

Registered number: 07654452

**Excell3 Independent Schools Limited**  
**(operating as King Solomon International Business School)**

Trustees Report and Financial Statements

For the Year Ended 31 August 2018



**DAINS**  
ACCOUNTANTS

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Contents**

---

	Page
<b>Reference and administrative details</b>	<b>1 - 2</b>
<b>Trustees' report</b>	<b>3 - 14</b>
<b>Governance statement</b>	<b>15 - 18</b>
<b>Statement on regularity, propriety and compliance</b>	<b>19</b>
<b>Statement of Trustees' responsibilities</b>	<b>20</b>
<b>Independent auditors' report on the financial statements</b>	<b>21 - 23</b>
<b>Independent reporting accountant's assurance report on regularity</b>	<b>24 - 25</b>
<b>Statement of financial activities incorporating income and expenditure account</b>	<b>26</b>
<b>Balance sheet</b>	<b>27</b>
<b>Statement of cash flows</b>	<b>28</b>
<b>Notes to the financial statements</b>	<b>29 - 48</b>

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Reference and Administrative Details**  
**For the Year Ended 31 August 2018**

---

**Members**

G Brown (resigned 27 March 2018)  
D Illingworth  
C Imafidon  
M Yeadon (appointed 27 March 2018, resigned 7 June 2018)  
C Reid (appointed 11 June 2018)  
C Byfield (appointed 16 April 2018)

**Trustees**

G Brown, Chair from 28 September 2017 until 27 March 2018, Accounting Officer from 16 April 2018 (resigned 27 March 2018)<sup>1</sup>  
Dr C Byfield, (resigned 27 March 2018, appointed 1 September 2018) Accounting Officer to 16 April 2018, Chair from 13 September 2018<sup>1</sup>  
C Bailey<sup>1</sup>  
A Talburt (resigned 12 June 2018)  
Revd P Beetham (resigned 1 October 2018)  
Dr M Yeadon, Chair from 28 March 2018 until 7 June 2018 (resigned 7 June 2018)<sup>1</sup>  
C Brown, Vice Chair from 13 September 2018<sup>1</sup>  
Revd Canon B Clover (resigned 27 March 2018)  
K Wilson (resigned 31 December 2017)  
S Lawrence (appointed 19 June 2018)<sup>1</sup>  
C Reid (appointed 11 June 2018, resigned 17 September 2018)  
Revd B Scott (resigned 31 December 2017)  
M Ison (resigned 6 June 2018)<sup>1</sup>  
S Forde (appointed 6 June 2018)<sup>1</sup>  
S McConnell (appointed 10 May 2018, resigned 1 October 2018)

<sup>1</sup> Members of Finance, Resources and Marketing Committee

**Senior management team**

G Brown, Principal Designate from 16 April 2018  
H Kent, Interim Head of Primary  
D Dunkley, Head of Secondary/Vice Principal  
A Simmonds, Chief Finance Officer  
M Yates, Head of Teaching and Learning/Vice Principal  
J Bhalsod, SENCO  
S Brookes, Business & External Relations Manager  
Dr C Byfield, Founder

**Company registered number**

07654452

**Company name**

Excell3 Independent Schools Limited

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Reference and Administrative Details of the Academy, its Trustees and Advisers**  
**For the Year Ended 31 August 2018**

---

**Advisers (continued)**

**Principal and registered office**

Learning Village  
Richard Street  
Birmingham  
West Midlands  
B7 4AA

**Independent auditors**

Dains LLP  
Statutory Auditor  
15 Colmore Row  
Birmingham  
B3 2BH

**Bankers**

Lloyds Bank  
114-116 Colmore Row  
Birmingham  
B3 3BD

**Solicitors**

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Trustees' Report**  
**For the Year Ended 31 August 2018**

---

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The free school is based in central Birmingham with six students' streams at 1 September 2017, Reception, Year 1, Year 2 and Year 7, Year 8 and Year 9 totalling 387 students.

**Structure, governance and management**

**a. Constitution**

The academy trust is a company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association are the primary governing documents of the academy trust.

The Trustees of Excell3 Independent Schools Limited are also the directors of the charitable company for the purpose of company law.

The charitable company's only free school is King Solomon International Business School

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

**c. Trustees' indemnities**

The Trustees benefit from risk protection purchased by the Academy Trust from the Education and Skills Funding Agency to cover the liability of the Trustees arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The limit of this protection is £5,000,000.

**d. Method of recruitment and appointment or election of Trustees**

The Trust shall have the following Trustees, as set out in its Articles of Association and Funding Agreement:

- up to 8 Trustees who are appointed by the Members;
- up to 1 Trustee appointed by Excell3 Ltd;
- up to 1 Trustee appointed by Woodard;
- minimum of 2 Parent Trustees who are elected by the parents of registered students at the Academy Trust;
- The total number of Trustees who are employees of the Academy Trust shall not exceed one third of the total number of Trustees
- Additional individuals can be Co-opted onto the board provided that the total amount of Trustees does not exceed 15.

Trustees are appointed for a 4 year period, although this time limit does not apply to the Principal if the Principal is a Trustee. Subject to remaining eligible to be a particular type of Trustees, any Trustees can be re-appointed or re-elected at a General Meeting.

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

**e. Policies and procedures adopted for the induction and training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the School and a chance to meet staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. As there are normally only new Trustee appointments each year, inductions tend to be done informally and are tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations as appropriate.

Training courses are organised during the year to keep the Trustees updated on relevant developments impacting on their roles and responsibilities. All Trustees have access to 'The Key' which provides regular updates.

**f. Organisational structure**

The Board of Trustees will meet at least four times each academic year with an additional Strategic Planning meeting. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees 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 and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 3 Committees of the Board of Trustees as follows:

- Finance, Resources and Marketing Committee
- Standards and Ethos Committee
- Secondary School Improvement Board

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Principal

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

The Trustees have devolved the day-to-day management of the Academy Trust to the Principal and the Senior Leadership Team ('SLT'). The SLT comprises the Principal, Vice Principal Head of Secondary, Chief Finance Officer, Vice Principal Director of Teaching and Learning, Vice Principal Head of Primary, Deputy Head of Primary, two Assistant Principal Charter Development, SENCO and the Business and Community Liaison Manager. The Principal is the Academy Trust's Accounting Officer and has overall responsibility for the day to day financial management of the Academy Trust. The SLT implements the policies laid down by the Trustees and reports back to them on performance.

**g. Arrangement for setting pay and remuneration of key management personnel**

The Trustees consider the Board of Trustees as comprising part of the key management personnel of the Academy Trust as they have overall control of the Academy Trust. All Trustees, other than the Director of Strategic Development to 16 April 2018 when they ceased to be employed by the school, gives of their time freely. Details of Trustee Expenses and related party transactions are disclosed in note 10 and note 30.

Trustees are required to disclose all relevant interests and register them with the Clerk to the Governors, and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises. Any transactions which occurred during the year with related parties are detailed in note 30 respectively.

The Principal and SLT are in charge of running and operating the Academy Trust on a day to day basis. The pay of the Principal and other members of the SLT are reviewed annually and increases are benchmarked against other Principals and SLT's pay within the Academy Sector and the employment market in the Birmingham area.

#### **h. Trade union facility time**

##### **Relevant union officials**

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	-

##### **Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	-
1%-50%	-
51%-99%	-
100%	-

<b>Percentage of pay bill spent on facility time</b>	<b>£</b>	
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

##### **Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
---	---	---

#### **i. Related parties and other connected charities and organisations**

There are no related parties or connected organisations which either control or significantly influence the decisions and operations of the Academy Trust.

#### **Objectives and Activities**

##### **a. Objects and aims**

The principle objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated multi – denominational Christian faith school, offering a broad and balanced curriculum) the academy conducted in accordance with the principles, practices and tenets of the Christian faith both generally and in particular in relation to daily acts of worship; and
- promote for the benefit of the inhabitants of the areas in which the Academy is situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.



**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

---

The aims of the Academy Trust during the period ended 31 August 2018 are summarised below:

- To embed our vision in pursuit of education excellence, to develop our student character, equip students with the skills to effectively live, work and trade in the global economy and to be successful.
- To embed our Christian ethos evident throughout the school giving due regard to students of other faith traditions and none.
- To embed the school's international business specialism in all years of the school
- To further develop the character of our students to enable them to be confident, well rounded individuals in terms of attitude, behaviour and academic aspirations.
- To seek to remove cultural barriers through promoting high expectations of all students and the provision of educational opportunities for all
- To exceed progress measures in national performance table for all year groups.
- To continue to embed the International Baccalaureate (IB) learner profile in the curriculum
- To maximise engagement with students, their families and the local community.
- To establish and maintain effective and dynamic partnerships with local schools and other educational establishments.

**b. Objectives, strategies and activities**

The Academy Trust's main objectives for the period ended 31 August 2018 were focused as follows:

1. The implementation of a robust Monitoring, Evaluation and Review system (MER) which has ensured that there is a high quality of provision across the school.
2. To strengthen the Governing body and the SLT.
3. To implement a robust CPD programme to ensure that our staff develop professionally.
4. To continue to recruit fully qualified teachers with the specialisations needed to ensure students are able to work towards the IB.
5. To establish effective partnership between all stakeholders.

**c. Public benefit**

The Academy Trust aims to advance for the public benefit education in Birmingham and the surrounding area, offering a broad curriculum and an excellent education environment for its students.

The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The Directors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

## **Strategic report**

### **Achievements and performance**

The Academy Trust is in its third year of operation since it opened as an Academy Trust on 1 September 2015.

The Academy Trust is committed to continual improvement which is achieved in a number of ways, including improvement in planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

The focus of the leadership of teaching and learning across the school this year has been to establish clear guidelines for delivering high quality lessons, clear systems that enable the school to monitor the quality of teaching and learning and implementing effective interventions and support to address any areas of concern.

The CPD calendar focussed on the content of the new Teaching and Learning Toolkit which provides guidance and strategies to improve the consistency of teaching and learning. It has given staff opportunities to reflect upon their own practice, try out new ideas and then consider their effectiveness. The staffs have been encouraged to work collaboratively to support and challenge each other.

The newly appointed aspiring Heads of Faculty were supported by senior leaders and the Head of Faculty Toolkit to assist in improving standards across the school. This toolkit sets out a clear rationale for monitoring and evaluation as well as clear templates and processes to complete their role.

Although disappointing that OfSTED have graded teaching and learning as inadequate they described these toolkits as green shoots that needed time to be fully embedded. It is worth noting that teaching and learning in the primary phase was generally described as good.

For this reason in the summer term we appointed permanent Heads of Faculty in the secondary, reviewed and updated the toolkits to improve them further and focussed on recruiting high quality subject specialists to deliver and engaging and challenging curriculum. In this process most of the staff delivering consistently inadequate lessons has chosen to leave the school and a number of staff that were not yet good have been supported to improve their practice. We ended the year with a strong team (experienced and subject specialists) recruited and ready to implement our toolkits and policies in September 2018.

**Key student/outcome data**

- Attendance for the whole school for the academic year 2017-2018 was 93.6% (2017 - 94.58%) (Primary 94.2% (2017 95.05%), Secondary 93.2% (2017 - 94.25%). National average for 2017-2018 was 96 % (2017 96.1%) Primary and 93.2% (2017 - 95%) Secondary (national data for the academic year to 2017).
- Fixed term exclusion is 7.1 % (2017 - 16.67%) exclusions as a proportion of the school roll (secondary and primary), significantly above the national average of 4.29% (2017 - 3.92%) (\*reported in national statistics Dec 2017 for the year 2015-2016).
- Permanent exclusion for the school is 0.23% (2016/2017 - 0.3%), which is above the national average of 0.08% (2017 - 0.85%).
- The Year 1 results in May 2018 were disappointing showing students achieved 'secure' or 'above secure' in reading 49% (2017 88%), writing 15% (2017 79%) and mathematics 40% (2017 88%). As a result, the school implemented intervention strategies for year 2 to raise attainment of pupils, these strategies showed positive results. When reassessed at the end of the school year, students achieved 'secure' or 'above secure' in reading 71% (2017 88%), writing 70% (2017 79%) and mathematics 62% (2017 88%). The strategies identified the gaps in the pupils learning, followed by focused teaching to address individual challenges. These strategies are being continued into 2018/19 to sustain improvement in students' achievement as they transfer to KS2.
- Year 1 phonics outcome in 2018 was 83% (2017 87.5%), this is above the 2017 national average.
- EYFS Good Level of Development in 2018 is 83.3% (2017 76.7%) which is above national average.
- Progress differences between disadvantaged students and all students in the core subjects in the secondary school are less than 10% (2017 7 %)
- Male and female students in Year 7 and Year 8 are both achieving above national expected progress in English and Maths with a gender difference of 11% (2017 9%) in English and 4% (2017 2%) in Maths.

**Other key student achievements**

- The school was presented with a Commendation by the Lord Mayor of Birmingham at the Council Chamber for winning best individual performance in the competition and got commended in the 'Knight of Saint Columba' for its production of Shakespeare's 'Midsummer Night's Dream'.
- Both Year 9 and Year 8 football teams were runners up in their league.
- Year 9 and Year 10 football teams reached the Aston Cup Football competition.
- The school represented Aston in the Athletics event held at Alexander Stadium.
- Students ran two successful enterprise days, both of which were highly supported by parents
- The primary phase delivered an excellent Christmas production which resulted in increasing the reception PAN in 2018/2019.
- Several Year 8 students had their poems published in Busta Rhyme Anthology

**a. Key performance indicators**

Although the Academy Trust's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2018, the balance of the GAG Restricted Fund was £8,740, which is after a transfer in of £54,438 from the Unrestricted Fund and net transfer in of £1,263 from the Restricted Fixed Asset Fund.

Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on student numbers, student numbers is also a key performance indicator. As noted earlier in this report, student numbers at the most recent census were 387 which was below full capacity by 63 students.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to DfE grant income (GAG, Pupil Premium and Year 7 Catch Up funding) for the period was 89.5% (99.8% 2017), while the percentage of staff costs to total costs was 65.7% (62.7% 2017).

**b. Going concern**

The academy trust has made a deficit in the year of £479,584 (2017 - £782,376). At a revenue level, the academy trust has made a surplus of £5,215 (2017 - £8,438) excluding defined benefit pension liability movement. The surplus has resulted in net current assets of £76,937 (2017 - £688,907).

The Board of Trustees undertook a strategic restructuring plan to reduce staffing and overhead cost over 3 years, which will come into effect in September 2018. This plan created savings which will cover the predictive clawback and any expected future fall in pupil numbers while creating a surplus.

Capital funding received in 17/18 to build a new state of the arts Sports Hall, is due to be completed in November 2018, and will generate additional income as we invite the community to use the facilities outside school hours.

The academy trust has also developed a marketing strategy plan, which will involve creating a new website with a self-portal to attract new funding from the community. For example, sponsorships, donations and increase letting capacity for unused areas within our main building, without affecting the learning experience of our pupils. An external organisation creating the website, is due to complete it by December 2018.

The Trustees have concluded that there exists a material uncertainty that may cast significant doubt upon the academy's ability to continue as a going concern. However, after making enquiries, they consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that might arise if the going concern basis for the preparation of the financial statements was not appropriate.

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

---

**Financial review**

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA and other organisations and funders, and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2018, the total expenditure of £2,754,093 was covered by the recurrent grant funding from the EFA, together with other incoming resources. The excess of incoming resources over total expenditure for the period was £5,215.

Land, buildings and other assets are funded by the ESFA and other organisations in the form of a capital grant and are included in the Statement of Financial Activities, at £138,964.

The net book values of fixed assets at 31 August 2018 were £7,133,635 which includes the value of land and buildings of £6,556,164 and depreciation charges for the period of £382,844. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the students of the Academy Trust.

The balances of total funds held at 31 August 2018 were £6,936,572 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£8,740
Restricted Pension Liability Fund	(£274,000)
Restricted Fixed Asset Fund	£7,201,832
Unrestricted Funds	£nil

The key financial policies reviewed and adopted during the period included the Financial Procedures policies, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Directors, Principal, Managers, Budget Holders and other staff, as well as the delegated authorities for spending.

**a. Reserves policy**

The Trustees will review the reserve levels of the Academy Trust annually. This review will encompass the nature of the 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 Trust, the uncertainty over future income streams, and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves would be approximately 2% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc. The trust recognises that in the past two years the Academy Trust has not maintained sufficient working capital in line with its policy. Going forward into 2018/19 the governing body has set a surplus budget which will ensure that it adheres to the reserve policy. Each month the budget will be reviewed against achieved actual to ensure that the policy is achieved

**b. Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as in relation to teaching, health & safety, safeguarding and school trips, and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise this risk and are agreeing a Risk Management Strategy and Risk Management Plan. Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan will be constantly reviewed in light of any new information and formally reviewed annually.

The principle risks and uncertainties facing the Academy Trust are as follows:

**Financial**

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 91.2% of the Academy Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and / or management**

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks.

**Reputational**

The continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that student success and achievement are closely monitored and reviewed.

**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, health & safety and discipline.

**Staffing**

The success of the Academy Trust is reliant on the quality of its staff, 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.

### **Fraud and mismanagement of funds**

The Academy Trust has engaged Smith Cooper Chartered Accountants to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Trustees examine the financial health of the Academy Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance, Resources and Marketing Committee meetings.

The Trustees recognise that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised

### **Plans for future periods**

#### **a. Future developments**

We have already moved teaching and learning forward to achieve 53% of lessons being considered at least good across the school in September 2018. This is due to the newly recruited staff, clear vision and expectations of leadership (emphasising the need for greater accountability) and the continued implementation of toolkits. We will continue to work towards the targets in the Post OfSTED Action Plan (POAP) which provide a clear framework for delivering consistently challenging and engaging teaching and learning across the school. The leadership have continued their implementation of robust systems by ensuring that the CPD calendar, the MER cycle, the school calendar and the POAP all work together. This will ensure that we are moving rapidly towards further improvements in teaching and learning.

We are strengthening our marketing strategy making sure that it is more strategic and leads to sustainable improvement. We are seeking to identify various client groups / stakeholders who we can collaborate with to share the Vision. We are looking to become a leader in the education sector influencing decision makers in that field.

The POAP has been developed to demonstrate that we have the capacity to secure the improvements required in order to ensure that our students achieve an education of the highest quality. We have recently recruited staff of high calibre with proven experience who will improve standards across the school. Our Senior Leadership Team have become the key drivers for improvement; being exemplars of good practise, having robust systems in place and holding staff to account.

Now that the building works are completed our aim is to establish the school as a hub within the community to promote cohesion and partnership on a wider scale between various stakeholders (schools, colleges, University, Churches, community groups and business).

Further enhance our programme for working with parents as co – educators. Part of that plan will be to use the Parents School Partnership more strategically.

### **Funds held as custodian**

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**


---

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 22 November 2018 and signed on its behalf by:



---

**C Byfield**  
**Chair of Trustees**



**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Governance Statement**

---

**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Excell3 Independent Schools Limited 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 Principal, 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 Excell3 Independent Schools Limited 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 13 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
G Brown, Chair from 28 September 2017 until 27 March 2018, Accounting Officer from 16 April 2018	6	6
Dr C Byfield, (resigned 27 March 2018, appointed 1 September 2018) Accounting Officer to 16 April 2018, Chair from 13 September 2018	12	13
C Bailey	11	13
A Talburt	5	10
Revd P Beetham	9	13
Dr M Yeadon, Chair from 28 March 2018 until 7 June 2018	8	9
C Brown, Vice Chair from 13 September 2018	8	13
Revd Canon B Clover	4	9
K Wilson	3	4
S Lawrence	3	3
C Reid	3	4
Revd B Scott	1	4
M Ison	4	9
S Forde	4	5
S McConnell	3	5

The Board of Trustees has seen some changes in the year as it has appointed additional Trustee as the Governing body recognised that additional skills and expertise were required by the board.

This has been a challenging year for the board, coping with no 'brought forward reserves' and falling pupil numbers. This Academy trust is no different from other academies across the country where finances are extremely tight. However, this challenge has been effectively managed by our Chief Finance Officer who is a Qualified Chartered Accountant and the Chair of the Finance, Resources and Marketing Committee who has a strong financial background in academy finances.

**Goverence reviews**

The Governing Body undertook a review on the effectiveness of the governance structure and was satisfied that the revised structure were more robust. It became clear in the review that the previous governance structure was cumbersome and would benefit from being streamlined. As a result the number of committees has been reduced and the new committees now have a clear structure and mandate.

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

---

Within the review it also became apparent that there were weaknesses within the Governing Body and a recruitment drive was undertaken. The resultant Trustees appointments have strengthened the board and covered the missing skills gap identified in the review.

The Trustees roles are steadily being embedded which has resulted in greater levels of contribution from the Trustees as they take responsibility for specific aspects of governance. The board has nominated three governors to act as Link Governors which allows them to work strategically with the Principal and SLT in the following areas:

- Strategic Planning; Governance, Leadership and Staffing
- Teaching and Learning
- Attendance and Punctuality

The Board carried out a further skills audit to ensure that it now has all the skills required to govern the Academy Trust.

The Finance, Resources and Marketing Committee is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to Finance, Resources, Premises, Health & Safety and Marketing of the Academy Trust. This committee also acts as the Academy Trust's Audit Committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Ison	4	4
C Brown	4	6
C Bailey	3	6
Dr C Byfield	4	6
M Yeadon	4	4
G Brown	1	1
S Lawrence	2	2
S Forde	0	2

**Review of Value for Money**

As Accounting Officer, the Principal 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:

- Renegotiated a recruitment contract at 10% less than the previous year.
- Sourcing and effectively negotiating deals with a range of suppliers for its capital fixtures and furniture budget to ensure the school obtained value for money.
- Reviewing all contracts to ensure value for money has been obtained and renegotiated i.e. cleaning.
- Sourced an energy consultant who has negotiated the cheapest energy contractors for our new building

**Governance Statement (continued)**

---

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Excell3 Independent Schools Limited for the year 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

The 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 Smith Cooper Accountants as Responsible Officer (RO), to perform additional checks.

The reviewer's role 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:

- review of and testing of income recognition and recording systems and procedures
- review of and testing of payroll systems and procedures
- review of and testing of procurement systems and procedures
- review of and testing of control account reconciliation procedures
- review of and testing of bank control procedures
- Review of management information preparation procedures, including information prepared for and presented to the Board of Trustees

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

The RO has delivered the schedule of work as planned and there were no material control issues identified. The recommendations within the report are in the process of being acted upon.

**Governance Statement (continued)**

---

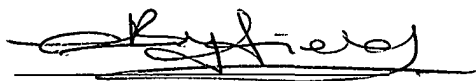
**Review of Effectiveness**

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

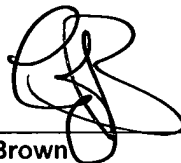
- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Resource and Marketing 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 22 November 2018 and signed on their behalf, by:



**C Byfield**  
**Chair of Trustees**



**G Brown**  
**Accounting Officer**

**Statement on Regularity, Propriety and Compliance**

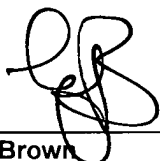
---

As Accounting Officer of Excell3 Independent Schools Limited I have considered my responsibility to notify the academy trust 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

- The academy trust has failed to publish on its website up-to-date details of its governance arrangements. An outside consultant has come into the school to conduct a review of the website.
- The academy trust has failed to put in place continuity and business continuity planning. This task has been delegated to the Business Manager to complete.



---

**G Brown**  
**Accounting Officer**

Date: 22 November 2018

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Statement of Trustees' Responsibilities**  
**For the Year Ended 31 August 2018**

---

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

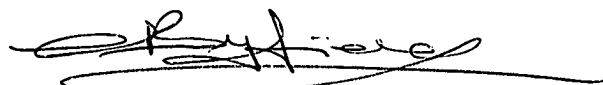
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 22 November 2018 and signed on its behalf by:



**C Byfield**  
**Chair of Trustees**

**Independent Auditors' Report on the Financial Statements to the Members of Excell3 Independent Schools Limited**

---

**Opinion**

We have audited the financial statements of Excell3 Independent Schools Limited (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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.

**Material uncertainty related to going concern**

We draw attention to note 1.2 in the financial statements, which indicates that conditions identified, along with the other matters as set forth in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of Excell3 Independent Schools Limited**

---

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report including the 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 has 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 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:

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



**Excell3 Independent Schools Limited**  
(A company limited by guarantee)

**Independent Auditors' Report on the Financial Statements to the Members of Excell3 Independent Schools Limited**

---

**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**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.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham  
22 November 2018

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to Excell3 Independent Schools Limited and the Education & Skills Funding Agency**

---

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Excell3 Independent Schools Limited during the year 1 September 2017 to 31 August 2018 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 Excell3 Independent Schools Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Excell3 Independent Schools Limited and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Excell3 Independent Schools Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Excell3 Independent Schools Limited's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Excell3 Independent Schools Limited's funding agreement with the Secretary of State for Education dated 16 March 2015, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

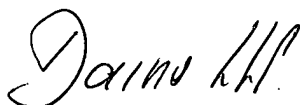
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

## **Conclusion**

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

As set out in the Statement of Regularity, Propriety and Compliance the following instances of material irregularity, impropriety or funding non compliance have been identified:

- The academy trust has failed to publish on its website up-to-date details of its governance arrangements. An outside consultant has come into the school to conduct a review of the website.
- The academy trust has failed to put in place continuity and business continuity planning. This task has been delegated to the Business Manager to complete.



**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

22 November 2018

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Statement of Financial Activities incorporating Income and Expenditure Account**  
**For the Year Ended 31 August 2018**

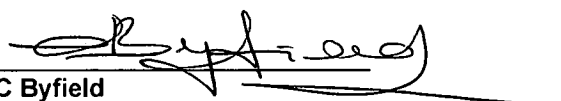
	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>						
Donations and capital grants	2	-	-	138,964	138,964	6,316
Charitable activities:	3					
Funding for the Academy's educational operations		79,739	2,664,606	-	2,744,345	2,031,460
Other trading activities	4	14,770	-	-	14,770	37,586
Investments	5	193	-	-	193	170
<b>Total income</b>		<b>94,702</b>	<b>2,664,606</b>	<b>138,964</b>	<b>2,898,272</b>	<b>2,075,532</b>
<b>Expenditure on:</b>						
Charitable activities		40,264	2,895,829	554,763	3,490,856	2,796,908
<b>Total expenditure</b>	6	<b>40,264</b>	<b>2,895,829</b>	<b>554,763</b>	<b>3,490,856</b>	<b>2,796,908</b>
<b>Net income / (expenditure) before investment gains/(losses)</b>		<b>54,438</b>	<b>(231,223)</b>	<b>(415,799)</b>	<b>(592,584)</b>	<b>(721,376)</b>
Actuarial losses on defined benefit pension schemes		-	113,000	-	113,000	(61,000)
<b>Net income / (expenditure) before transfers</b>		<b>54,438</b>	<b>(118,223)</b>	<b>(415,799)</b>	<b>(479,584)</b>	<b>(782,376)</b>
Transfers between Funds	15	(54,438)	55,701	(1,263)	-	-
<b>Net expenditure before other recognised gains and losses</b>		<b>-</b>	<b>(62,522)</b>	<b>(417,062)</b>	<b>(479,584)</b>	<b>(782,376)</b>
<b>Net movement in funds</b>		<b>-</b>	<b>(62,522)</b>	<b>(417,062)</b>	<b>(479,584)</b>	<b>(782,376)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		-	(202,738)	7,618,894	7,416,156	8,198,532
<b>Total funds carried forward</b>		<b>-</b>	<b>(265,260)</b>	<b>7,201,832</b>	<b>6,936,572</b>	<b>7,416,156</b>

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**  
**Registered number: 07654452**

**Balance Sheet**  
**As at 31 August 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	12		7,133,635		6,932,249
<b>Current assets</b>					
Debtors	13	308,842		875,334	
Cash at bank and in hand		237,740		68,711	
		<u>546,582</u>		<u>944,045</u>	
<b>Creditors:</b> amounts falling due within one year	14	<u>(469,645)</u>		<u>(255,138)</u>	
<b>Net current assets</b>			<u>76,937</u>		<u>688,907</u>
<b>Total assets less current liabilities</b>			<u>7,210,572</u>		<u>7,621,156</u>
Defined benefit pension scheme liability	20		<u>(274,000)</u>		<u>(205,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>6,936,572</u></u>		<u><u>7,416,156</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	15	8,740		2,262	
Restricted fixed asset funds	15	<u>7,201,832</u>		<u>7,618,894</u>	
Restricted income funds excluding pension liability		<u>7,210,572</u>		<u>7,621,156</u>	
Pension reserve		<u>(274,000)</u>		<u>(205,000)</u>	
Total restricted income funds			<u><u>6,936,572</u></u>		<u><u>7,416,156</u></u>
<b>Total funds</b>			<u><u>6,936,572</u></u>		<u><u>7,416,156</u></u>

The financial statements on pages 26 to 48 were approved by the Trustees, and authorised for issue, on 22 November 2018 and are signed on their behalf, by:

  
**C Byfield**  
**Chair of Trustees**

  
**G Brown**  
**Accounting Officer**

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Statement of Cash Flows**  
**For the Year Ended 31 August 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	<u>614,101</u>	<u>271,651</u>
<b>Cash flows from investing activities:</b>			
Interest receivable		193	170
Purchase of tangible fixed assets		(584,230)	(377,137)
Capital grants from DfE/ESFA		<u>138,965</u>	<u>6,261</u>
<b>Net cash used in investing activities</b>		<u>(445,072)</u>	<u>(370,706)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>169,029</b>	<b>(99,055)</b>
Cash and cash equivalents brought forward		<u>68,711</u>	<u>167,766</u>
<b>Cash and cash equivalents carried forward</b>	18	<u><u>237,740</u></u>	<u><u>68,711</u></u>

## **1. Accounting Policies**

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

### **1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Excell3 Independent Schools Limited constitutes a public benefit entity as defined by FRS 102.

### **1.2 Going concern**

The academy trust has made a deficit in the year of £479,584 (2017 - £782,376). At a revenue level, the academy trust has made a surplus of £5,215 (2017 - £8,438) excluding defined benefit pension liability movement. The surplus has resulted in net current assets of £76,937 (2017 - £688,907).

The Board of Trustees undertook a strategic restructuring plan to reduce staffing and overhead cost over 3 years, which will come into effect in September 2018. This plan created savings which will cover the predictive clawback and any expected future fall in pupil numbers while creating a surplus.

Capital funding received in 17/18 to build a new state of the arts Sports Hall, is due to be completed in November 2018, and will generate additional income as we invite the community to use the facilities outside school hours.

The academy trust has also developed a marketing strategy plan, which will involve creating a new website with a self-portal to attract new funding from the community. For example, sponsorships, donations and increase letting capacity for unused areas within our main building, without affecting the learning experience of our pupils. An external organisation creating the website, is due to complete it by December 2018.

The Trustees have concluded that there exists a material uncertainty that may cast significant doubt upon the academy's ability to continue as a going concern. However, after making enquiries, they consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that might arise if the going concern basis for the preparation of the financial statements was not appropriate.

**1. Accounting Policies (continued)**

**1.3 Income**

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

The trust is benefitting from the ESFA's Free School Building Programme for the construction of new schools. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the trust controls through ownership the site where a development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

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

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

**1.4 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.



**1. Accounting Policies (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33.33% 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 Statement of financial activities incorporating income and expenditure account.

**1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

**1.7 Debtors**

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

**1.8 Cash at Bank and in hand**

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

**1. Accounting Policies (continued)**

**1.9 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.10 Financial instruments**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis 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 13. 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 costs as detailed in note 14. 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.

**1.11 Taxation**

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

**1.12 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**1. Accounting Policies (continued)**

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.13 Fund accounting**

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

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

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

**1. Accounting Policies (continued)**

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

**2. Income from donations and capital grants**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	-	-	-	55
Capital Grants	-	-	138,964	138,964	6,261
	-	-	138,964	138,964	6,316
<b>Total 2017</b>	55	-	6,261	6,316	

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**3. Funding for Academy's educational operations**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,128,592	2,128,592	1,601,447
Post Opening Grant (Start Up Grant)	-	185,000	185,000	184,997
Other DfE/ESFA Grants	-	332,062	332,062	213,657
	-	2,645,654	2,645,654	2,000,101
<b>Other government grants</b>				
Local authority grants	-	18,952	18,952	7,102
	-	18,952	18,952	7,102
<b>Other funding</b>				
Other income from the academy trust's educational operations	79,739	-	79,739	24,257
	79,739	-	79,739	24,257
	79,739	2,664,606	2,744,345	2,031,460
<b>Total 2017</b>	24,257	2,007,203	2,031,460	

**4. Other trading activities**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	14,072	-	14,072	35,891
Fundraising activities	698	-	698	669
Tuck shop income	-	-	-	1,026
	14,770	-	14,770	37,586
<b>Total 2017</b>	37,586	-	37,586	

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**5. Investment income**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Short term deposits	193	-	193	170
<b>Total 2017</b>	170	-	170	

**6. Expenditure**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Activities:					
Direct costs	1,718,664	14,619	145,636	1,878,919	1,357,380
Support costs	674,929	470,959	466,049	1,611,937	1,439,528
	2,393,593	485,578	611,685	3,490,856	2,796,908
<b>Total 2017</b>	1,754,502	93,004	949,402	2,796,908	

**7. Support costs**

	Activities £	Total 2018 £	Total 2017 £
Depreciation	382,844	382,844	407,000
Technology costs	24,362	24,362	35,991
Premises costs	337,042	337,042	295,818
Other support costs	172,203	172,203	149,944
Governance costs	16,557	16,557	13,684
LGPS pension	4,000	4,000	-
Wages and salaries	406,689	406,689	339,668
National insurance	28,933	28,933	29,130
Pension cost	239,307	239,307	168,293
	1,611,937	1,611,937	1,439,528
<b>Total 2017</b>	1,439,528	1,439,528	

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**8. Net income/(expenditure)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	382,844	407,000
Fee payable to auditor for: -audit	6,000	6,000
	<u>6,000</u>	<u>6,000</u>

**9. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,610,298	1,267,300
Social security costs	152,998	116,324
Operating costs of defined benefit pension schemes	426,010	314,103
	<u>2,189,306</u>	<u>1,697,727</u>
Supply teacher costs	204,287	56,775
	<u>2,393,593</u>	<u>1,754,502</u>

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

	2018 No.	2017 No.
Teachers	22	18
Administration and support	40	25
Management	2	1
	<u>64</u>	<u>44</u>

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	3	2

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £676,786 (2017 - £464,651)

Notes to the Financial Statements  
For the Year Ended 31 August 2018

---

**10. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
L Fields	Remuneration		15,000-20,000
	Pension contributions paid		0-5,000
C Byfield	Remuneration	30,000-35,000	75,000-80,000
	Pension contributions paid	0-5,000	5,000-10,000

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, expenses totalling £947 (2017 - £1,060) were reimbursed to 4 Trustees (2017 - 4).

**11. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000. It is not possible to quantify the Trustees and officers element from the overall cost of the RPA scheme.



**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**12. Tangible fixed assets**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2017	6,961,309	100,568	477,023	7,538,900
Additions	34,513	176,851	372,866	584,230
At 31 August 2018	6,995,822	277,419	849,889	8,123,130
<b>Depreciation</b>				
At 1 September 2017	305,740	39,276	261,635	606,651
Charge for the year	133,918	51,066	197,860	382,844
At 31 August 2018	439,658	90,342	459,495	989,495
<b>Net book value</b>				
At 31 August 2018	6,556,164	187,077	390,394	7,133,635
At 31 August 2017	6,655,569	61,292	215,388	6,932,249

Included in freehold property is land at a valuation of £300,000 (2017 - £300,000) which is not depreciated.

Freehold property consists of Waterlinks House which has been renovated throughout the current and prior years. The building is currently recognised at historical cost, however once this work has been completed the Trustees intend to seek a formal valuation.

**13. Debtors**

	2018 £	2017 £
Trade debtors	3,085	1,100
VAT recoverable	91,176	37,234
Other debtors	152,959	803,301
Prepayments and accrued income	61,622	33,699
	<u>308,842</u>	<u>875,334</u>

**14. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	108,708	68,529
Other taxation and social security	37,736	30,704
Other creditors	23,815	90,839
Accruals and deferred income	299,386	65,066
	<u>469,645</u>	<u>255,138</u>

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

---

**14. Creditors: Amounts falling due within one year (continued)**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2017	<b>55,222</b>	15,000
Resources deferred during the year	<b>283,379</b>	55,222
Amounts released from previous years	<b>(55,222)</b>	(15,000)
	<hr/>	<hr/>
Deferred income at 31 August 2018	<b>283,379</b>	55,222
	<hr/>	<hr/>

Deferred income relates to Universal Infant Free School Meals grant and Special Education Needs income received in the year but which will be utilised in the year ended 31 August 2019. It also includes GAG income repayable relating to a pupil number adjustment.

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**15. Statement of funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	-	94,702	(40,264)	(54,438)	-	-
<b>Restricted funds</b>						
General Annual Grant (GAG)	2,262	2,128,592	(2,177,815)	55,701	-	8,740
Post Opening Grant (Start Up Grant)	-	185,000	(185,000)	-	-	-
Pupil Premium	-	241,502	(241,502)	-	-	-
SEN	-	18,952	(18,952)	-	-	-
Other grants	-	90,560	(90,560)	-	-	-
Pension reserve	(205,000)	-	(182,000)	-	113,000	(274,000)
	(202,738)	2,664,606	(2,895,829)	55,701	113,000	(265,260)
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants and property donation	7,610,160	130,566	(549,558)	-	-	7,191,168
Capital expenditure from GAG	690	-	(2,730)	7,135	-	5,095
Big Lottery	8,044	-	(2,475)	-	-	5,569
Devolved Formula Capital (DFC)	-	8,398	-	(8,398)	-	-
	7,618,894	138,964	(554,763)	(1,263)	-	7,201,832
Total restricted funds	7,416,156	2,803,570	(3,450,592)	54,438	113,000	6,936,572
Total of funds	7,416,156	2,898,272	(3,490,856)	-	113,000	6,936,572

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

**Restricted Funds:**

The General Annual Grant (GAG) is used for educational purposes in line with the academy's objects and its funding agreement.

The start up grant was used to establish the Academy.

Other DfE/ESFA grants are used to provide additional support in specific areas in the school as set out by their terms.

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**15. Statement of funds (continued)**

**Restricted Fixed Asset Funds:**

The capital grant is being used for the reallocation of the academy whilst refurbishment work is carried out on our main school property.

The Big Lottery grant was spent in providing a primary outdoor equipment.

The Devolved Formula Capital grant has been spent on repairs.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Statement of funds - prior year**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General Funds	-	62,068	(13,209)	(48,859)	-	-
<b>Restricted funds</b>						
General Annual Grant (GAG)	(5,976)	1,601,447	(1,639,632)	46,423	-	2,262
Post Opening grant (Start Up Grant)	-	184,997	(184,997)	-	-	-
Pupil Premium	-	147,927	(147,927)	-	-	-
Other grants	-	72,832	(75,068)	2,236	-	-
Pension reserve	(24,000)	-	(120,000)	-	(61,000)	(205,000)
	(29,976)	2,007,203	(2,167,624)	48,659	(61,000)	(202,738)
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants and property donation	8,216,257	-	(606,297)	200	-	7,610,160
Capital expenditure from GAG	2,351	-	(1,661)	-	-	690
Big Lottery	9,900	-	(1,856)	-	-	8,044
Devolved Formula Capital (DFC)	-	6,261	(6,261)	-	-	-
	8,228,508	6,261	(616,075)	200	-	7,618,894
Total restricted funds	8,198,532	2,013,464	(2,783,699)	48,859	(61,000)	7,416,156
Total of funds	8,198,532	2,075,532	(2,796,908)	-	(61,000)	7,416,156

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	-	156,770	(53,473)	(103,297)	-	-
<b>Restricted funds</b>						
General Annual Grant (GAG)	(5,976)	3,730,039	(3,817,447)	102,124	-	8,740
Post Opening grant (Start Up Grant)	-	369,997	(369,997)	-	-	-
Pupil Premium	-	389,429	(389,429)	-	-	-
SEN	-	18,952	(18,952)	-	-	-
Other grants	-	163,392	(165,628)	2,236	-	-
Pension reserve	(24,000)	-	(302,000)	-	52,000	(274,000)
	(29,976)	4,671,809	(5,063,453)	104,360	52,000	(265,260)
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants and property donation	8,216,257	130,566	(1,155,855)	200	-	7,191,168
Capital expenditure from GAG	2,351	-	(4,391)	7,135	-	5,095
Big Lottery	9,900	-	(4,331)	-	-	5,569
Devolved Formula Capital (DFC)	-	14,659	(6,261)	(8,398)	-	-
	8,228,508	145,225	(1,170,838)	(1,063)	-	7,201,832
	8,198,532	4,817,034	(6,234,291)	103,297	52,000	6,936,572
<b>Total of funds</b>	<b>8,198,532</b>	<b>4,973,804</b>	<b>(6,287,764)</b>	<b>-</b>	<b>52,000</b>	<b>6,936,572</b>

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**16. Analysis of net assets between funds**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,133,635	7,133,635
Current assets	-	463,694	82,887	546,581
Creditors due within one year	-	(454,954)	(14,690)	(469,644)
Provisions for liabilities and charges	-	(274,000)	-	(274,000)
	-	(265,260)	7,201,832	6,936,572

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	6,932,248	6,932,248
Current assets	-	191,924	752,121	944,045
Creditors due within one year	-	(189,662)	(65,475)	(255,137)
Provisions for liabilities and charges	-	(205,000)	-	(205,000)
	-	(202,738)	7,618,894	7,416,156

**17. Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(479,584)	(782,376)
<b>Adjustment for:</b>		
Depreciation charges	382,844	407,000
Dividends, interest and rents from investments	(193)	(170)
Decrease in debtors	566,492	671,550
Increase/(decrease) in creditors	214,507	(199,092)
Capital grants from DfE and other capital income	(138,965)	(6,261)
Defined benefit pension scheme adjustments	69,000	181,000
<b>Net cash provided by operating activities</b>	<b>614,101</b>	<b>271,651</b>

**18. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand	237,740	68,711
<b>Total</b>	<b>237,740</b>	<b>68,711</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

---

**19. Capital commitments**

At 31 August 2018 the academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	-	240,576

**20. Pension commitments**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £23,824 were payable to the schemes at 31 August 2018 (2017 - 42,157) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

**20. Pension commitments (continued)**

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £152,000 (2017 - £94,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £137,000 (2017 - £124,000), of which employer's contributions totalled £97,000 (2017 - £87,000) and employees' contributions totalled £40,000 (2017 - £37,000). The agreed contribution rates for future years are 17.6% for employers and 5.5 -12.5% for employees.

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

Principal actuarial assumptions:

	<b>2018</b>	<b>2017</b>
Discount rate for scheme liabilities	<b>2.70 %</b>	2.60 %
Rate of increase in salaries	<b>3.80 %</b>	4.20 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.70 %

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

	<b>2018</b>	<b>2017</b>
Retiring today		
Males	<b>21.9 years</b>	21.8 years
Females	<b>24.4 years</b>	24.3 years
Retiring in 20 years		
Males	<b>24.1 years</b>	24.0 years
Females	<b>26.7 years</b>	26.6 years



**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**20. Pension commitments (continued)**

<b>Sensitivity analysis</b>	<b>At 31 August 2018 £</b>	<b>At 31 August 2017 £</b>
Discount rate +0.1%	(21,000)	(14,000)
Discount rate -0.1%	21,000	15,000
Mortality assumption - 1 year increase	22,000	15,000
Mortality assumption - 1 year decrease	(21,000)	(15,000)
CPI rate +0.1%	21,000	15,000
CPI rate -0.1%	(21,000)	(14,000)

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

	<b>Fair value at 31 August 2018 £</b>	<b>Fair value at 31 August 2017 £</b>
Equities	259,000	169,000
Government bonds	29,000	20,000
Other bonds	15,000	10,000
Property	33,000	20,000
Cash and other liquid assets	15,000	13,000
Other	57,000	35,000
<b>Total market value of assets</b>	<b>408,000</b>	<b>267,000</b>

The actual return on scheme assets was £4,000 (2017 - £23,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2018 £</b>	<b>2017 £</b>
Current service cost	(275,000)	(207,000)
Net interest cost	(4,000)	-
<b>Total</b>	<b>(279,000)</b>	<b>(207,000)</b>
<b>Actual return on scheme assets</b>	<b>4,000</b>	<b>23,000</b>

**Excell3 Independent Schools Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2018**

**20. Pension commitments (continued)**

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

	2018 £	2017 £
Opening defined benefit obligation	472,000	102,000
Current service cost	275,000	207,000
Interest cost	13,000	3,000
Employee contributions	40,000	37,000
Benefits paid	-	(1,000)
Actuarial gains/losses	(118,000)	124,000
	<u>682,000</u>	<u>472,000</u>
Closing defined benefit obligation	<u>682,000</u>	<u>472,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	267,000	78,000
Return on plan assets (excluding net interest in the net defined pension liability)	(5,000)	20,000
Interest income	9,000	3,000
Employer contributions	97,000	87,000
Employee contributions	40,000	37,000
Benefits paid	-	(1,000)
Other actuarial gains	-	43,000
	<u>408,000</u>	<u>267,000</u>
Closing fair value of scheme assets	<u>408,000</u>	<u>267,000</u>

**21. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 1 for the debts and liabilities contracted before he/she ceases to be a member.

**22. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.