</u>	<u>(33,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. TANGIBLE FIXED ASSETS**

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2016	6,630,817	156,229	72,543	106,013	6,965,602
Additions	-	10,238	12,694	-	22,932
At 31 August 2017	<u>6,630,817</u>	<u>166,467</u>	<u>85,237</u>	<u>106,013</u>	<u>6,988,534</u>
<b>Depreciation</b>					
At 1 September 2016	440,691	27,381	23,220	81,268	572,560
Charge for the year	110,172	16,647	8,524	8,166	143,509
At 31 August 2017	<u>550,863</u>	<u>44,028</u>	<u>31,744</u>	<u>89,434</u>	<u>716,069</u>
<b>Net book value</b>					
At 31 August 2017	<u>6,079,954</u>	<u>122,439</u>	<u>53,493</u>	<u>16,579</u>	<u>6,272,465</u>
At 31 August 2016	<u>6,190,126</u>	<u>128,848</u>	<u>49,323</u>	<u>24,745</u>	<u>6,393,042</u>

Academy	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2016	6,630,817	156,229	72,543	106,013	6,965,602
Additions	-	4,006	4,847	-	8,853
At 31 August 2017	<u>6,630,817</u>	<u>160,235</u>	<u>77,390</u>	<u>106,013</u>	<u>6,974,455</u>
<b>Depreciation</b>					
At 1 September 2016	440,691	27,381	23,220	81,268	572,560
Charge for the year	110,172	16,024	7,739	8,166	142,101
At 31 August 2017	<u>550,863</u>	<u>43,405</u>	<u>30,959</u>	<u>89,434</u>	<u>714,661</u>
<b>Net book value</b>					
At 31 August 2017	<u>6,079,954</u>	<u>116,830</u>	<u>46,431</u>	<u>16,579</u>	<u>6,259,794</u>
At 31 August 2016	<u>6,190,126</u>	<u>128,848</u>	<u>49,323</u>	<u>24,745</u>	<u>6,393,042</u>

Included within the freehold property is land to the value of £1,122,090 (2016: £1,122,090) which is not depreciated.

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**15. FIXED ASSET INVESTMENTS**

Academy	Shares in group undertakings £
Market value	
At 1 September 2016 and 31 August 2017	1

**16. DEBTORS**

	Group		Academy	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	1,996	2,972	111	1,086
Amounts owed by group undertakings	-	(104)	11,613	6,344
Other debtors	53,400	37,982	53,400	37,982
Prepayments and accrued income	44,045	62,916	43,352	61,972
	99,441	103,766	108,476	107,384

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

	Group		Academy	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	12,057	30,907	11,824	30,559
Other taxation and social security	72,582	79,187	69,406	77,682
Other creditors	480	1,503	480	1,503
Accruals and deferred income	124,195	61,484	66,304	34,542
	209,314	173,081	148,014	144,286

	Group		Academy	
	£	£	£	£
<b>Deferred income</b>				
Deferred income at 1 September 2016	42,671	11,785	24,338	11,785
Resources deferred during the year	80,216	42,671	31,737	24,338
Amounts released from previous years	(42,671)	(11,785)	(24,338)	(11,785)
Deferred income at 31 August 2017	80,216	42,671	31,737	24,338

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**17. CREDITORS: Amounts falling due within one year (continued)**

Deferred income as at 31st August 2017 was in relation to SEN income, trip income and the trading company grant income for 17/18.

**18. CREDITORS: Amounts falling due after more than one year**

	Group		Academy	
	2017	2016	2017	2016
	£	£	£	£
Government grants received	73,333	-	-	-

**19. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General Funds - all funds	22,762	7,550	(197)	-	-	30,115
Uniform Income	-	1,772	(1,772)	-	-	-
Facilities Income	-	1,809	(1,809)	-	-	-
Catering Income	-	58,740	(39,335)	(19,405)	-	-
Rental Income	-	12,578	(12,578)	-	-	-
Donations	5,116	-	-	-	-	5,116
Trading Company	(15,669)	-	-	18,889	-	3,220
	12,209	82,449	(55,691)	(516)	-	38,451

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**19. STATEMENT OF FUNDS (continued)**

**Restricted funds**

General Annual Grant (GAG)	48,040	2,264,614	(2,255,738)	40,712	-	97,628
Pupil Premium	-	94,262	(94,262)	-	-	-
Other DfE/EFA grants	-	18,639	(18,639)	-	-	-
Restricted Donations	2,610	17,821	(14,380)	-	-	6,051
SEN Funding	630	102,965	(103,595)	-	-	-
Ed Activities	750	114,157	(111,291)	-	-	3,616
Other Rev Grant	-	7,889	(7,889)	-	-	-
GASH/GITEP	-	4,100	(4,100)	-	-	-
Trading company	-	139,263	(99,067)	(40,196)	-	-
Pension reserve	(1,187,000)	-	(69,000)	-	370,000	(886,000)
	<u>(1,134,970)</u>	<u>2,763,710</u>	<u>(2,777,961)</u>	<u>516</u>	<u>370,000</u>	<u>(778,705)</u>
<b>Restricted Fixed Assets</b>						
Restricted Fixed Asset Fund	6,393,042	-	(142,100)	21,524	-	6,272,466
Other Capital Gov Grant	16,588	11,121	-	(21,524)	-	6,185
	<u>6,409,630</u>	<u>11,121</u>	<u>(142,100)</u>	<u>-</u>	<u>-</u>	<u>6,278,651</u>
Total restricted funds	<u>5,274,660</u>	<u>2,774,831</u>	<u>(2,920,061)</u>	<u>516</u>	<u>370,000</u>	<u>5,499,946</u>
Total of funds	<u>5,286,869</u>	<u>2,857,280</u>	<u>(2,975,752)</u>	<u>-</u>	<u>370,000</u>	<u>5,538,397</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
General Funds - all funds	49,736	91,941	(118,915)	-	-	22,762
Uniform Income	-	8,411	(8,411)	-	-	-
Facilities Income	-	1,874	(1,874)	-	-	-
Catering Income	18,685	59,159	(77,844)	-	-	-
Rental Income	-	12,954	(12,954)	-	-	-
Donations	-	6,625	(1,509)	-	-	5,116
Trading Company	(22,013)	6,344	-	-	-	(15,669)
	<u>46,408</u>	<u>187,308</u>	<u>(221,507)</u>	<u>-</u>	<u>-</u>	<u>12,209</u>

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**19. STATEMENT OF FUNDS (continued)**

**Restricted funds**

General Annual Grant (GAG)	-	2,207,040	(2,159,000)	-	-	48,040
Pupil Premium	-	90,517	(90,517)	-	-	-
Other DfE/EFA grants	-	18,117	(18,117)	-	-	-
Restricted Donations	1,416	15,174	(13,980)	-	-	2,610
SEN Funding	-	106,870	(106,240)	-	-	630
	-	54,997	(54,997)	-	-	-
Ed Activities	3,033	67,892	(70,175)	-	-	750
Other Rev Grant	5,000	12,729	(17,729)	-	-	-
GASH/GITEP	-	23,705	(23,705)	-	-	-
Pension reserve	(894,000)	-	(37,000)	-	(256,000)	(1,187,000)
	<u>(884,551)</u>	<u>2,597,041</u>	<u>(2,591,460)</u>	<u>-</u>	<u>(256,000)</u>	<u>(1,134,970)</u>

**Restricted Fixed Assets**

Restricted Fixed Asset Fund	6,493,639	-	(154,254)	53,657	-	6,393,042
Other Capital Gov Grant	59,242	11,003	-	(53,657)	-	16,588
	<u>6,552,881</u>	<u>11,003</u>	<u>(154,254)</u>	<u>-</u>	<u>-</u>	<u>6,409,630</u>
Total restricted funds	<u>5,668,330</u>	<u>2,608,044</u>	<u>(2,745,714)</u>	<u>-</u>	<u>(256,000)</u>	<u>5,274,660</u>
Total of funds	<u><u>5,714,738</u></u>	<u><u>2,795,352</u></u>	<u><u>(2,967,221)</u></u>	<u><u>-</u></u>	<u><u>(256,000)</u></u>	<u><u>5,286,869</u></u>

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

The restricted fund includes grants receivable from the DfE/EFA, Local Authority and other government grants to be used for the primary activity of the charitable company.

Pension reserve - this fund relates solely to the LGPS Pension Reserve.

The restricted fixed asset fund relates to the grants received and assets transferred in and are held for the charitable company's primary activity.

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

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted funds - Fixed Assets 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	6,272,466	6,272,466
Current assets	38,451	389,940	6,185	434,576
Creditors due within one year	-	(209,312)	-	(209,312)
Creditors due in more than one year	-	(73,333)	-	(73,333)
Provisions for liabilities and charges	-	(886,000)	-	(886,000)
	<u>38,451</u>	<u>(778,705)</u>	<u>6,278,651</u>	<u>5,538,397</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted funds - Fixed Assets 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	6,393,042	6,393,042
Current assets	12,209	225,111	16,588	253,908
Creditors due within one year	-	(173,081)	-	(173,081)
Provisions for liabilities and charges	-	(1,187,000)	-	(1,187,000)
	<u>12,209</u>	<u>(1,134,970)</u>	<u>6,409,630</u>	<u>5,286,869</u>

**21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Group	
	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(118,472)	(171,867)
<b>Adjustment for:</b>		
Depreciation charges	143,509	154,254
Dividends, interest and rents from investments	(177)	(282)
Decrease in debtors	4,325	4,854
Increase/(decrease) in creditors	109,566	(29,115)
Capital grants from DfE and other capital income	(11,121)	(11,003)
Defined benefit pension scheme cost less contributions payable	69,000	37,000
<b>Net cash provided by/(used in) operating activities</b>	<u>196,630</u>	<u>(16,159)</u>

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**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>335,138</b>	<b>150,142</b>
<b>Total</b>	<b>335,138</b>	<b>150,142</b>

**23. CAPITAL COMMITMENTS**

At 31 August 2017 the group and academy had capital commitments as follows:

	<b>Group</b>		<b>Academy</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	-	4,006	-	4,006

**24. PENSION COMMITMENTS**

The group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucestershire County Council Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £34,415 were payable to the schemes at 31 August 2017 (2016 - 35,997) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) 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



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**24. PENSION COMMITMENTS (continued)**

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 (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. 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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £171,000 (2016 - £170,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £163,000 (2016 - £158,000), of which employer's contributions totalled £136,000 (2016 - £131,000) and employees' contributions totalled £27,000 (2016 - £27,000). The agreed contribution rates for future years are 29.7% for employers and 5.5% 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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.70 %	2.40 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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**24. PENSION COMMITMENTS (continued)**

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

	2017	2016
Retiring today		
Males	22.4	22.5
Females	24.6	24.6
Retiring in 20 years		
Males	24.0	24.4
Females	26.4	27.0

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate -0.1%	51,000	49,000
Salary rate +0.1%	11,000	11,000
Pension rate +0.1%	44,000	43,000

The sensitivity analysis shows the effect on the liabilities within the scheme should the above events occur.

The group's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,211,760	885,000
Bonds	319,770	273,000
Corporate bonds	117,810	91,000
Cash	33,660	52,000
<b>Total market value of assets</b>	<b>1,683,000</b>	<b>1,301,000</b>

The actual return on scheme assets was £27,000.

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**24. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Current service cost	(181,000)	(127,000)
Past service cost	-	(7,232)
Interest income	24,000	39,000
Interest cost	(48,000)	(72,000)
	<u>(205,000)</u>	<u>(167,232)</u>
Actual return on scheme assets	<u>27,000</u>	<u>39,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	2,480,000	1,863,000
Current service cost	181,000	127,000
Interest cost	51,000	72,000
Employee contributions	27,000	27,000
Actuarial (gains)/losses	(145,000)	407,000
Benefits paid	(33,000)	(16,000)
Change in financial assumptions	8,000	-
	<u>2,569,000</u>	<u>2,480,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	1,301,000	969,000
Interest income	27,000	39,000
Actuarial losses	225,000	151,000
Employer contributions	136,000	131,000
Employee contributions	27,000	27,000
	<u>1,683,000</u>	<u>1,301,000</u>

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**25. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the group's future minimum lease payments under non-cancellable operating leases was:

<b>Group</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts payable:</b>		
Within 1 year	<b>14,939</b>	<b>11,850</b>
Between 1 and 5 years	<b>22,403</b>	<b>-</b>
<b>Total</b>	<b>37,342</b>	<b>11,850</b>

At 31 August 2017 the academy had annual commitments under non-cancellable operating leases as follows:

<b>Academy</b>		
<b>Amounts payable:</b>		
Within 1 year	<b>14,939</b>	<b>11,850</b>
Between 1 and 5 years	<b>20,512</b>	<b>-</b>
<b>Total</b>	<b>35,451</b>	<b>11,850</b>

**26. RELATED PARTY TRANSACTIONS**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
GASH Ltd - Income	-	<b>14,990</b>
GASH Ltd - Expenditure	-	<b>630</b>

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**27. PRINCIPAL SUBSIDIARIES**

**Sir William Romney's Leisure Limited**

Subsidiary name	Sir William Romney's Leisure Limited
Company registration number	08695821
Basis of control	Shareholders
Equity shareholding %	100%
Total assets as at 31 August 2017	£ 199,025
Total liabilities as at 31 August 2017	£ 146,244
Total equity as at 31 August 2017	£ 52,781
Turnover for the year ended 31 August 2017	£ 84,264
Expenditure for the year ended 31 August 2017	£ 35,072
Profit for the year ended 31 August 2017	£ 49,192

