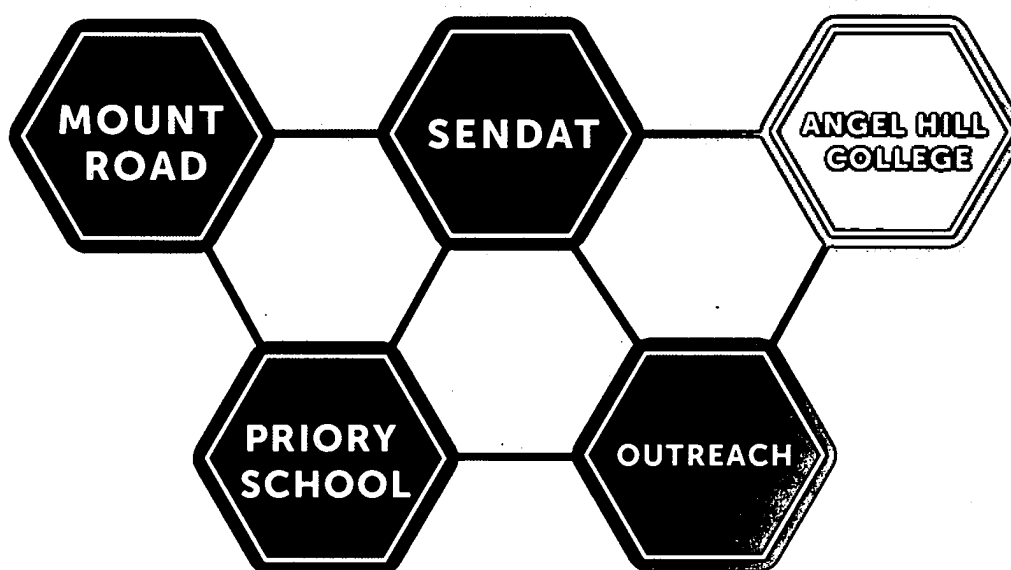


**AMENDED Trustees' Report and**  
**Financial Statements for the Year Ended 31 August 2017**  
**for**  
**SENDAT**  
**(A Company Limited by Guarantee)**



Knights Lowe Limited  
Chartered Accountants  
and Statutory Auditors  
Eldo House, Kempson Way  
Suffolk Business Park  
Bury St Edmunds  
Suffolk  
IP32 7AR

MONDAY



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COMPANIES HOUSE

**SENDAT**

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**for the Year Ended 31 August 2017**

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**SENDAT**

**Reference and Administrative Details**  
**for the Year Ended 31 August 2017**

**MEMBERS**

Mr R Inman (resigned 31.8.17)  
Mrs R Varley  
Lady K J Fisher  
Dr N Savvas  
Mr R A Carter

**TRUSTEES**

Mr L Chapman \*  
Mr R Inman \*  
Mr N Kellett  
Mrs B Parker (resigned 19.5.17) \*  
Mr M Attwood (resigned 4.10.17) \*  
Ms S E Jones  
Mrs G H Lewis (resigned 6.9.17)  
Mrs A M Whatley (resigned 31.3.17) \*  
Mr A J Maltpress  
Mr I G Morrison \*  
Mr M Redmond \*  
Mrs R L Sadler (appointed 28.4.17)

\* members of the finance and general purpose committee

**COMPANY SECRETARY**

Mrs T Darby

**REGISTERED OFFICE**

Mount Road  
Bury St Edmunds  
Suffolk  
IP32 7BH

**REGISTERED COMPANY NUMBER**

07729941 (England and Wales)

**INDEPENDENT AUDITORS**

Knights Lowe Limited  
Chartered Accountants  
and Statutory Auditors  
Eldo House, Kempson Way  
Suffolk Business Park  
Bury St Edmunds  
Suffolk  
IP32 7AR

**BANKERS**

Lloyds TSB plc  
Risbygate Street  
PO Box 1000  
BX1 1LT

**SENDAT**

**Reference and Administrative Details**  
**for the Year Ended 31 August 2017**

**SOLICITORS**

Browne Jacobson LLP  
15th Floor  
6 Bevis Marks  
London  
EC3A 7BA

**SENIOR MANAGEMENT TEAM**

L Chapman - CEO of SENDAT and Headteacher of Priory School  
M Truman - Deputy Headteacher  
G Lewis - Director of Residence and safeguarding  
T Darby - Chief Finance & Operations Officer  
A Whatley - Partnership Director

## **SENDAT**

### **Trustees' Report** **for the Year Ended 31 August 2017**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The trust operates a special academy for pupils aged 7 to 18 serving a catchment area of all of West Suffolk. It has a student capacity of 148 and had a roll of 139 at the time of the school census October 2016.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and Aims**

In line with the Academy's Statement of Intent SENDAT / Priory School promotes and seeks to achieve the following for every student by:

- Delivering high quality education, achieved by giving paramount consideration to the needs of the students - social, emotional, educational and spiritual development
- Developing the school's capacity as an extended school; enhancing the range of experiences available to each student; offering them increasing opportunity for personal, social, intellectual, physical and spiritual development.
- Continuing to work to ensure the trust maintains a central place within the wider community
- Ensuring disability equality and inclusion.

##### **Objectives, Strategies and Activities 2016-17 - in line with Trust's Development Plan**

The following is a brief summary of some of the main objectives of the trust during the last year on which it acted. The Trust is in its second year since becoming established in September 2015:

- Continue with financial control which has allowed for continuous monitoring of expenditure thus ensuring adequate funds for planned changes
- Implemented new accounting software across the trust.
- Review links with the Local Authority, buying in packages of support as needed
- Further develop the continuum of SEND provision.
- Continue to review skills of directors and the identification of areas needing strengthening
- Review and revise a rigorous, on-going Trust development plan
- Supporting other SEND provision and schools/academies to further improve outcomes for young people with SEND.
- Built a new reception and admin office at Priory School
- Built New Key Stage 1 classroom
- Extended the SENDAT Outreach team who have been supporting over half the mainstream schools in Suffolk.
- Extended leadership capacity within the Trust with appointment of Chief Finance and Operation Officer and Partnership Director.
- Invested in staff development, NPQH and HLTA
- Opened Angel Hill College for post 16 SEND students. This is a separate building to Priory School and is based on Angel Hill in Bury St Edmunds. SENDAT is sub contracted by West Suffolk College to deliver education to some students for whom the mainstream college is not yet appropriate.

## **SENDAT**

### **Trustees' Report** **for the Year Ended 31 August 2017**

#### **OBJECTIVES AND ACTIVITIES**

##### **Charitable support**

The trust has supported charitable activities nationally and locally. Charitable events are instigated through the school council and then promoted through charity activities including sponsored walks, cycle rides, discos and non-uniform days.

Charities supported this year:

- British Heart Foundation
- St Nicholas Hospice
- Friends of Priory School
- Cancer Research
- Papworth Trust
- Shelter
- Riding for the Disabled Association

##### **Public benefit**

The academy trust directors recognise their charitable responsibilities for the advancement of education as described by the Charity Commission's statement of Recommended Practice. They have also considered public benefit guidance issued by the Charity Commission. The directors have recorded in this report the activities carried out by the trust in furtherance of the charitable purposes for the public benefit.

#### **STRATEGIC REPORT**

##### **Achievement and performance**

This is the second year of the MAT SENDAT. This is the fourth year with Lawrence Chapman as Head Teacher of Priory School. The systems for financial recording are well established and the budget is well managed. The stable teaching staff has been strengthened through the recruitment of new teachers who have brought additional skills to the Academy.

The audit of pupils needs was accurate and led to an increase in High Needs Funding.

External links with other special schools, the local colleges and other businesses have continued to grow.

The achievements of the pupils have been a strong feature of the school, as has their attainment in external accredited examination and their progress against school-based targets.

An analysis of pupil progress data for 2016/2017 shows that 96% of students are making expected or better than expected progress. Pupil performance in public examinations at KS4 resulted in GCSE passes in Maths and science. 82.4% of students (14 out of 17) achieved 8 Entry Level Qualifications.

##### **Key Performance Indicators**

From 1 September 2016 the Academy has a PAN (Pupil Admissions Number) each year of 130. Additionally, there were 18 places for 6th form and 6 places in the new Autism class.

The residential OFSTED review graded the residential provision Outstanding for the 9th consecutive year.

The board of directors are aware of the increasing popularity of SENDAT/Priory School and the increasing propensity of parents to take the Tribunal route in order to secure a place at Priory School. During the Academic Year 2016/17 the Head Teacher and the LA Special Needs Officer have been mindful of the need to avoid Tribunals and have therefore offered places accordingly.

The school successfully applied and was awarded a £60,000 grant from the DfE Growth Fund in order to build central services capacity to support the SENDAT growth plans. This has proved very successful with the appointment of a Partnership Director on a fixed term contract to lead development projects for the Trust including Free School bids and academy conversions. The trust has also used this grant to appoint a Chief Finance and Operations Officer and carry out further training on the new trust-wide finance system.

## **SENDAT**

### **Trustees' Report** **for the Year Ended 31 August 2017**

#### **STRATEGIC REPORT**

##### **Achievement and performance**

##### **Financial review**

###### *Financial position*

During the year ended 31st August 2017, total expenditure of £3,603,998 was covered by recurrent grant funding from the Education and Skills Funding Agency (ESFA) and the Local Authority (LA), funds brought forward from last year together with other incoming resources. The excess of income over expenditure for the year before recognised gains from the revaluation of the pension scheme liabilities was £237,753. This surplus, combined with the recognised gain of £1,086,000 and the total fund balances brought forward from last year of £4,230,702 gives a total funds carry forward figure of £5,554,455. This puts the trust in a robust financial position to continue with the planned expansion of the trust and represents a prudent level of reserves considering the uncertainties associated with the local authority's review of High Tariff Needs Top Up Funding.

In line with the fixed asset policy £311,991 was transferred from revenue to the fixed asset fund during 2016-17.

During the year ending 31st August 2017 the school received capital income totalling £133,817 made up of £120,000 from the Local Authority to build a KS1 classroom and £13,817 Devolved Formula Capital (DFC) allocation. Capital expenditure of £331,026 exceeded incoming capital resources with general reserves being used to fund this excess.

At 31st August 2017 the net book value of fixed assets was £5,732,767 and movements in tangible fixed assets are shown in the note 15 to the financial statements. The assets were used for providing education and the associated support services to the pupils of the Academy.

In accordance with FRS102, the Academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31st August 2017 and detailed in the supporting note 23 to the accounts.

###### *Principal funding sources*

The trust's roll was 139 in October 2016 but with a planned increase in roll to 175 by October 2017 with the introduction of KS1 to the curriculum. The majority of the trust's income is obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority (LA) in the form of recurrent grants, based on student numbers, the use of which is restricted to particular purposes. The restricted grants received from the ESFA and the LA during the year ended 31st August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The trust also receives a small annual grant for building maintenance from the ESFA and this year has benefited from a £120,000 grant from the LA to expand the building to accommodate a new KS1 cohort of SEN students.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (2015), such grants are shown in the statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

###### *Investment policy*

As in previous years, the school's financial position has not allowed for the development of investments. Should this position improve in the year 2017/18 advice will be sought from an independent financial advisor with reference to the balance held in the trust bank account.

## **SENDAT**

### **Trustees' Report** **for the Year Ended 31 August 2017**

#### **STRATEGIC REPORT**

##### **Financial review**

##### *Reserves policy*

The trustees aim to demonstrate prudence and sound financial planning to cover the unexpected and unplanned in order to protect the delivery of the trust's primary objectives under unforeseen circumstances. Trustees may also set aside reserves for investment in future years (e.g. to improve or expand facilities or to develop the trust itself).

The level of reserves at 31st August 2017 was as follows:

	£	
<b>Funds with surplus balance:</b>		
Unrestricted general reserves	391,117	
Restricted general reserves	229,511	
	<hr/>	
Total restricted and unrestricted general funds	620,628	
Restricted fixed asset fund	5,760,827	
<b>Funds with deficit balance:</b>		
Restricted pension fund	(864,000)	(see note 23 for further details)
	<hr/>	
Net fund position	5,517,455	
	<hr/> <hr/>	

Net total funds with restrictions placed on their use amounted to £5,126,338 at the year end.

##### *Going concern*

After making appropriate enquiries, the board of directors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

##### *Funds in deficit*

The restricted pension fund is in deficit at the year end as detailed in note 23 to these financial statements.

The deficit shown in the accounts is as a result of the actuarial valuation and the corresponding liability does not result in an immediate cash flow impact on the charity as it is not a liability which must be settled immediately. At present, there is no deficit funding plan in place where additional contributions must be made. The disclosure of a pension liability does not mean that the equivalent amount is already committed and is no longer available to the trustees to further the charity's objectives.

##### **Principal risks and uncertainties**

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The trustees have implemented a comprehensive set of systems to assess risks that the school faces in relation to operational, financial, reputational and compliance risks. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover and appropriate level of reserves. The medium term strategic budget plan has been drawn up with estimates for future funding levels and reserves are a critical part of the plan to ensure the future sustainability of the trust.

The financial risks and uncertainties facing SENDAT continue to change and directors keep these under review. The directors and Senior Leadership Team are acutely aware of the need to balance financial prudence with maintaining the outstanding SEN provision for which the trust is renowned.



## **SENDAT**

### **Trustees' Report** **for the Year Ended 31 August 2017**

#### **STRATEGIC REPORT**

##### **Principal risks and uncertainties**

The major risks to which the Academy is exposed are identified as unexpected costs or changes in government or local authority policy which affects the trust's income. For example, initiatives which could impact on the number of children who are referred to the school and the Special Educational Needs tribunals which could inflate the school roll without the necessary financial adjustments for a significant period of time after pupil admission.

Operationally, policies and procedures are well established, regularly reviewed and understood and adopted by all adults. This ensures that any potential risk is minimised. Every attempt is made to minimise risk with continuous review of procedures.

##### **Future plans**

Plans for the academic year 2017-18 are directly linked to the Trust Development Plan. Directors are focused on the strategic vision of the school and holding Senior staff to account for the performance of the trust.

SENDAT is planning expansion including:

- Creating further 28 places at Priory taking the roll to 175 from September 17
- Working with First Base Bury St Edmunds to Academise into SENDAT
- Bidding for a free school in Ipswich.
- Working with other partners and schools to look at the expansion of provision.

Directors and senior leaders hope to gain grant funding to refurbish a number of areas of Priory School. Areas in need of urgent works are roofs, catering facilities and outside sports and activity areas. The school has a strategic buildings maintenance and development plan which prioritises these works.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

The academy trust is a private company, limited by guarantee registered in England and Wales and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of SENDAT (Special Educational Needs and Disabilities Academy Trust) are also the directors of the charitable company for the purposes of company law. The charitable company is known as SENDAT.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

##### **Members' liability**

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

##### **Trustees' Indemnities**

There were no provisions required for third party indemnity.

## **SENDAT**

### **Trustees' Report** **for the Year Ended 31 August 2017**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Principal activities**

The Academy Trust's principle activities are as follows, and are set out in the articles of association and funding agreement.

- i) To manage the budget as allocated by the Education Funding Agency
- ii) To provide education to pupils in line with each one's Statement of Educational Need
- iii) To establish and maintain a broad and balanced curriculum
- iv) To promote for the benefit of the people of Bury St Edmunds and the surrounding area the provision of facilities for recreation and leisure time activities, with priority given for pupils with Special Educational Needs.
- v) To establish, maintain, carry on, manage, and develop the Academy at Mount Road, Bury St Edmunds, Suffolk, IP32 7BH

##### **Method of Recruitment and Appointment or Election of Trustees**

The management of the company is the responsibility of the trustees who are appointed under the terms of the articles of association. The Articles state that there shall not be less than 3, but not subject to any maximum.

- a. Up to 6 Trustees appointed through resolution with the Members
- b. Up to 2 Trustees appointed by West Suffolk College
- c. Up to 2 Academy Trustees
- d. Up to 2 Staff Trustees proposed by the CEO - the total number of employees of the Trust who are Trustees shall not exceed one third of the Trust

Trustees are subject to retirement after a term of four years. After the term they are eligible for re-election at the meeting at which they retire.

Trustees are appointed with reference to their individual skill in order to maintain a full board representing education, health, social services, business, finance and the law. A skills audit is used to identify any significant gaps.

All new trustees who are unfamiliar with the trust, will be given a tour of the buildings associated with SENDAT. Opportunities are given to attend meetings with staff and students. Trustees are provided with copies of policies and procedures as required. They are given access to minutes, accounts, budgets, plans and other documents to inform them for their role as trustees.

##### **Organisational structure**

The management structure consists of five members and the articles of Association allow for a minimum of three trustees. Four representatives sit on Priory School's Local Academy Board (LAB). There are two directors committees, Provision and Resources. The Senior Leadership Team consists of the CEO/Headteacher, Deputy Head Teacher, Chief Finance and Operations Officer, Director of Residence and Safeguarding and Partnership Director. The trustees are responsible for setting the strategic vision, adopting an annual plan and budget, monitoring the Academy Trust by the use of budgets and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The scheme of delegation sets the decision making structure of the trust. The board of trustees meets seven times within an academic year. The trust delegates decision making powers to a Provision Committee and a Resources Committee both of which meet six times a year. In addition, Members meet at least once a year with the CEO in attendance.

Committees of the Full Board have delegated responsibilities. The following committees have functioned during the 2016/2017 academic year: Members Committee, Resources Committee (incorporating the Pay Committee and Audit Committee) and Provision Committee.

The Senior Leadership Team controls the Academy Trust at an executive level implementing the policies laid down by the trustees and reporting back to them. The CEO/Headteacher is the Accounting Officer.

## **SENDAT**

### **Trustees' Report** **for the Year Ended 31 August 2017**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Policies and Procedures Adopted for the Induction and Training of Trustees**

Trustees are encouraged to attend local authority coordinated governor training. The training and induction provided for new trustees is dependent on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters.

##### **Key management remuneration**

The Trust has a Pay Policy that is reviewed and updated annually. It lays down the policy for the senior leaders and all other members of staff. The Trust's Pay committee meets at the end of July to consider staff progress to targets and remuneration. The Pay Committee challenges the recommendations of the CEO and review a cross section of the performance process and associated records and findings. Pay is determined by reviewing market factors bearing in mind the financial circumstances of the trust both in the short and longer term.

Annually, at the beginning of the autumn term, the Chair of Directors, assisted by an independent advisor and other directors, assesses the CEO's performance by reviewing past performance and setting appropriate targets for the year ahead. They make a recommendation on remuneration of the CEO to the Resources committee and then to the full board.

##### **Wider network**

The trust is involved in a number of networks and provides multi-disciplinary teamwork as a key priority.

At local level the trust:

- Leads the SENDAT Outreach Service across the County of Suffolk
- Works very closely with West Suffolk College to enhance and further develop post 16 SEND provision at Angel Hill College.
- Works with Lapwing (educational Charity) to support some of our most vulnerable students with bespoke curriculum and support.
- The Green Light Trust
- West Suffolk Wheelers
- The Samaritans
- Bury St Edmund Scouts
- Duke of Edinburgh's Award Scheme

At a local and regional level the trust:

- Is involved with moderation networks to ensure consistency of assessment.
- Is linked with the Institute of Outdoor Learning, further developing learning outside the classroom for students with SEND.
- Has an Education Management Team (EMT) that is involved in network meetings with fellow professionals at local and regional level.
- Is chair of Suffolk SEND Further Education & Learning Committee
- Is involved with Suffolk Special Schools network
- Is involved with Suffolk PRU Network

At national and regional level the school:

- Is committed to the development of special academies and Multi-academy Trusts.
- Collaborates with the European Outdoor Education Network

SENDAT leads in the provision of the Suffolk Outreach Service which provides vital and well-regarded SEN support at local, regional and national levels via network systems.

#### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

No funds are held as Custodian Trustee on behalf of others.

**SENDAT**

**Trustees' Report**  
**for the Year Ended 31 August 2017**

**AUDITORS**

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, Knights Lowe Ltd, are willing to continue in office. The trust proposes to review current, and consider future, audit requirements at the end of the autumn term 2017 with view to ensuring the audit arrangements are appropriate for its development plans

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .....17/11/18..... and signed on the board's behalf by:



Mr N Kellett - Trustee

## **SENDAT**

### **Governance Statement** **for the Year Ended 31 August 2017**

#### **Scope of Responsibility**

As trustees we acknowledge we have overall responsibility for ensuring that SENDAT 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 CEO/Headteacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between SENDAT 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 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
M Attwood (Vice Chair)	5	7
L Chapman (Headteacher/CEO and Accounting Officer)	7	7
R Inman	5	7
S Jones	3	7
N Kellett (Chair)	7	7
G Lewis (Staff)	6	7
A Maltpress	7	7
I Morrison	6	7
B Parker (staff)	5	5
M Redmond	5	7
R Sadler	2	2
A Whatley	5	5

#### **Changes in the composition**

The board of directors restructured its organisation to ensure the role of director remains both effective and realistic of volunteers. Each committee is clear of its terms of reference and is empowered to make decisions or escalate recommendations for consideration of the full board of directors. In this way they have ensured that matters are conducted effectively and efficiently with focus on raising attainment and best value for money.

During the year 3 directors resigned and 2 directors joined bringing with them a wide range of business expertise. These changes mean that only one Trust employee (headteacher/CEO) sits on the Board as a Director.

#### **Governance review**

The board of directors has conducted a skills audit and regularly evaluates its meetings. The outcomes of these evaluations are that directors feel well informed and able to contribute to meetings in a meaningful way. They feel empowered to ask challenging questions and ensure rigour in the leadership of the trust. The audit identified that a lot of the directors work in the public sector and it would be ideal to have more directors from business.

The Resources Committee is a sub- committee of the main board of directors. It usually meets ½ termly. This committee also performs the roles of the Audit Committee and the Pay Committee. The committee is focused on the strategic leadership of the trust including finance and staffing. They set robust targets for the CEO/Headteacher and leadership team to implement and report back on.

## **SENDAT**

### **Governance Statement** **for the Year Ended 31 August 2017**

The directors and the trust are ambitious for the development of SENDAT. The directors have future plans for SENDAT to expand and are seeking to add appropriate schools to the trust during the years ahead. Current plans include converting First Base PRU to an academy within SENDAT and bidding for Special Free Schools. This expansion will be progressed carefully ensuring any joining school complements the aims and objectives of SENDAT. During the year ending the 31st August achievements include:

- training day held in January to focus on SENDAT development
- Appointment of R Sadler as Director bringing HR expertise to the Board.
- Directors involved in key appointments of Chief Finance and Operations Officer and Partnership Director.
- Supported application to the Growth Fund.

Attendance at Resource meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Attwood	6	6
L Chapman (Headteacher and Accounting Officer)	6	6
R Inman (Chair of )Committee	6	6
I Morrison	6	6
B Parker	3	4
M Redmond	5	6
R Sadler	0	1
A Whatley	4	4

#### **Review of Value for Money**

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

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

- Appointing new Chief Finance and Operations officer.
- Successful application to the Growth Fund
- Focus on achieving good outcomes for money, reviewing contracts as they arise.
- Building works at Priory completed to time and on budget.
- Converted leased building for Angel Hill College
- The number of educational visits for students has risen to 15,286 with over 300 student nights away. These are all really important to embed learning and develop self-confidence and independence.

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

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

#### **Capacity to Handle Risk**

## **SENDAT**

### **Governance Statement** **for the Year Ended 31 August 2017**

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

#### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes 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 Directors has considered the need for a specific internal control function and has appointed an independent internal auditor coordinated by Schools' Choice, a company wholly owned by the Local Authority. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of income systems
- testing of management accounting systems
- review of governance

On a termly basis the auditor (Schools' Choice - Suffolk) reports to the board of directors through the Resources committee on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities. The appointed Responsible Officer (RO) director presents the reports on a termly basis to the board of directors. The reports include action points identifying any areas for improvement. Internal audit delivered their schedule of work over two terms. There were no material control issues arising from the internal auditors work.

#### **Review of Effectiveness**

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

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

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

**SENDAT**

**Governance Statement**  
**for the Year Ended 31 August 2017**

Approved by order of the members of the board of trustees on .....17/11/18..... and signed on its behalf by:

.....  
Mr N Kellett - Trustee

.....  
L Chapman - Accounting Officer



**SENDAT**

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

As accounting officer of SENDAT I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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

  
.....  
L Chapman - Accounting Officer

Date: .....12/11/18.....

**SENDAT**

**Statement of Trustees Responsibilities**  
**for the Year Ended 31 August 2017**

The governors (who act as trustees of Priory School Academy Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governor's Report (including the Strategic Report and Directors' Report) and financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 governors are required to:

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

The governors 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 governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purpose intended.

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

Approved by order of the board of trustees on .....1.7/1.1.18..... and signed on it's behalf by:



Mr N Kellett - Trustee

**Report of the Independent Auditors to the Members of**  
**SENDAT**

**Opinion**

We have audited the financial statements of SENDAT (the 'academy trust') for the year ended 31 August 2017 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure account), Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an auditor's 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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

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

This report is made solely to the academy trust'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 trust'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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The 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 Report of the Independent Auditors thereon.

**Report of the Independent Auditors to the Members of**  
**SENDAT**

**Other information**

Our opinion on the financial statements does not cover the other information and 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, 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities set out on page sixteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 trust'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 trust or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Report of the Independent Auditors to the Members of**  
**SENDAT**

**Our responsibilities for the audit of the financial statements**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Report of the Independent Auditors to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Report of the Independent Auditors. However, future events or conditions may cause the academy trust to cease as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



D Mead (Senior Statutory Auditor)  
for and on behalf of Knights Lowe Limited  
Chartered Accountants  
and Statutory Auditors  
Eldo House, Kempson Way  
Suffolk Business Park  
Bury St Edmunds  
Suffolk  
IP32 7AR

Date: .....18.1.2018

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

In accordance with the terms of our engagement letter dated 22 October 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by SENDAT during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of SENDAT's accounting officer and the reporting accountant**

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

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

**Approach**

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

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

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

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

**Conclusion**

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

*Knights Lowe*

Knights Lowe  
Chartered Accountants  
Eldo House, Kempson Way  
Suffolk Business Park  
Bury St Edmunds  
Suffolk  
IP32 7AR

Date: *18.1.2018*

**SENDAT**

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

				2017	2016
		Unrestricted funds	Restricted Fixed Asset Fund	Total funds	Total funds
	Notes	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and capital grants	3	8,098	120,000	128,098	10,271
<b>Charitable activities</b>					
Funding for the academy's educational operations	4	2,000	13,817	3,435,104	2,946,330
Other trading activities	5	262,408	-	262,408	116,896
Investment income	6	322	-	324	771
Other income		-	-	-	216
<b>Total</b>		<b>272,828</b>	<b>133,817</b>	<b>3,435,106</b>	<b>3,074,484</b>
<b>EXPENDITURE ON</b>					
Raising funds		-	-	5,781	11,612
<b>Charitable activities</b>					
Academy's educational operations		-	331,026	3,267,191	3,001,768
Other		-	-	37,000	39,000
<b>Total</b>	7	<b>-</b>	<b>331,026</b>	<b>3,309,972</b>	<b>3,052,380</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>272,828</b>	<b>(197,209)</b>	<b>125,134</b>	<b>22,104</b>
<b>Transfers between funds</b>	22	<b>-</b>	<b>311,991</b>	<b>(311,991)</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains/losses on defined benefit schemes		-	-	1,086,000	(712,000)
<b>Net movement in funds</b>		<b>272,828</b>	<b>114,782</b>	<b>899,143</b>	<b>(689,896)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>118,289</b>	<b>5,646,045</b>	<b>(1,533,632)</b>	<b>4,230,702</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>391,117</b>	<b>5,760,827</b>	<b>(634,489)</b>	<b>4,230,702</b>

The notes form part of these financial statements

**SENDAT**

**Balance Sheet**  
**At 31 August 2017**

		2017	2016
		£	£
<b>FIXED ASSETS</b>	Notes		
Intangible assets	14	13,322	19,236
Tangible assets	15	5,719,445	5,619,233
		<hr/> 5,732,767	<hr/> 5,638,469
 <b>CURRENT ASSETS</b>			
Stocks	16	3,495	988
Debtors	17	93,138	133,936
Cash in hand		720,196	695,450
		<hr/> 816,829	<hr/> 830,374
 <b>CREDITORS</b>			
Amounts falling due within one year	18	(168,141)	(429,141)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		648,688	401,233
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,381,455	6,039,702
 <b>PENSION LIABILITY</b>	23	(864,000)	(1,809,000)
		<hr/>	<hr/>
<b>NET ASSETS</b>		5,517,455	4,230,702
		<hr/> <hr/>	<hr/> <hr/>
 <b>FUNDS</b>	22		
Unrestricted funds:			
General Fund		391,117	118,289
Restricted funds:			
Restricted Pension Fund		(864,000)	(1,809,000)
Restricted General Fund		229,511	275,368
Restricted Fixed Asset Fund		5,760,827	5,646,045
		<hr/> 5,126,338	<hr/> 4,112,413
 <b>TOTAL FUNDS</b>		5,517,455	4,230,702
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements



**SENDAT**

**Balance Sheet - continued**

**At 31 August 2017**

The financial statements were approved by the Board of Trustees on .....17/1/18..... and were signed on its behalf by:



Mr N Kellett -Trustee

The notes form part of these financial statements

**SENDAT**

**Cash Flow Statement**  
**for the Year Ended 31 August 2017**

		2017	2016
	Notes	£	£
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	436,737	62,191
Finance costs		(483)	(342)
		<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>		<b>436,254</b>	<b>61,849</b>
		<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Purchase of intangible fixed assets		(970)	(18,764)
Purchase of tangible fixed assets		(424,355)	(171,525)
Capital grants from DfE/ESFA		13,817	8,438
		<hr/>	<hr/>
<b>Net cash provided by (used in) investing activities</b>		<b>(411,508)</b>	<b>(181,851)</b>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>24,746</b>	<b>(120,002)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>695,450</b>	<b>815,452</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>720,196</b>	<b>695,450</b>
		<hr/>	<hr/>

The notes form part of these financial statements

**SENDAT**

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 August 2017**

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

	2017	2016
	£	£
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>200,753</b>	<b>22,104</b>
<b>Adjustments for:</b>		
Depreciation	142,107	118,963
Capital grants from DfE/ESFA	(13,816)	(8,438)
Finance costs	483	342
Unrealised loss on pension asset	141,000	53,000
Impairment of assets under construction	188,919	-
(Increase)/decrease in stocks	(2,507)	907
Decrease/(increase) in debtors	40,798	(64,621)
Decrease in creditors	(261,000)	(60,066)
	<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>	<b>436,737</b>	<b>62,191</b>
	<hr/>	<hr/>

## **SENDAT**

### **Notes to the Financial Statements** **for the Year Ended 31 August 2017**

#### **1. STATUTORY INFORMATION**

SENDAT is an academy trust, a private limited company registered in England and Wales and an exempt charity.

The company's registered number is 07729941. The registered office address can be found on the Reference and Administrative Details on page 1.

These financial statements are for SENDAT as an individual entity, presented in Pounds Sterling (£), rounded to whole pounds unless otherwise stated.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparation**

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

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

The accounts have been prepared in compliance with the Academies Accounts Direction 2016 to 2017 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

##### **Going concern**

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

##### **Critical accounting judgements and key sources of estimation uncertainty**

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

##### **Critical accounting estimates and assumptions**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability

## **SENDAT**

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

#### **2. ACCOUNTING POLICIES - continued**

##### **Income**

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

##### **Grants**

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

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

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

##### **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

##### **Donations**

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

##### **Other income**

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

##### **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

##### **Donated fixed assets**

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

## **SENDAT**

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

#### **2. ACCOUNTING POLICIES - continued**

##### **Expenditure**

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

##### **Raising funds**

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

##### **Charitable activities**

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

##### **Governance costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

##### **Intangible fixed assets**

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer software	33%
-------------------	-----

## **SENDAT**

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

#### **2. ACCOUNTING POLICIES - continued**

##### **Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Leasehold Land and Buildings	2%
Furniture and equipment	20%
Computer equipment and software	33%
Motor vehicles	20%

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

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

##### **Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust 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 17. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

##### **Stocks**

Unsold uniform and heating fuels are valued at the lower of cost or net realisable value.

##### **Taxation**

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

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

**2. ACCOUNTING POLICIES - continued**

**Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

**Leased assets**

Rentals under operating leases are charged to the SoFA as payable over the lease term.

**Pensions benefits**

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

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

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

**Liabilities**

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

**Provisions**

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

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



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

**3. DONATIONS AND CAPITAL GRANTS**

	2017	2016
	£	£
Donations	<u>128,098</u>	<u>10,271</u>

**4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	1,315,733	1,315,733	1,354,162
Other DfE Grants	-	31,881	31,881	37,046
Pupil premium	-	66,486	66,486	53,011
	<u>-</u>	<u>1,414,100</u>	<u>1,414,100</u>	<u>1,444,219</u>
<b>DfE/ESFA capital grant</b>				
Capital maintenance fund	-	13,817	13,817	8,438
<b>Other government grant</b>				
Outreach funding	-	265,000	265,000	187,878
Other government grants	2,000	60,000	62,000	8,562
High needs funding	-	1,345,004	1,345,004	959,497
6th form funding	-	110,000	110,000	110,000
Student base funding	-	100,000	100,000	100,000
Teacher funding	-	-	-	3,236
Development funding	-	141,000	141,000	124,500
	<u>2,000</u>	<u>2,021,004</u>	<u>2,023,004</u>	<u>1,493,673</u>
	<u>2,000</u>	<u>3,448,921</u>	<u>3,450,921</u>	<u>2,946,330</u>

**5. OTHER TRADING ACTIVITIES**

	2017	2016
	£	£
Fundraising events	-	638
Hire of facilities	12,464	4,305
Items sold	5,279	3,992
Academy trips	46,377	31,272
Catering income	14,841	16,365
Other activities	183,447	60,324
	<u>262,408</u>	<u>116,896</u>

**SENDAT**

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

**6. INVESTMENT INCOME**

	2017	2016
	£	£
Bank interest	<u>324</u>	<u>771</u>

**7. EXPENDITURE**

	2017	2016
	Total	Total
	£	£
	Staff costs	Non-pay expenditure
	£	Premises Other costs
	£	£ £
<b>Raising funds</b>		
Cost of fundraising	-	5,781
	5,781	11,612
<b>Charitable activities</b>		
<b>Academies educational operations</b>		
Direct costs	2,331,691	2,407,273
Allocated support costs	343,274	594,495
	2,674,965	3,001,768
<b>Other</b>		
Interest income on pension scheme assets	-	(65,000)
Interest on pension scheme liabilities	-	104,000
	(45,000)	(65,000)
	82,000	104,000
	3,640,998	3,052,380

**8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	2017	2016
	Total	Total
	funds	funds
	£	£
Direct costs	2,945,554	2,407,273
Support costs	652,663	594,495
	3,598,217	3,001,768

**SENDAT**

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

**8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued**

	2017 Total £	2016 Total £
<b>Analysis of support costs</b>		
Support staff costs	343,274	261,661
Technology costs	10,407	4,957
Premises costs	174,067	177,711
Other support costs	112,605	142,916
Governance costs	12,310	7,250
<b>Total support costs</b>	<b>652,663</b>	<b>594,495</b>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

The following trustees received remuneration in respect of their employment as staff:

	£ '000
<u>Mr L Chapman</u>	
Remuneration	80-85
Employer pension contribution	10-15
<u>Mrs B Parker</u>	
Remuneration	25-30
Employer pension contribution	5-10
<u>Mrs G Lewis</u>	
Remuneration	35-40
Employer pension contribution	5-10
<u>A Whatley</u>	
Remuneration	10-15
Employer pension contribution	0-5

**Trustees' expenses**

During the year ended 31 August 2017 expenses totalling £3,480 were reimbursed to 3 trustees, for curriculum resources, educational visits, equipment, stationery, administrative supplies and travel costs (2016: £1,112 was reimbursed to 4 trustees for similar costs).

Trustees only receive remuneration and have expenses reimbursed by virtue of their employment.

**SENDAT**

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

**10. STAFF COSTS**

	2017	2016
	£	£
Wages and salaries	1,976,454	1,669,548
Social security costs	168,410	123,155
Operating costs of defined benefit pension schemes	505,135	355,856
	<hr/>	<hr/>
	2,649,999	2,148,559
Supply teacher costs	24,966	46,482
	<hr/>	<hr/>
	<u>2,674,965</u>	<u>2,195,041</u>

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

	2017	2016
Teachers	28	21
Administration and support	61	37
Management	5	2
	<hr/>	<hr/>
	<u>94</u>	<u>60</u>

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

	2017	2016
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<hr/>	<hr/>
	<u>2</u>	<u>2</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these members of staff amounted to £24,248 (2016 - £23,484).

The number of staff per category was shown on a FTE in the 2016 accounts. This year it has been shown on a headcount basis. In order to have comparable information the FTE figures for 2017 are as follows:

	2017	2016
Teachers	23	21
Administration and support	41	37
Management	4	2
	<hr/>	<hr/>
	<u>68</u>	<u>60</u>

**KEY MANAGEMENT PERSONNEL**

The key management personnel of the academy trust comprise the trustees and senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services was £292,393 (2016: £258,348).

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

**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 £10,000,000 on any one claim. The Trust bought into the Risk Protection Arrangement offered by the DFE and the premium paid for the year ending 31st August 2017 could not be separated from the single premium paid.

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted Fixed Asset Fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	10,271	-	-	10,271
<b>Charitable activities</b>				
Funding for the academy's educational operations	187,878	8,438	2,750,014	2,946,330
Other trading activities	116,896	-	-	116,896
Investment income	772	-	(1)	771
Other income	-	-	216	216
<b>Total</b>	<b>315,817</b>	<b>8,438</b>	<b>2,750,229</b>	<b>3,074,484</b>
<b>EXPENDITURE ON</b>				
Raising funds	3,505	-	8,107	11,612
<b>Charitable activities</b>				
Academy's educational operations	268,306	118,964	2,614,498	3,001,768
Other	-	-	39,000	39,000
<b>Total</b>	<b>271,811</b>	<b>118,964</b>	<b>2,661,605</b>	<b>3,052,380</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>44,006</b>	<b>(110,526)</b>	<b>88,624</b>	<b>22,104</b>
<b>Transfers between funds</b>	<b>(43,368)</b>	<b>209,523</b>	<b>(166,155)</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	-	(712,000)	(712,000)
<b>Net movement in funds</b>	<b>638</b>	<b>98,997</b>	<b>(789,531)</b>	<b>(689,896)</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>117,651</b>	<b>5,547,048</b>	<b>(744,101)</b>	<b>4,920,598</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>118,289</b>	<b>5,646,045</b>	<b>(1,533,632)</b>	<b>4,230,702</b>

**SENDAT**

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

**13. CENTRAL SERVICES**

As the multi-academy trust currently contains only one academy, central services costs have not been separately accounted for.

The Trust began separating its central services during the year ended 31 August 2017 with a view to establishing a full service provision and allocation of central services costs for the next financial year when a new academy will join Priory School in the SENDAT multi-academy trust.

**14. INTANGIBLE FIXED ASSETS**

	<b>Computer software £</b>
<b>COST</b>	
At 1 September 2016	21,492
Additions	970
	<hr/>
At 31 August 2017	22,462
	<hr/>
<b>AMORTISATION</b>	
At 1 September 2016	2,256
Charge for year	6,884
	<hr/>
At 31 August 2017	9,140
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 August 2017	13,322
	<hr/> <hr/>
At 31 August 2016	19,236
	<hr/> <hr/>

**SENDAT**

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

**15. TANGIBLE FIXED ASSETS**

	Leasehold property £	Assets under construction £	Plant and machinery £
<b>COST</b>			
At 1 September 2016	5,671,808	244,896	64,534
Additions	394,470	1	9,255
Impairments	-	(188,919)	-
Reclassification	55,978	(55,978)	-
	<hr/>	<hr/>	<hr/>
At 31 August 2017	6,122,256	-	73,789
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 September 2016	412,534	-	4,092
Charge for year	90,604	-	14,498
	<hr/>	<hr/>	<hr/>
At 31 August 2017	503,138	-	18,590
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 August 2017	5,619,118	-	55,199
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2016	5,259,274	244,896	60,442
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 September 2016	30,636	32,466	94,228	6,138,568
Additions	6,166	-	14,463	424,355
Impairments	-	-	-	(188,919)
Reclassification	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2017	36,802	32,466	108,691	6,374,004
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>				
At 1 September 2016	18,354	26,289	58,066	519,335
Charge for year	6,261	4,360	19,501	135,224
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2017	24,615	30,649	77,567	654,559
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>				
At 31 August 2017	12,187	1,817	31,124	5,719,445
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2016	12,282	6,177	36,162	5,619,233
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**SENDAT**

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

**16. STOCKS**

	2017	2016
	£	£
Stocks	<u>3,495</u>	<u>988</u>

**17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade debtors	14,632	60,037
Other debtors	5,690	-
VAT	33,190	24,803
Prepayments and accrued income	<u>39,626</u>	<u>49,096</u>
	<u>93,138</u>	<u>133,936</u>

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade creditors	27,954	-
Social security and other taxes	40,736	77,353
Other creditors	7,025	163
Pensions control	48,182	-
Accruals and deferred income	<u>44,244</u>	<u>351,625</u>
	<u>168,141</u>	<u>429,141</u>

**Deferred Income (included within the above)**

	2017	2016
	£	£
Deferred Income at 1 September 2016	343,324	409,916
Resources deferred in the year	5,270	343,324
Amounts released from previous years	(343,324)	(409,916)
Deferred Income at 31 August 2017	5,270	343,324

At the balance sheet date the Academy Trust was holding funds received in advance for:

	2017	2016
	£	£
High Needs Top Up Funding	-	334,147
Capital grant	2,936	4,992
Dinner money	555	-
Visits	<u>1,779</u>	<u>4,185</u>
	<u>5,270</u>	<u>343,324</u>



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

**19. LEASING AGREEMENTS**

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

	2017	2016
	£	£
Within one year	64,733	46,440
Between one and five years	252,969	209,760
In more than five years	257,450	367,096
	<u>575,152</u>	<u>623,296</u>

**20. MEMBERS' LIABILITY**

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

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

	2017	2016
	Total funds	Total funds
	£	£
Fixed assets	5,732,767	5,638,469
Current assets	816,829	830,374
Current liabilities	(168,141)	(429,141)
Pension liability	(864,000)	(1,809,000)
	<u>5,517,455</u>	<u>4,230,702</u>

**22. MOVEMENT IN FUNDS**

	At 1.9.16	Net movement in funds	Transfers between funds	At 31.8.17
	£	£	£	£
<b>Unrestricted funds</b>				
General Fund	118,289	272,828	-	391,117
<b>Restricted funds</b>				
Restricted Pension Fund	(1,809,000)	945,000	-	(864,000)
Restricted General Fund	275,368	266,134	(311,991)	229,511
Restricted Fixed Asset Fund	5,646,045	(197,209)	311,991	5,760,827
	<u>4,112,413</u>	<u>1,013,925</u>	<u>-</u>	<u>5,126,338</u>
<b>TOTAL FUNDS</b>	<u>4,230,702</u>	<u>1,286,753</u>	<u>-</u>	<u>5,517,455</u>

# **SENDAT**

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

### **22. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General Fund	272,828	-	-	272,828
<b>Restricted funds</b>				
Restricted General Fund	3,435,106	(3,168,972)	-	266,134
Restricted Fixed Asset Fund	133,817	(331,026)	-	(197,209)
Restricted Pension Fund	-	(141,000)	1,086,000	945,000
	<u>3,568,923</u>	<u>(3,640,998)</u>	<u>1,086,000</u>	<u>1,013,925</u>
<b>TOTAL FUNDS</b>	<u><u>3,841,751</u></u>	<u><u>(3,640,998)</u></u>	<u><u>1,086,000</u></u>	<u><u>1,286,753</u></u>

<u>Fund name</u>	<u>How fund has arisen</u>	<u>Nature of any restriction</u>
General fund	Income received or expenditure not specifically restricted to any purpose	No restrictions
Restricted pension fund	Movement on pension provision	Pension provision
Restricted general fund	Income and expenditure on general	General expenditure
Restricted fixed asset fund	Income and expenditure relating to fixed assets	Fixed assets

The academy trust was not subject to a limit on GAG carry-forward.

### **23. PENSION AND SIMILAR OBLIGATIONS**

#### **Teachers' pension scheme**

##### *Introduction*

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

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

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

**23. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

*Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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 notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £167,717 (2016: £137,931).

A copy of valuation report and supporting documentation is on the Teachers' Pension website.

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 pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2017 was £353,986 (2016: £303,333), of which employer's contributions totalled £290,217 (2016: £248,410) and employees' contributions totalled £63,770 (2016: £54,923). The agreed contribution rates for future years are 25.6% for employers and between 5.5% and 12.5% for employees, dependent on their pay banding.

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.

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

**23. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

The amounts recognised in the balance sheet are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	(3,539,000)	(3,961,000)
Fair value of plan assets	2,675,000	2,152,000
	<u>(864,000)</u>	<u>(1,809,000)</u>
Deficit	<u>(864,000)</u>	<u>(1,809,000)</u>
Liability	<u>(864,000)</u>	<u>(1,809,000)</u>

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

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Current service cost	314,000	199,000
Interest cost on defined benefit obligation	82,000	104,000
Interest income on plan assets	(45,000)	(65,000)
	<u>351,000</u>	<u>238,000</u>
Actual return on plan assets	<u>-</u>	<u>-</u>

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

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Defined benefit obligation	3,961,000	2,697,000
Current service cost	314,000	199,000
Contributions by scheme participants	49,000	41,000
Interest cost	82,000	104,000
Benefits paid	(39,000)	(33,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(29,000)	-
Actuarial (gains)/losses from changes in financial assumptions	(359,000)	956,000
Other remeasurement loss	(440,000)	(3,000)
	<u>3,539,000</u>	<u>3,961,000</u>

**SENDAT**

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

**23. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

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

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Fair value of scheme assets	2,152,000	1,653,000
Contributions by employer	210,000	185,000
Contributions by scheme participants	49,000	41,000
Interest income	45,000	65,000
Benefits paid	(39,000)	(33,000)
Return on plan assets (excluding interest income)	258,000	241,000
	<b>2,675,000</b>	<b>2,152,000</b>

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

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Actuarial (gains)/losses from changes in demographic assumptions	29,000	-
Actuarial (gains)/losses from changes in financial assumptions	359,000	(956,000)
Other remeasurement loss	440,000	3,000
Return on plan assets (excluding interest income)	258,000	241,000
	<b>1,086,000</b>	<b>(712,000)</b>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
<b>Equities</b>	<b>68%</b>	<b>69%</b>
<b>Bonds</b>	<b>21%</b>	<b>20%</b>
<b>Property</b>	<b>10%</b>	<b>10%</b>
<b>Cash</b>	<b>1%</b>	<b>1%</b>

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

	<b>2017</b>	<b>2016</b>
<b>Discount rate</b>	<b>2.5%</b>	<b>2%</b>
<b>Future salary increases</b>	<b>2.7%</b>	<b>4.1%</b>
<b>Future pension increases</b>	<b>2.4%</b>	<b>2.1%</b>

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2013 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.525% pa. The assumed life expectations on retirement age 65 are:

	<b>2017(years)</b>	<b>2016(years)</b>
<b>Current pensioners</b>		
Males	21.9	22.4
Females	24.4	24.4
<b>Retiring in 20 years</b>		
Males	23.9	24.3

**SENDAT**

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

**23. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

Females	26.4	26.9
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**Commutation**

An allowance is included for future retirements to elect to take 25% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 63% of the maximum tax-free cash post-April 2008 service.

**Sensitivity analysis**

	2017 £'000	2016 £'000
0.5% decrease in Real Discount Rate	373	471
0.5% increase in the Salary Increase Rate	59	169
0.5% increase in the Pension Increase Rate	309	286

**24. RELATED PARTY DISCLOSURES**

The academy had the following transactions with related parties during the year:

Related Party	Name	Relationship	Type of transactions	2017 £	2016 £
Lapwing Suffolk Limited	Lawrence Chapman	Director	Purchases of Educational consultancy	25,834	71,910
First Base	Lawrence Chapman	CEO	Sales of Educational consultancy	4,932	-

At the year end £109 (2016: £nil) was owed to SENDAT from First Base.

L Chapman received no remuneration from either related party and all transactions were at arms' length and in accordance with financial regulations and procurement procedures.

**25. ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party.