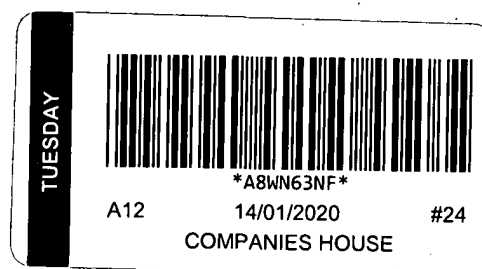


SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



**SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 12
Governance Statement	13 - 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditors' Report on the Financial Statements	19 - 21
Independent Reporting Accountant's Report on Regularity	22 - 23
Consolidated Statement of Financial Activities Incorporating Income and Expenditure Account	24
Consolidated Balance Sheet	25
Academy Balance Sheet	26
Consolidated Statement of Cash Flows	27
Notes to the Financial Statements	28 - 56

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

C A Cradock
L Carver
J C Hilton (appointed 27 March 2019)
C J C Hiorns
T G Jacques
M Jones (resigned 9 October 2019)
K P Sayers (resigned 2 July 2019)
P C T Story

Trustees

M Jones, Chair (resigned 9 October 2019)^{1,4}
T G Jacques (resigned 3 April 2019)
N C B Spurdell, Head Teacher^{5,6}
D A L Andrews, Staff Trustee (resigned 23 April 2019)²
N C Barnett (appointed 4 April 2019)
C L Biggs (resigned 14 January 2019)⁴
S M Brentnall³
L Carver, Chair from 9 October 2019^{2,4,6}
C A Cradock⁴
C E Fowke (resigned 1 October 2018)³
K E M Hathaway^{1,2,6}
C J C Hiorns³
C S Holden (appointed 26 October 2018, resigned 15 May 2019)
E K Manzi, Staff Trustee²
K M Pearce^{2,6}
C Reynolds (appointed 9 April 2019)
K P Sayers (resigned 2 July 2019)^{1,2}
T I Sparrow, Staff Trustee¹
P C T Story^{1,2,6}
J A Vosper^{3,4}
S D Walker³
M S Wilson, Staff Trustee³

- ¹ Finance committee
- ² Premises committee
- ³ Curriculum committee
- ⁴ Staffing, Care and Guidance committee
- ⁵ All committees
- ⁶ Member of the Charters Board

**Company registered
number**

07556236

Company name

Sheldon School

**Principal and registered
office**

Hardenhuish Lane
Chippenham
Wiltshire
SN14 6HJ

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

**Senior management
team**

N C B Spurdell, Headteacher
S D Powell, Deputy Headteacher
T B Rand, Deputy Headteacher
E J Le Fleming, Assistant Headteacher
J A Owen, Assistant Headteacher
E T Spiers, Assistant Headteacher
J G Couchman, School Business Manager

Independent auditors

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Bankers

Lloyds Bank Plc
29 High Street
Chippenham
Wiltshire
SN15 3HA

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

**SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company and the group for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law. The Group referred to in this report encompasses Sheldon School (Companies House Registration Number 07556236) and its subsidiary trading company Sheldon School Trading Limited (Companies House Registration Number 09551925).

The Trust operates an academy for pupils aged 11 to 18 in Chippenham. It has a pupil capacity of 1,795 and had a roll of 1,756 in the January 2019 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company and the group's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Sheldon School are also the directors of the charitable company for the purposes of company law.

The Members of the Academy Trust are the subscribers to the Trust's Memorandum of Association, and any other individuals permitted to become members under its Articles of Association. The Members of the Academy Trust are the Chair, Vice Chair, Chairs of committees and Chair of the Charters Board. They have an overview of the governance arrangements of the Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

The Charters Board acts as the guardian of the Academy's ethos and values as expressed in the Sheldon Charters. The Charters Board comprises: L Carver (Parent Governor) resigned 10 July 2019; K M Pearce (Parent Governor member) appointed 10 July 2019; K E M Hathaway (Governor or Community member); P C T Story (Governor or Community member); J C Hilton (Community member) appointed 27 March 2019; D Corrywright (Community member) resigned 9 January 2019; N C B Spurdell (Headteacher, ex officio); E I Beange (Teacher member, appointed 1 September 2018); A M Douglas (Teacher member); N D Cooke (Support Staff member).

Members' liability

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

Trade union facility time

There are two members of staff who were relevant union officials during the period. The Academy also financially contributes to the facilities time costs of regional trade union officials.

The two union officials at the school are both full time employees and spent 0%-1% and 1%-50% of their time respectively on trade union duties which amounts to a total cost of approximately £1,170.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £2,000,000.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy's Board of Trustees comprises the Headteacher, a minimum of 7 Parent Trustees, up to 4 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy, does not exceed one third of the total number of Trustees) and up to 7 other Trustees.

The Academy shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 1 Local Authority (LA) Trustee who is appointed by Wiltshire County Council.
- up to 7 Parent Trustees who are elected by parents of registered pupils at the Academy.
- up to 3 Teacher Trustees who are elected by teachers at the Academy.
- up to 1 Support Staff Trustee who is elected by support staff members at the Academy.
- up to 6 Community Trustees who are appointed by the Board of Trustees.
- the Headteacher who is treated for all purposes as being an ex officio Trustee.

The Academy can also have Associate Members. Associate Members are appointed by the Governing Body as members of any committee established by them, but are not Trustees.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Induction Programme which includes relevant training. This is available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets at least 5 times a year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 4 committees as follows:

Finance Committee – this committee meets at least 5 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the external auditors who undertake a programme of additional checks and drafting the annual budget. It also incorporates the role of an audit committee.

Premises Committee – this committee meets at least 4 times a year and is responsible for monitoring evaluating and reviewing policy and performance in relation to the maintenance, development as well as safety and security of the buildings and grounds, approval of expenditure for major projects and service contracts, and commercial lettings.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Curriculum Committee – this committee meets at least 5 times a year to monitor, evaluate and review policy, practice and performance in relation to curriculum planning and development, target setting and assessment, and examinations.

Staffing, Care & Guidance Committee – this committee meets at least 4 times a year to monitor, evaluate and review policy, practice and performance in relation to all recruitment, personnel and pastoral issues, as well as approval of the staffing levels and promotions within agreed budget limits.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the School Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the use of budgets and other data by the Academy, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Board of Trustees has devolved responsibility for day to day management of the Academy to the Headteacher and Senior Management Team (SMT). The SMT comprises the Headteacher, the Deputy Headteachers, the Assistant Headteachers and the Business Manager. The SMT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees, and the Senior Management Team, as well as senior teaching staff including Faculty and Year Team Leaders, and Support Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider that the Board of Trustees and the Senior Management Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with the School Teachers' Review Body recommendations.

Connected Organisations, including Related Party Relationships

The Academy engages with collaborative work through subject leaders for education, work in primary schools and legacy project work in primary schools.

The Academy also has strong collaborative links with other local networks and organisations, including:

- Feeder primary schools for the provision of extended services.
- The Chippenham Astroturf Project (CAP) 96 which leases part of the Academy's grounds on which to build and operate an artificial playing surface. There is a shared use agreement between CAP and the Academy. One Trustee, currently P C T Story, is nominated by the Academy to serve as a CAP Trustee.
- The Chippenham Borough Lands Charity which provides grants to assist pupils from low income backgrounds, and to support specific enrichment projects.

The Sheldon School Enrichment Fund is a related party as the Headteacher, Judith Vosper and Kevin Pearce

**SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

are Trustees of the Academy, and are also Trustees of the Enrichment Fund. In addition, the Academy's finance staff monitor the fund's bank account and generate gift aid claims on its behalf. The Sheldon School Enrichment Fund derives its income from donations by parents, sales by the school of second-hand uniform, and through the easy.fundraising.com website, all of which are used to support specific enrichment activity in school.

As of September 2019, the Academy has 18 Sheldon Associates taking part in an employer engagement programme. The aim of the programme is to develop relationships with local employers in order to enhance the employability skills, increase awareness of career opportunities and inform course choices for all students. The programme is an excellent stepping stone for the Academy to achieve the Gatsby benchmark – a nationally-recognised framework for good career guidance in schools. An annual membership fee continues to be payable by the Associates and the range of employers remains varied and broad. The Academy now has three Sheldon Associates who are working with students on a longer-term basis as part of the developing scholarship programme.

Sheldon School Trading Limited started trading in September 2015. It receives all lettings income from external hirers, and Gift Aids profits back to Sheldon School at the end of each financial year.

The Academy continues to share 6th form teaching for some subjects with Hardenhuish School, with Sheldon students attending Hardenhuish for some lessons and vice versa.

There are no related parties which either control or significantly influence the decisions and operations of Sheldon School. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

At Sheldon School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

The aims of the Academy during the year ended 31 August 2019 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, and an extensive range of extracurricular activities;
- to develop students as more effective and independent learners, demonstrating greater resilience;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to maximise the number of students who achieve grades 4 and above in their GCSE subjects and maximising the numbers of students securing a strong pass (grade 5+) and a standard pass (grade 4+) in both English and mathematics
- to develop the Academy's buildings and grounds so that they enable students to achieve their full potential;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to support the curriculum at feeder primary schools where possible by providing specialist teaching, in languages, the arts and physical education;
- to maintain and develop the ways in which pupils contribute to the whole school and wider communities;
- to maintain and develop the ways in which pupils are encouraged to develop skills and activities that will contribute to future economic well-being and healthier lifestyles;
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness, and improve the School's ability to gain value for money for the funds expended.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, Strategies and Activities

Key priorities and activities were identified in the School Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding. The priorities and activities included the following:

- Improving pupil progress, especially through value added outcomes at both GCSE and A levels.
- Collaboration and community links, including through our former specialisms in science, sport and languages, as well as through maths and the performing arts, supporting other schools and maintaining links with the community;
- Improving communication through our virtual learning environment and other internal communications systems;
- Improving access to resources and streamlining administration;
- Promoting positive behaviour for learning, especially through mentoring, the tutorial programme and the pupil voice.
- Commissioning and purchasing services previously provided through the LA, as well as those supporting the alternative curriculum.
- Efficiency savings with a view to improving sustainability, maintaining cost effective staffing levels, as well as the development and embedding of key financial and administrative procedures.
- Continued improvement to the school environment, especially the learning environment, the maintenance and development of the infrastructure, as well as security and accessibility.
- Developing the curriculum, especially provision at KS4 & 5;
- Improving Teaching through Continuing Professional Development focusing on coaching, in-house workshops and the development of online resources.
- Undertaking self-evaluation.
- Maintaining the pupil numbers as near to the approved capacity as reasonably feasible.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Sheldon School is a comprehensive school; pupils will be admitted without reference to ability, aptitude or culture. The admissions criteria are applied in the following order: looked after and previously looked after children; siblings of current pupils; children of Sheldon staff; children from the main catchment; children from the secondary catchment; children with medical conditions which can be best met by Sheldon School and then any other children who apply. The main catchment area encompasses the villages and civil parishes around Chippenham, whilst a secondary catchment area includes the civil parishes of Chippenham and Chippenham without.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its eighth year of operation and until 2017 was regularly over-subscribed. Successive years in 2017 and 2018 when first preference applications were below PAN led to a drop in overall pupil numbers. Whilst the number of first preferences for September 2019 exceeded PAN, the final number arriving was 273, seven students below our limit. This has been partly offset by a slightly increased number of sixth form students joining Sheldon, the 2019 figure being nine up on the corresponding figure from 2018. However, from an overall pupil total of 1,756 in 2017, the opening pupil total in 2019 has dropped to 1,713.

Examination outcomes remain healthy and in both GCSE and A Level have shown improvement on the previous two years' performances. At A Level, 24% achieved grades A*-B and 49% A*-C, with only 6 of the 457 entries being graded U. The overall figure of +0.2 for A Level and ALPS figure of 3 placed the academy comfortably in the top 20% nationally. At the top end of the ability spectrum, 6% achieved A* and three students progressed to Oxford or Cambridge University (the second year in a row that three have done so), but it was the success of

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

many middle and lower ability students that really helped contribute to the very positive showing. The academy was delighted to have exceeded its aim of reaching an ALPS grade 4 and will look to maintain this level in the coming year.

At GCSE, 85% achieved a Grade 4 or higher in English and 80% 4+ in Maths; this contributed to an improved Basics figure of 76%, up 4% on 2018. 81% of all entries were graded 4 or above. As in 2018, 13% achieved the top grades 9/8 and a quarter of the entries were graded 7 and above (old Grade A). Pleasingly, just over half the year group achieved at least one Grade 7, which further vindicates the academy's commitment to students being able to select four options subjects as part of its broad and balanced curriculum.

In 2019/20, the academy will look to build on the successes seen in summer 2019 and is focusing specifically on improving the percentage of students achieving Grades 5 and 7 above at GCSE. At A Level, the aspiration is to see headline figures of A*-B surpass 55% and A*-C go beyond 80%. This would also help ensure a strong value-added outcome. To get the academy there, a newly appointed deputy headteacher and a recently appointed head of sixth form will continue to develop tracking and monitoring procedures, which will help identify those most in need of intervention.

This has been the first full academic year in which we have enjoyed the benefits of the new dance studio and lecture theatre. Pupils across the school as well as local dance groups and fitness classes have made the most of our fabulous dance studio while GCSE & A level students and visiting speakers have found the layout of the lecture theatre extremely helpful. Indeed the lecture theatre hosted our very own question time chaired by the Chair of Governors when a panel of deputy head candidates were invited to field questions from staff as part of their recruitment process.

Pupils and students returned to school in September 2018 to a transformed Library with a stunning feature window overlooking Hardenhuish Park. It has immediately proved popular with pupils, students and staff, and was further enhanced during July & August 2019 with the addition of bespoke furniture to complement the original design. Highly enjoyable fundraising events and activities over the last couple of years alongside successful applications to grant-making organisations had made the purchase of this furniture possible and we are grateful to everyone who has in different ways contributed to making our vision for the Library become a reality.

A successful Condition Improvement Fund application in December 2018 for £76k enabled us to carry out much-needed modernisation work to the toilet facilities for visitors and staff next to the Main Hall, and we invested a substantial part of the additional £95k of capital funding announced by the previous chancellor in November 2018 around the school site to ensure that social spaces and classrooms are conducive to really good learning. The remainder of the one-off capital grant from the Department for Education (DfE) was allocated to our Digital Transformation Strategy – a 3 year IT renewal & investment programme which is being led by our Network Manager.

We also secured a government-backed interest-free loan to enable us to install energy efficient lighting across the school site. The anticipated savings in our energy costs over the next 8 years will more than cover the capital repayments and will make a further contribution to reducing our CO2 output.

We now have new contractors for catering and cleaning, appointed after a rigorous process involving a number of stakeholders, pupils amongst them – and in both aspects, we have asked that environmental factors be a very high priority. Our cleaning company are committed to using the latest environmentally friendly products and our catering company have a directive to reduce the need for any non-recyclable materials; single-use plastic drinks bottles will be a thing of the past. Big strides were made in 2018/19 in all areas of the school environment and we look forward to improving further in the coming year.

Through our trading subsidiary Sheldon School Trading Limited, we have continued to actively promote the use of our school facilities to the local community. We also manage the Astroturf facility on behalf of a local organisation, Chippenham Astroturf Project 96. As a consequence, we are pleased that our school facilities are being regularly used for a diverse range of activities, making a substantial profitable contribution to school funds. The last year has seen a record number of bookings which in turn has enabled us to invest further in our Sports Hall facilities for the benefit of our school and wider community.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Key Performance Indicators

A key performance indicator is pupil numbers. The more concerted marketing strategy adopted in 2018/19 has borne some fruit with improved intake numbers in Year 7 – up 15 on the corresponding point in 2018. International links have also been successful: several students have spent time at Sheldon in Years 8-10 and five Sixth Form students from Lausanne in 2018/19 have been followed by nine from Switzerland and Germany for 2019/20. A newly-established football link in the Sixth Form has yielded an additional seven students who would not have come to Sheldon and this is something the academy would like to develop in future years. Despite the more carefully targeted strategy for students joining Year 12, the final figure is slightly down on the one seen in 2018 – but the overall Sixth Form figure has increased by nine compared to the same time twelve months ago.

Another key financial performance indicator is staffing costs (which include a slight adjustment in respect of the LGPS) as a percentage of GAG. For 2019 this was 91.68% compared to 89.47% in 2018.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Over 90% of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

Other significant sources of income during the year include grants from the Local Authority to meet the additional costs of teaching students with additional needs, and income generated by the school by hiring out its facilities through its subsidiary trading company.

The restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2019, total expenditure (excluding restricted fixed asset funds) of £9,466,782 was covered by grant funding from the DfE, together with other incoming resources, of £9,140,767. The excess of expenditure over income for the year (before actuarial gains and losses) was £326,015.

At 31 August 2019 the net book value of fixed assets was £22,277,198 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy continues to look at ways to improve its income from its commercial letting activity and to take every opportunity to be prepared to make bids for capital and smaller grants as they become available.

Plans to identify future infrastructure improvement and maintenance needs are well developed and regularly monitored by Trustees, with professional expertise sought as appropriate.

At the end of the period the Academy was in a strong financial position with good levels of reserves going forward.

The Trustees recognise that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 26 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is currently manageable.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Reserves Policy

The Trustees review the current and projected reserve levels of the Academy annually. Any surplus achieved at the end of the financial year will be transferred to reserves and will form part of the review. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the review.

The Trustees have determined that the appropriate level of free reserves should be no less than £700,000 and have earmarked a further £100,000 as a contingency figure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted pension fund) is £987,105, all of which are free reserves (unrestricted funds not invested in fixed assets and unspent GAG). This is the value that the Trustees monitor in accordance with the reserves policy.

The Trustees have reviewed the future plans of the Academy and plan to use some of the excess of reserves over £800,000 for further site improvements, investment in IT and to manage current funding uncertainty and rising costs. Key priorities for the next 12 months include replacing two temporary Maths classrooms with an extension to the existing Maths Block, replacing the majority of the New Block roof and continuing with the 2018-21 IT renewal & investment programme.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions are met from the Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods. Due to the nature of funding, the Academy may at times hold cash balances surplus to its short-term requirements. The Trustees have also authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised. Day to day management of the surplus funds is delegated to the Headteacher and the Business Manager.

Principal Risks And Uncertainties

The Senior Management Team and Trustees regularly review the Risk Register, and receive regular reports from the School Business Manager on the actions being taken to manage the risks identified to acceptable levels.

The principal risks and uncertainties facing the Academy are as follows:

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, as well as health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality and retention of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the year ended 31 August 2019 93% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government or Local Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. This includes ensuring that there are sufficient Trustees with appropriate skills on the Finance Committee.

Fraud and mismanagement of funds - In line with the requirement in the Academies Financial Handbook, a Trustee has been appointed to independently ensure that a programme of checks on financial systems and records is carried out through the School's appointed external auditors. Internal Assurance checks are made twice a year and reports from these visits are provided to the appointed Trustee who in turn updates the Board of Trustees. Finance staff receive training to keep them up to date with financial practice requirements and proper levels of separation of duties is maintained.

Reputational - the ongoing success of the Academy is dependent on continuing to attract applications for student places in sufficient numbers by maintaining the highest academic and pastoral provision. To mitigate this risk, the Trustees ensure that student success and achievement are closely monitored, reviewed, and publicised.

FUNDRAISING

In addition to the widespread commitment that Sheldon has to its charity work, during 2018/19, there was a concerted effort in raising monies towards the complete refurbishment of the library. Local businesses have contributed financially, and the Academy supplemented this by raising money through two key events over the course of the year; an Autumn Ball and a quiz held in February 2019. Due care and attention has been paid to rules and regulations in raising funds through raffle prizes, and expenditure on publicity has been limited to existing school communication channels and free coverage by the local press.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels, and will continue to aim to attract high quality staff in order to deliver its objectives.

Within the increasingly challenging annual financial limits brought about by reduced levels of funding, the Academy is pushing forward on developments both inside and outside the classroom in order to maximise the academic outcomes of all of its pupils. The Academy was delighted with Ofsted's recognition in June 2017 that it places academic excellence as well as the emotional wellbeing of its pupils (and staff) at its heart. This remains our combined shared priority for all students at the school.

The Academy has created a targeted school development plan, taking it to 2021, as well as continuing to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to identify opportunities to bid for capital grants from Government and non-Government sources to part fund its site development plans.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy holds the balance of a small fund in a discrete cost centre which is used to support SEN Training for the benefit of schools in North Wiltshire.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has 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.

**SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

AUDITORS

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2019 and signed on its behalf by:



L Carver
Chair of Trustees

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Sheldon School 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 Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sheldon School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Jones, Chair	5	6
T G Jacques	5	6
N C B Spurdell, Head Teacher	6	6
D A L Andrews, Staff Trustee	3	4
N C Barnett	2	2
C L Biggs	1	2
S M Brentnall	5	6
L Carver, Chair from 9 October 2019	6	6
C A Cradock	5	6
C E Fowke	0	0
K E M Hathaway	4	6
C S Holden	1	5
C J C Hiorns	6	6
E K Manzi, Staff Trustee	6	6
K M Pearce	6	6
C Reynolds	2	2
K P Sayers	5	5
T I Sparrow, Staff Trustee	5	6
P C T Story	4	6
J A Vosper	6	6
S D Walker	4	6
M S Wilson, Staff Trustee	5	6

The scope of work undertaken by the Board of Trustees in the past year has included:

- Staffing
- Curriculum
- Premises
- Finance
- School Development Plan
- Safeguarding
- Special Educational Needs and Disabilities
- Health and Safety
- Funding
- Admissions

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

- Examination results
- Pupil Premium
- Marketing and fundraising
- General Data Protection Regulations (GDPR)
- Annual report from the Board of Trustees to the Sheldon Charters Board
- Enrichment Fund
- School Council
- School Funding campaign
- IT Digital Transformation strategy
- Catering and Cleaning contracts
- Sixth Form
- Library refurbishment project

The Trustees carried out skills audits for individual Trustees, committees and the Board of Trustees. The audits showed there was good coverage of the skills needed.

Data is extensively used in each of the committees, particularly in Curriculum. This is interrogated at each meeting with a focus on the different pupil groups and checked again post-results. Finance data is rigorously checked, with annual financial performance metrics reviewed every year by the Trustees against a statistically similar selection of schools across the country to ensure relative parity and/or to highlight any anomalies requiring further investigation or explanation. This forensic analysis of available benchmarking data and key performance indicators has contributed to the school's healthy financial position at the end of this academic year.

Within Premises, energy data and other relevant costs are widely discussed to ensure good value for money within the services procured. Presentations are also made to the Board of Trustees on exam results and external survey returns; the Sheldon Charters Board also requires data to be included as part of the Trustees' annual written report.

The Finance Committee is a sub-committee of the main Board of Trustees. The purpose of the Finance Committee, which incorporates the role of an Audit Committee, is to ensure that the standards of financial control and administration are adhered to, make financial plans including agreeing the draft budget, and monitor the progress of income and expenditure.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
K E M Hathaway	4	6
M Jones	5	6
K P Sayers	6	6
T I Sparrow	5	6
N C B Spurdell (Headteacher)	6	6
T J Jacques	4	6

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Delivering positive educational outcomes for our students
- Collaborating with a neighbouring school to provide a broad and balanced Post 16 offer
- Working together with schools in the North-Wiltshire Federation
- Employing and sharing PE teachers to support the Chippenham Sports Partnership
- Benchmarking of resources to assess best value
- Generating additional income by hiring out school facilities outside of normal school hours
- Applying for external grants to improve the school's environments
- Awarding the catering and cleaning contracts to specialist suppliers following a rigorous tender process.
- Reviewing the Risk Protection Arrangement range of benefits and feedback from colleagues in other schools before deciding to renew the school insurance cover with Zurich Insurance for the next 3 years
- Requiring suppliers to compete on grounds of cost, quality and suitability of services
- Utilising budgeting and monitoring systems to regularly report to the Senior Management Team and Governors
- Adopting clearly defined schemes of delegation, purchasing and tender guidelines
- Maintaining and updating an academy risk register

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Sheldon School for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks. They report to J Vosper an appointed Trustee who in turn reports to the Board.

The internal assurance visits includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Income
- Accounting systems
- Fixed assets
- Expenditure
- Payroll
- IT procedures
- Review of the reports given to Trustees

This function has been fully delivered in line with the ESFA's requirements. No material control issues arising as a result of this work have been identified.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher 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 work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 11 December 2019 and signed on their behalf by:



L Carver
Chair of Trustees



N C B Spurdell, Headteacher
Accounting Officer


**SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Sheldon School I have considered my responsibility to notify the Academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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.



N C B Spurdell
Accounting Officer
Date: 11 December 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Group Strategic Report, Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 Group and the charitable company and of their incoming resources and application of resources, including their 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 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

The Trustees are responsible for ensuring that in their conduct and operation the Group and the charitable company apply 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 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 Board of Trustees on 11 December 2019 and signed on its behalf by:



L Carver
Chair of Trustees

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHELDON SCHOOL

OPINION

We have audited the financial statements of Sheldon School (the 'parent Academy') and its subsidiaries (the 'Group') for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy Balance Sheet, the 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

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 2019 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 2018 to 2019 issued by the Education & 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.

**SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SHELDON SCHOOL (CONTINUED)**

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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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 Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the 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 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SHELDON SCHOOL (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, 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.

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. This description forms part of our Auditors' Report.

USE OF OUR REPORT

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

Bisla Fleming LLP

Joseph Scaife FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date:

17/12/19

**SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHELDON SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28 February 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sheldon School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Sheldon School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sheldon School and 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 Sheldon School and ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF SHELDON SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Sheldon School's funding agreement with the Secretary of State for Education dated 28 March 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHELDON
SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Joseph Scaife FCA DChA (Reporting Accountant) for and on behalf of

Bishop Fleming LLP
16 Queen Square
Bristol
BS1 4NT

Date: *17/12/19*

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	4	-	33,220	259,877	293,097	306,541
Charitable activities		238,208	8,637,404	-	8,875,612	9,012,345
Other trading activities		222,280	-	-	222,280	189,549
Investments	7	9,655	-	-	9,655	4,626
TOTAL INCOME		470,143	8,670,624	259,877	9,400,644	9,513,061
EXPENDITURE ON:						
Raising funds		127,955	-	-	127,955	131,894
Charitable activities		584,830	8,924,997	533,822	10,043,649	9,628,711
TOTAL EXPENDITURE		712,785	8,924,997	533,822	10,171,604	9,760,605
NET EXPENDITURE		(242,642)	(254,373)	(273,945)	(770,960)	(247,544)
Transfers between funds	20	18,980	83,373	(102,353)	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(223,662)	(171,000)	(376,298)	(770,960)	(247,544)
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(671,000)	-	(671,000)	608,000
NET MOVEMENT IN FUNDS		(223,662)	(842,000)	(376,298)	(1,441,960)	360,456
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,240,275	(361,000)	22,623,988	23,503,263	23,142,807
Net movement in funds		(223,662)	(842,000)	(376,298)	(1,441,960)	360,456
TOTAL FUNDS CARRIED FORWARD		1,016,613	(1,203,000)	22,247,690	22,061,303	23,503,263

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


The notes on pages 28 to 56 form part of these financial statements.

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07556236

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	22,277,198	22,663,831
		<u>22,277,198</u>	<u>22,663,831</u>
CURRENT ASSETS			
Debtors	16	298,800	443,014
Cash at bank and in hand		1,268,472	1,820,858
		<u>1,567,272</u>	<u>2,263,872</u>
Creditors: amounts falling due within one year	17	(564,167)	(1,045,440)
NET CURRENT ASSETS		<u>1,003,105</u>	<u>1,218,432</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,280,303</u>	<u>23,882,263</u>
Creditors: amounts falling due after more than one year	18	(16,000)	(18,000)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>23,264,303</u>	<u>23,864,263</u>
Defined benefit pension scheme liability	25	(1,203,000)	(361,000)
TOTAL NET ASSETS		<u><u>22,061,303</u></u>	<u><u>23,503,263</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Fixed asset funds	20	22,247,690	22,623,988
Pension reserve	20	(1,203,000)	(361,000)
Total restricted funds	20	<u>21,044,690</u>	<u>22,262,988</u>
Unrestricted income funds	20	<u>1,016,613</u>	<u>1,240,275</u>
TOTAL FUNDS		<u><u>22,061,303</u></u>	<u><u>23,503,263</u></u>

The financial statements on pages 24 to 56 were approved by the Trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:


L Carver
Chair of Trustees

The notes on pages 28 to 56 form part of these financial statements.

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07556236

ACADEMY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	22,277,198	22,663,831
Investments	15	1	1
		<u>22,277,199</u>	<u>22,663,832</u>
CURRENT ASSETS			
Debtors	16	300,040	517,781
Cash at bank and in hand		1,265,637	1,741,279
		<u>1,565,677</u>	<u>2,259,060</u>
Creditors: amounts falling due within one year	17	(562,573)	(1,040,629)
NET CURRENT ASSETS		<u>1,003,104</u>	<u>1,218,431</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,280,303</u>	<u>23,882,263</u>
Creditors: amounts falling due after more than one year	18	(16,000)	(18,000)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>23,264,303</u>	<u>23,864,263</u>
Defined benefit pension scheme liability	25	(1,203,000)	(361,000)
TOTAL NET ASSETS		<u>22,061,303</u>	<u>23,503,263</u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Fixed asset funds	20	22,247,690	22,623,988
Pension reserve	20	(1,203,000)	(361,000)
Total restricted funds	20	<u>21,044,690</u>	<u>22,262,988</u>
Unrestricted income funds	20	<u>1,016,613</u>	<u>1,240,275</u>
TOTAL FUNDS		<u>22,061,303</u>	<u>23,503,263</u>

The financial statements on pages 24 to 56 were approved by the Trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:


L Carver
Chair of Trustees

The notes on pages 28 to 56 form part of these financial statements.

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in)/provided by operating activities	22	(645,414)	823,439
CASH FLOWS FROM INVESTING ACTIVITIES	23	93,028	(875,930)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(552,386)	(52,491)
Cash and cash equivalents at the beginning of the year		1,820,858	1,873,349
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	<u>1,268,472</u>	<u>1,820,858</u>

The notes on pages 28 to 56 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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 have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sheldon School meets the definition of a public benefit entity under FRS 102.

The Consolidated 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.

The Academy has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

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.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.6 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 TANGIBLE FIXED ASSETS

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 Consolidated 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 Consolidated 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 and assets under construction, at rates calculated to write off the cost of each asset on a basis over its expected useful life, as follows:

Freehold property	- Straight line over 50 years
Furniture and fixtures	- 20% straight line
Plant and equipment	- 25% reducing balance
Computer equipment	- 33% straight line

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 Consolidated Statement of Financial Activities.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 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 and cash on deposit that has a notice period of less than 30 days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.10 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

1.11 FINANCIAL INSTRUMENTS

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 PENSIONS

Retirement benefits to employees of the Group are provided by the Teachers' Pension Scheme ("TPS") and the Local Government 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 Group 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Group 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 Consolidated 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.13 FUND ACCOUNTING

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

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

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

1.14 INVESTMENTS

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

1.15 OPERATING LEASES

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

1.16 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16 - 19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 30.

2. GENERAL INFORMATION

Sheldon School is a company limited by guarantee, incorporated in England and Wales. The registered office is Hardenhuish Lane, Chippenham, Wiltshire, SN14 6HJ.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	33,220	33,220	65,193
Capital Grants	259,877	259,877	241,348
	<u>293,097</u>	<u>293,097</u>	<u>306,541</u>

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA Grants				
General Annual Grant	-	7,999,454	7,999,454	8,063,743
Other DfE/EFSA grants	-	279,428	279,428	289,082
	-	8,278,882	8,278,882	8,352,825
Other Government grants				
High Needs	-	342,266	342,266	288,596
Other government grants: capital	-	16,256	16,256	22,992
	-	358,522	358,522	311,588
Other funding				
Internal catering income	40,660	-	40,660	18,899
Income for hosting trainee teachers	10,259	-	10,259	10,300
Sales to students	20,487	-	20,487	65,374
School trips and other income	166,802	-	166,802	253,359
	238,208	8,637,404	8,875,612	9,012,345
TOTAL 2018	347,932	8,664,413	9,012,345	

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	210	210	301
External catering	71,549	71,549	69,497
Other	38,473	38,473	22,614
Sheldon School Trading Limited trading income	112,048	112,048	97,137
	222,280	222,280	189,549

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	9,655	9,655	4,626

8. EXPENDITURE

	Other 2019 £	Total 2019 £	Total 2018 £
Lettings and external catering expenses:			
- Direct costs	127,955	127,955	131,894
Education:			
- Direct costs	7,973,446	7,973,446	7,815,609
- Support costs	2,070,203	2,070,203	1,813,102
	10,171,604	10,171,604	9,760,605

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	7,973,446	2,070,203	10,043,649	9,628,711
TOTAL 2018	7,815,609	1,813,102	9,628,711	

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension income	7,000	14,000
Staff costs	6,627,640	6,475,308
Depreciation	512,464	478,661
Educational supplies	401,709	431,643
Examination fees	157,621	156,414
Staff development	22,871	14,870
Other costs	244,141	244,713
	<u>7,973,446</u>	<u>7,815,609</u>

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension income	5,000	7,000
Staff costs	727,978	691,717
Depreciation	50,673	47,330
Educational supplies	776	-
Other costs	12,743	4,531
Recruitment and support	58,878	85,799
Maintenance of premises and equipment	400,237	227,541
Cleaning	150,434	143,393
Rent and rates	72,973	79,082
Energy costs	124,513	116,402
Insurance	44,948	48,124
Security and transport	56,151	19,524
Catering	61,810	44,954
Technology costs	140,503	144,259
Office overheads	141,485	139,159
Legal and professional	20,689	13,922
Bank interest and charges	412	365
	2,070,203	1,813,102

10. NET EXPENDITURE

Net expenditure for the year includes:

	2019 £	2018 £
Operating lease rentals	16,186	16,186
Depreciation of tangible fixed assets	563,137	525,991
Fees paid to auditors for:		
- audit	10,350	10,150
- other services	2,550	2,499

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Wages and salaries	5,686,947	5,512,476	5,686,947	5,512,476
Social security costs	498,423	501,224	498,423	501,224
Pension costs	1,170,248	1,153,325	1,170,248	1,153,325
	7,355,618	7,167,025	7,355,618	7,167,025

Staff restructuring costs comprise:

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Severance payments	-	14,350	-	14,350
	-	14,350	-	14,350

b. STAFF NUMBERS

The average number of persons employed by the Group and the Academy during the year was as follows:

	Group 2019 No.	Group 2018 No.	Academy 2019 No.	Academy 2018 No.
Teachers	117	113	117	113
Admin and support	108	107	108	107
Management	7	7	7	7
	232	227	232	227

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. STAFF COSTS (CONTINUED)

b. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	Group 2019 No.	Group 2018 No.
Teachers	108	101
Admin and support	58	56
Management	7	7
	<u>173</u>	<u>164</u>

The average full time equivalent for teachers has increased due to several members of staff being on maternity leave in the year ended 31 August 2019.

c. HIGHER PAID STAFF

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

	Group 2019 No.	Group 2018 No.
In the band £70,001 - £80,000	1	2
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer's national insurance contributions) received by key management personnel for their services to the Academy was £551,046 (2018: £578,539). As staff Trustees are not remunerated in respect of their role as a Trustee, where staff trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of the Headteacher and staff not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: N C Spurdell: remuneration £105,000 - £110,000 (2018: £105,000 - £110,000), employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000), D Andrews: remuneration £20,000 - £25,000 (2018: £20,000 - £25,000), employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000), T Sparrow: remuneration £35,000 - £40,000 (2018: £35,000 - £40,000), employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000), S Wilson: £50,000 - £55,000 (2018: £50,000 - £55,000), employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000); E K Manzi: remuneration £40,000 - £45,000 (2018: £40,000 - £45,000), employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000), A Douglas: remuneration £50,000 - £55,000 (2018: £Nil), employer's pension contributions £5,000 - £10,000 (2018: £Nil), S Sellwood: remuneration £5,000 - £10,000 (2018: £Nil), employer's pension contributions £0 - £5,000 (2018: £Nil), N Cooke: remuneration £10,000 - £15,000 (2018: £Nil), employer's pension contributions £Nil (2018: £Nil).

During the year no Trustee received any benefits in kind (2018: £Nil).

During the year ended 31 August 2019, expenses totalling £2,518 were reimbursed or paid directly to 9 Trustees (2018 - £2,556 to 11 Trustees).

Other related party transactions involving the trustees are set out in note 28.

13. TRUSTEES' AND OFFICERS' INSURANCE

The Group has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. TANGIBLE FIXED ASSETS

GROUP AND ACADEMY

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2018	25,437,282	344,158	122,556	466,936	26,370,932
Additions	10,092	163,175	-	3,237	176,504
At 31 August 2019	25,447,374	507,333	122,556	470,173	26,547,436
DEPRECIATION					
At 1 September 2018	3,004,554	247,916	63,046	391,585	3,707,101
Charge for the year	440,405	52,559	11,230	58,943	563,137
At 31 August 2019	3,444,959	300,475	74,276	450,528	4,270,238
NET BOOK VALUE					
At 31 August 2019	22,002,415	206,858	48,280	19,645	22,277,198
At 31 August 2018	22,432,728	96,242	59,510	75,351	22,663,831

**SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Academy	
COST OR VALUATION	
At 1 September 2018	1
AT 31 AUGUST 2019	1
NET BOOK VALUE	
AT 31 AUGUST 2019	1
<i>AT 31 AUGUST 2018</i>	<i>1</i>

16. DEBTORS

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
DUE WITHIN ONE YEAR				
Trade debtors	31,771	27,015	22,576	16,599
Amounts owed by group undertakings	-	-	10,474	88,102
Other debtors	5,393	41,383	5,354	41,344
Prepayments and accrued income	143,130	261,060	143,130	258,180
Tax recoverable	118,506	113,556	118,506	113,556
	298,800	443,014	300,040	517,781

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
ESFA loans	2,000	2,000	2,000	2,000
Trade creditors	232,523	565,076	232,254	565,076
Other taxation and social security	132,556	131,026	132,556	131,026
Other creditors	124,929	129,882	124,929	129,882
Accruals and deferred income	72,159	217,456	70,834	212,645
	564,167	1,045,440	562,573	1,040,629
	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Deferred income:				
Deferred income at 1-September 2018	80,390	70,187	80,390	70,187
Resources deferred during the year	2,881	80,390	2,881	80,390
Amounts released from previous periods	(80,390)	(70,187)	(80,390)	(70,187)
	2,881	80,390	2,881	80,390

At the Balance Sheet date the Academy was holding funds received from the Local Authority relating to the 2019-20 academic year and money received for trips taking place in 2019-20

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

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
ESFA loans	16,000	18,000	16,000	18,000

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Payable or repayable by instalments	8,000	10,000	8,000	10,000
	8,000	10,000	8,000	10,000

Included above is a Condition Improvement Fund loan of £20,000 repayable over 10 years commencing September 2018 with an applicable annual interest rate of 1.85%.

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. FINANCIAL INSTRUMENTS

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
FINANCIAL ASSETS				
Financial assets that are debt instruments measured at amortised cost	1,365,905	2,043,925	1,364,349	2,039,152
	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	(292,000)	(730,837)	(290,406)	(726,026)

Financial assets that are debt instruments measured at amortised cost comprise cash at bank, trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	1,200,432	358,095	(604,248)	32,826	-	987,105
Fixed assets	39,843	-	(29,315)	18,980	-	29,508
Sheldon School Trading Limited	-	112,048	(79,222)	(32,826)	-	-
	<u>1,240,275</u>	<u>470,143</u>	<u>(712,785)</u>	<u>18,980</u>	<u>-</u>	<u>1,016,613</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	8,022,748	(8,106,121)	83,373	-	-
High Needs	-	251,362	(251,362)	-	-	-
Donations	-	33,220	(33,220)	-	-	-
Pupil Premium	-	232,825	(232,825)	-	-	-
Other LA funding	-	16,256	(16,256)	-	-	-
Y7 Literacy and Numeracy Catch Up	-	16,609	(16,609)	-	-	-
Other ESFA income	-	97,604	(97,604)	-	-	-
Pension reserve	(361,000)	-	(171,000)	-	(671,000)	(1,203,000)
	<u>(361,000)</u>	<u>8,670,624</u>	<u>(8,924,997)</u>	<u>83,373</u>	<u>(671,000)</u>	<u>(1,203,000)</u>

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	19,181,554	-	(369,338)	(2,130)	-	18,810,086
Fixed assets purchased from GAG and other restricted funds	1,723,113	-	(120,980)	245,556	-	1,847,689
DfE/ESFA Capital grants	1,684,317	259,877	(42,655)	(349,623)	-	1,551,916
LA Capital grants	35,004	-	(849)	3,844	-	37,999
	<u>22,623,988</u>	<u>259,877</u>	<u>(533,822)</u>	<u>(102,353)</u>	<u>-</u>	<u>22,247,690</u>
TOTAL RESTRICTED FUNDS	<u>22,262,988</u>	<u>8,930,501</u>	<u>(9,458,819)</u>	<u>(18,980)</u>	<u>(671,000)</u>	<u>21,044,690</u>
TOTAL FUNDS	<u>23,503,263</u>	<u>9,400,644</u>	<u>10,171,604</u>	<u>-</u>	<u>(671,000)</u>	<u>22,061,303</u>

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the Education Funding Agency (ESFA) during the period in order to fund the continuing activities of the school. During the year, £245,087 (2017: £14,976) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

High Needs funding, which includes Named Pupil Allowance and YPSS funding, is paid by the Local Authority to cater for pupils with learning difficulties and other disabilities.

Donations represent amounts raised through fundraising for specific purposes and various small restricted donations which have all been spent during the period.

Pupil premium funding represents amounts received from the ESFA to cater for disadvantaged pupils.

Other LA funding represents amounts received from Wiltshire Council and other Local Authorities in respect of Pupil Premium for Looked After Children.

Y7 Literacy and Numeracy Catch Up represents funding to support year 7 pupils that did not achieve level 4 in reading or mathematics at Key Stage 2.

Other ESFA income represents amounts received from the ESFA to cover rates expenditure of the school.

The pension reserve represents the Local Government Pension Scheme deficit.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. STATEMENT OF FUNDS (CONTINUED)

FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from Wiltshire Council on conversion to an Academy.

Fixed assets purchased from GAG and other restricted funds represent amounts spent on fixed assets from the GAG funding received from the ESFA and other sources.

DfE/ESFA Capital grants includes devolved capital funding and amounts received from the Academies Capital Maintenance Fund and Condition Improvement Fund.

LA Capital grants represents funding received from Wiltshire County Council.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	1,133,293	444,970	(396,802)	18,971	-	1,200,432
Fixed assets	53,374	-	(13,531)	-	-	39,843
Sheldon School Trading Limited	-	97,137	(78,166)	(18,971)	-	-
	<u>1,186,667</u>	<u>542,107</u>	<u>(488,499)</u>	<u>-</u>	<u>-</u>	<u>1,240,275</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	141,820	8,063,743	(7,960,476)	(245,087)	-	-
High Needs	-	288,596	(288,596)	-	-	-
Donations	2,140	65,193	-	(67,333)	-	-
Pupil Premium	-	233,720	(233,720)	-	-	-
Other LA funding	13,500	22,992	(36,492)	-	-	-
Y7 Literacy and Numeracy Catch Up	-	16,692	(16,692)	-	-	-
Other ESFA income	-	38,670	(38,670)	-	-	-
Pension reserve	(784,000)	-	(185,000)	-	608,000	(361,000)
	<u>(626,540)</u>	<u>8,729,606</u>	<u>(8,759,646)</u>	<u>(312,420)</u>	<u>608,000</u>	<u>(361,000)</u>

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	19,551,192	-	(369,638)	-	-	19,181,554
Fixed assets purchased from GAG and other restricted funds	1,518,932	-	(108,239)	312,420	-	1,723,113
DfE/ESFA Capital grants	1,476,703	241,348	(33,734)	-	-	1,684,317
LA Capital grants	35,853	-	(849)	-	-	35,004
	<u>22,582,680</u>	<u>241,348</u>	<u>(512,460)</u>	<u>312,420</u>	<u>-</u>	<u>22,623,988</u>
TOTAL RESTRICTED FUNDS	<u>21,956,140</u>	<u>8,970,954</u>	<u>(9,272,106)</u>	<u>-</u>	<u>608,000</u>	<u>22,262,988</u>
TOTAL FUNDS	<u>23,142,807</u>	<u>9,513,061</u>	<u>(9,760,605)</u>	<u>-</u>	<u>608,000</u>	<u>23,503,263</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	29,508	-	22,247,690	22,277,198
Current assets	987,105	580,167	-	1,567,272
Creditors due within one year	-	(564,167)	-	(564,167)
Creditors due in more than one year	-	(16,000)	-	(16,000)
Pension reserve	-	(1,203,000)	-	(1,203,000)
TOTAL	<u>1,016,613</u>	<u>(1,203,000)</u>	<u>22,247,690</u>	<u>22,061,303</u>

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	39,843	-	22,623,988	22,663,831
Current assets	1,596,234	234,192	433,446	2,263,872
Creditors due within one year	(377,802)	(234,192)	(433,446)	(1,045,440)
Creditors due in more than one year	(18,000)	-	-	(18,000)
Pension reserve	-	(361,000)	-	(361,000)
TOTAL	1,240,275	(361,000)	22,623,988	23,503,263

22. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(770,960)	(247,544)
ADJUSTMENTS FOR:		
Depreciation	563,137	525,991
Capital grants from DfE and other capital income	(259,877)	(241,348)
Interest receivable	(9,655)	(4,626)
Defined benefit pension scheme cost less contributions payable	159,000	164,000
Defined benefit pension scheme finance cost	12,000	21,000
Decrease in debtors	144,214	137,506
(Decrease)/increase in creditors	(483,273)	468,460
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(645,414)	823,439

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. CASH FLOWS FROM INVESTING ACTIVITIES

	Group 2019 £	Group 2018 £
Dividends, interest and rents from investments	9,655	4,626
Purchase of tangible fixed assets	(176,504)	(1,121,904)
Capital grants from DfE / ESFA	259,877	241,348
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	93,028	(875,930)

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2019 £	Group 2018 £
Cash in hand	1,268,472	1,820,858
TOTAL CASH AND CASH EQUIVALENTS	1,268,472	1,820,858

25. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teachers' 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 Wiltshire County Council. Both are multi-employer defined benefit 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 £94,092 were payable to the schemes at 31 August 2019 (2018 - £94,029) and are included within creditors.

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the year amounted to £731,460 (2018 - £718,218).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £345,000 (2018 - £339,000), of which employer's contributions totalled £278,000 (2018 - £271,000) and employees' contributions totalled £ 67,000 (2018 - £68,000). The agreed contribution rates for future years are 24.9 per cent for employers and 5.5 - 8.5 per cent for employees.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment / inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.4

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.4	22.5
Females	23.7	24.9
<i>Retiring in 20 years</i>		
Males	22.3	24.1
Females	25.1	26.7

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.5%	749	572
Salary increase +0.5%	103	91
Pension increase +0.5%	631	475

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	3,701,000	3,322,090
Bonds	730,000	655,060
Property	678,000	608,270
Cash	104,000	93,580
Total market value of assets	5,213,000	4,679,000

The actual return on scheme assets was £271,000 (2018 - £374,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. PENSION COMMITMENTS (CONTINUED)

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

	2019 £	2018 £
Current service cost	(416,000)	(435,000)
Past service cost	(21,000)	-
Interest income	134,000	105,000
Interest cost	(146,000)	(126,000)
Total	(449,000)	(456,000)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	5,040,000	4,866,000
Current service cost	416,000	435,000
Interest cost	146,000	126,000
Employee contributions	67,000	68,000
Actuarial losses / gains	855,000	(337,000)
Benefits paid	(129,000)	(118,000)
Past service costs	21,000	-
At 31 August	6,416,000	5,040,000

Changes in the fair value of the Group's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	4,679,000	4,082,000
Interest income	134,000	105,000
Actuarial gains	184,000	271,000
Employer contributions	278,000	271,000
Employee contributions	67,000	68,000
Benefits paid	(129,000)	(118,000)
At 31 August	5,213,000	4,679,000

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Group and the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Group and Academy		
Not later than 1 year	15,481	16,186
Later than 1 year and not later than 5 years	15,481	30,961
	<u>30,962</u>	<u>47,147</u>

27. MEMBERS' LIABILITY

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

28. 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 a trustee 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.

During the period £8,958 (2018: £4,489) was received from The Sheldon School Enrichment Fund which has trustees in common with the Academy.

P C T Story, a Trustee, has been nominated by the Academy to take the Academy's seat as a Trustee of the Chippenham AstroTurf Project - known as CAP96. CAP96 leases land from the Academy on a 50 year lease for a peppercorn rent, on which it has built an AstroTurf pitch for use by local community groups. The Academy benefits by being able to use the AstroTurf pitch for free during normal school hours. In addition the school manages all bookings for CAP96 and provides staff to unlock and lock the facility during evenings and at weekends, for which an annual management charge is payable by CAP96 to Sheldon School. This charge is reviewed annually by the School Business Manager, and is designed simply to cover the staffing costs associated within this provision. P C T Story withdraws from all discussion at CAP96 meetings relating to this arrangement.

SHELDON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

29. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2019 the Academy received £18,300 (2018: £20,734) and disbursed £23,886 (2018: £23,897) from the fund. An amount of £465 (2018: £4,851) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

30. PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Academy:

Name	Company number	Class of shares	Included in consolidation
Sheldon School Trading Limited	09551925	100	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Sheldon School Trading Limited	112,048	(79,222)	32,826	1