

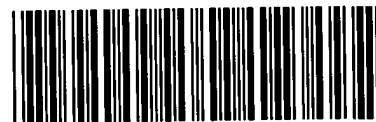
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Registered number: 07956692

SASH EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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SASH EDUCATION TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

Mr Rhodri Bryant
Mr John Constable
Mr Paul McAteer
Mrs Debbie Richards
Mr Jo Rockall

Trustees

Ms Jo Rockall, Chair of Trustees
Mr Rhodri Bryant
Mr Paul McAteer
Mrs Debbie Richards (appointed 15 June 2017)
Mr Peter West (appointed 15 June 2017)

Company registered number

07956692

Company name

SASH Education Trust

Principal and registered office

Ditton Park Academy, Wellington Street, Slough, Berkshire, SL1 1YG

Company secretary

Mr Matt Espley

Senior management team

Mr Nick Caulfield, Principal
Mr Chris McNab, Vice Principal
Ms Helen Tinsley, Assistant Principal
Mr Karl Fenn, Assistant Principal
Mundeep Purewal, Assistant Principal
Ms Andrea Fricker, Principal (Grove Academy)

Independent auditors

Landau Baker Ltd, Mountcliff House, 154 Brent Street, London, NW4 2DR

Bankers

Barclays Bank PLC, 10 Hart Street, Henley on Thames, RG9 2AX

Solicitors

Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB

SASH EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During 2016-17 the trust currently operates a Ditton Park Academy which serves a catchment area in Slough. The academy was in its third year, and had 480 students on roll, but when full will provide education to 1100 students including the sixth form.

The trust also prepared to open its second school, Grove Academy, in September 2017 which will be an all through school supporting in excess of 1900 students when full.

Structure, governance and management

a. CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of the SASH Education Trust Limited are also the directors of the charitable company for the purposes of company law.

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

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- The members may appoint such number of trustees as they see fit.
- The trustees may appoint any person to be an Executive Trustee provided that the total number of trustees who are employees of the academy trust does not exceed on third of the total number of trustees.
- The trustees may also appoint Co-opted Trustees.
- The Chairman of each Local Governing Body shall be a trustee so long as he remains in office.
- Where there no local governing bodies then a minimum of two Parent Trustees should be appointed by election

The term of office for any trustee is 4 years.

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

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

During the period under review, the governors held six full governing body meetings. In addition there were three meetings covering finance and resources. The training and induction provided for new trustees would depend on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

f. ORGANISATIONAL STRUCTURE

The academy has established a management structure to enable its efficient running. The structure operates at three levels with the Trustees combining with the Local Governing Body and the Senior Leadership Team. The opening of Grove Academy in September 2017 and the expansion into a multi-academy trust will mean that various changes to the governance structures are required and the trustees have sought to appoint additional trustees who will bring with them a further breadth of experience.

The trustees have approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, and terms of reference for each local governing body and the principals, with the respective principal being directly responsible for the day to day running within each academy. They in turn are assisted a senior leadership team at each school.

Trustees, working with the local governing body, are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The Principal of Ditton Park Academy assumes the Accounting Officer role for the trust.

g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The academy trust operates a process of performance management for its senior leaders which is designed to provide an appropriate, clear and consistent framework for the assessment of staff performance, within a context of school improvement, self-evaluation and development planning. Subsequently, staff pay is aligned to the national terms and conditions for teachers pay, with a focus on the leadership element. This means that both pay and performance targets are allied to nationally recognised expectations.

The performance management of the Principal is overseen by the Chair of Governors and the Trustees, with the Principal and Deputy Principal undertaking the performance management of the Senior Leadership Team.

No trustees or members receive payment from the academy trust.

h. RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The academy is a member of the Slough Association of Secondary Headteachers (SASH) who are also the sponsoring body for the Academy Trust, and through which the members and trustees are appointed.

The SASH Education Trust procures services, for example catering, from other schools within SASH which are charged on a market rate. Access to the services reflects the collaborative approach taken by secondary schools in Slough. During 2016-17 the academy procured services from Upton Court Grammar School (Catering).

The school is also a member of the Slough Learning Partnership, a charity established by Slough schools to provide support to schools in Slough, in partnership with local authorities and other statutory bodies.

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

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the academy is the operation of the SASH Education Trust is to provide a broad and balanced education for pupils of all abilities in the Slough area. The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy.

The Scheme of Government specifies, amongst other things, that the academies will be at the heart of their communities promoting community cohesion and sharing facilities; the basis for admitting students to the academies, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The academy trust has undertaken self-evaluation activities to correctly identify objectives for the next year. These objectives include:

- To reduce proportion of lessons formerly observed that are not good or outstanding towards zero.
- To consolidate the improvements already seen in the behaviour and achievement of those with special educational needs and those who are supported by Pupil Premium and Catch-Up funding.
- To spread best and next practice to embed continuous improvement and reflective practitioners.
- To improve the impact of marking so that it is consistent across all subjects.
- To further improve the independent learning skills of our students by increasing the impact of home learning.
- To make more effective use of ICT and embedding SMSC across all subjects
- To provide an increase in teaching staff and curriculum to allow for a more balanced curriculum for all departments
- Maintaining a focus and high priority for training staff
- Ensuring that the attendance of some vulnerable groups is as good as all students at DPA
- Ensuring the % of students hitting better than expected progress in all subjects is above 80%
- To hit our attendance target of 96% through support and intervention
- To provide continuous support and different opportunities for all students to be successful
- The development and training of trustees and governors needs to remain a high priority to ensure that as the school grows and the Trust opens more schools they have the necessary skills
- The academy needs to monitor the take up and impact of the enrichment activities on both individual pupils and on specific groups, for example Free School Meal eligible students

c. PUBLIC BENEFIT

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

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

Achievements and performance

a. KEY PERFORMANCE INDICATORS

Ditton Park Academy opened as a new Free School in September 2014 with the fourth cohort of students having enrolled in the academy in September 2017.

The academy was inspected by OfSTED who judged the school to be good in all categories. They highlighted the ethos of high aspiration across all areas of the school and that leaders know the school's strengths and areas for development very well. It was also noted that the trust provides an extensive network of highly experienced local school leaders which adds to the schools capacity to improve even further.

In addition, they recognised that disadvantaged pupils make strong progress, with those for whom English is a second language making particularly impressive progress.

The report identified two areas for further improvement, reducing the persistent absence for disadvantaged students and to ensure that the needs of all students, especially the most able, are reflected in teachers planning.

| School Absence Data | |
|----------------------------|-------|
| Whole School Attendance | 95.2% |
| Persistent Absence (<90%) | 10.0% |
| Staff Attendance | 96.5% |

Over the year students were excluded for 61 days which represents 0.07% of the total school days. There were two permanent exclusions.

The trust prepared to open its second school, Grove Academy, in September 2017 including the recruitment of both students and staff. Grove Academy will be an all through school (4-19) and will when full have 1940 students on roll.

b. GOING CONCERN

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

Financial review

a. FINANCIAL REVIEW

During the period, ESFA/LA grants received totalled to £3,210,982 (2016: £2,224,300). Other income included within restricted funds totalled to £120,811 (2016: £81,229). Restricted fund expenditure totalled to £3,568,822 (2016: £2,342,788).

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

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

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 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.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

The expansion of the trust has meant that during the year the finance function within the trust was expanded, with the internal appointment of a Finance Manager and a Finance Assistant. In addition the School Business Manager has taken on some responsibility for Grove Academy during its initial phase.

The trust has procured a new finance system for 1st September 2017 to allow it to better manage the overall financial position within the trust from two locations. Controls will be put in place to ensure the safe and effective management of the trusts finances whilst allowing each school the flexibility to make decisions appropriate to their needs.

b. RESERVES POLICY

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review at each governor meeting and aim to build and maintain the reserves level by entering into cost effective agreements, whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £24,877,788. This balance includes unrestricted funds (free reserves) of £168, which is considered appropriate for the Academy Trust, and restricted funds of £24,877,620.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased

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

pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

c. INVESTMENT POLICY

It should be noted that the Academy Trust has substantial power with regards to investments due to cash balances held. Investment policies are determined at by the Trustees at the Strategic Board meetings. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the Academies to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by academies, are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2017, no investments were held.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The governors 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 governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. 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.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2017

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

a. PLANS FOR FUTURE PERIODS

The trust's plans for the future are focused on the continuing growth of Ditton Park and Grove Academy. With Ditton Park having successfully been assessed by OfSTED and having moved into its permanent site for it is anticipated that the demand for places will remain high, with a greater number of students coming from the Langley area. The focus for the forthcoming years will be on the first set of GCSE exams to be taken by students in the trust in 2019.

For Grove Academy, the focus will be on developing the school as it opens on Wellington Street as well as working with partners and other stakeholders on the plans for its permanent site in Chalvey, Slough.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust and its trustees did not act as custodian trustee during the current or previous period.

AUDITOR

Insofar as the trustees are aware:

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

The Trustees' report was approved by order of the board of trustees, as the company directors, on 19 December 2017 and signed on its behalf by:



Jo Rockall
Chair of Trustees

SASH EDUCATION TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that SASH Education Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between SASH Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee/Governor | Meetings Attended | Out of a Possible |
|-------------------------------------|-------------------|-------------------|
| Bill Alexander (Chair of Governors) | 4 | 6 |
| Nick Caulfield | 6 | 6 |
| Petra Rau | 5 | 6 |
| Vicki Hunt | 5 | 6 |
| Emma Shackell | 3 | 6 |
| John Constable | 4 | 6 |
| Gillian Dawson | 5 | 6 |
| Mugtaba Badr | 2 | 6 |
| Kevin Sanghera | 3 | 6 |
| Ashfaq Khan | 6 | 6 |

The Finance committee is a combined committee of the trustees and governors. Its purpose is to receive financial monitoring reports from individual academies and consider individual academy budget proposals for authorisation. The committee was established in September 2014. No significant issues to note were dealt with during the period.

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------------------|-------------------|-------------------|
| Jo Rockall | 1 | 3 |
| Paul McAteer | 1 | 3 |
| Rhodri Bryant | 3 | 3 |
| Peter West (Chair of Finance) | 2 | 3 |
| Ashfaq Khan | 2 | 3 |
| Bill Alexander | 2 | 3 |
| Debbie Richards | 0 | 1 |

The role of the Finance Committee is to:

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GOVERNANCE STATEMENT (continued)

- o monitor the integrity of the financial statements;
- o review internal financial controls and review the Academy's internal control and risk management systems;
- o make recommendations to the Governing Body in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor; and
- o review the auditor's independence and objectivity.

No significant issues to note were dealt with during the period.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- o Entered into public procurement processes for the cleaning for the new Kings Reach site.
- o Procuring fixtures, fittings and equipment through appropriate framework agreements
- o Reviewing the delivery of catering within the academy and determining that better value would be obtained by bringing the service in-house as Ditton Park moves into its permanent site.
- o Minimised the use of supply teachers by using current staff to cover lessons.

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 SASH Education Trust for the period 1st September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

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;

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GOVERNANCE STATEMENT (continued)

- 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 trustees has considered the need for a specific internal audit function and has decided to appoint CEFM as internal auditor.

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 control account/ bank reconciliations

On a quarterly basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Board can confirm that the CEFM has delivered their schedule of work as planned, provided details of any material control issues arising as a result of their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the board of trustees on 19 December 2017 and signed on their behalf, by:



Jo Rockall
Chair of Trustees



Nick Caulfield
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Nick Caulfield
Accounting Officer

Date: 19 December 2017

SASH EDUCATION TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 19 December 2017 and signed on its behalf by:



Jo Rockall
Chair of Trustees

SASH EDUCATION TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SASH
EDUCATION TRUST**

OPINION

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy'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.

BASIS FOR OPINION

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

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'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.

SASH EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SASH EDUCATION TRUST

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF TRUSTEES

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

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

SASH EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SASH
EDUCATION TRUST**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR
19 December 2017

SASH EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SASH
EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 5 September 2014 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 SASH Education Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF SASH EDUCATION TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of SASH Education Trust's funding agreement with the Secretary of State for Education dated 23 July 2014, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and verification of evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Review of the Academy Trust's internal control procedures, specifically in respect to regularity, propriety and compliance.
- Focussed testing, driven by our audit of the financial statements, principally checking that:
 - o Grant income received has been expensed on prescribed expenditure; and
 - o Expenditure has been appropriately authorised in accordance with the procedures outlined in the

SASH EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SASH
EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

Academy Trust's financial procedures manual.

- Discussions and written representations from the Accounting Officer and other key management personnel (where applicable).

CONCLUSION

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

Reporting Accountant

Landau Baker Ltd

Chartered Accountants
Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR

19 December 2017

SASH EDUCATION TRUST
(A company limited by guarantee)

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

| | Note | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 2 | - | - | 19,516,661 | 19,516,661 | 6,137,218 |
| Charitable activities | 3 | - | 3,180,982 | - | 3,180,982 | 2,224,300 |
| Other trading activities | 4 | - | 120,811 | - | 120,811 | 81,229 |
| TOTAL INCOME | | - | 3,301,793 | 19,516,661 | 22,818,454 | 8,442,747 |
| EXPENDITURE ON: | | | | | | |
| Charitable activities | | - | 3,534,064 | 826,185 | 4,360,249 | 2,373,986 |
| TOTAL EXPENDITURE | 5 | - | 3,534,064 | 826,185 | 4,360,249 | 2,373,986 |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| | | - | (232,271) | 18,690,476 | 18,458,205 | 6,068,761 |
| Actuarial gains/(losses) on defined benefit pension schemes | 22 | - | 44,000 | - | 44,000 | (222,000) |
| NET MOVEMENT IN FUNDS | | - | (188,271) | 18,690,476 | 18,502,205 | 5,846,761 |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 168 | (72,456) | 6,706,506 | 6,634,218 | 787,457 |
| TOTAL FUNDS CARRIED FORWARD | | 168 | (260,727) | 25,396,982 | 25,136,423 | 6,634,218 |

SASH EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07956692

BALANCE SHEET
AS AT 31 AUGUST 2017

| | Note | £ | 2017 £ | £ | 2016 £ |
|--|------|-------------------|-------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 15 | | 25,070,129 | | 6,179,144 |
| CURRENT ASSETS | | | | | |
| Debtors | 16 | 3,519,221 | | 3,464,971 | |
| Cash at bank and in hand | | 1,064,182 | | 397,236 | |
| | | <u>4,583,403</u> | | <u>3,862,207</u> | |
| CREDITORS: amounts falling due within one year | 17 | (3,999,109) | | (2,963,133) | |
| NET CURRENT ASSETS | | | <u>584,294</u> | | <u>899,074</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>25,654,423</u> | | <u>7,078,218</u> |
| Defined benefit pension scheme liability | 22 | (518,000) | | (444,000) | |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u>25,136,423</u> | | <u>6,634,218</u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 18 | 257,273 | | 371,544 | |
| Restricted fixed asset funds | 18 | 25,396,982 | | 6,706,506 | |
| Restricted income funds excluding pension liability | | <u>25,654,255</u> | | <u>7,078,050</u> | |
| Pension reserve | | (518,000) | | (444,000) | |
| Total restricted income funds | | | <u>25,136,255</u> | | <u>6,634,050</u> |
| Unrestricted income funds | 18 | | 168 | | 168 |
| TOTAL FUNDS | | | <u>25,136,423</u> | | <u>6,634,218</u> |

The financial statements on pages 19 to 39 were approved by the Trustees, and authorised for issue, on 19 December 2017 and are signed on their behalf, by:



Mrs J Rockall
Chair of Trustees

SASH EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

| | Note | 2017 £ | 2016 £ |
|--|------|-------------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 20 | <u>867,455</u> | <u>(229,657)</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (19,717,170) | (5,738,917) |
| Capital grants from DfE/ESFA | | <u>19,516,661</u> | <u>6,137,218</u> |
| Net cash (used in)/provided by investing activities | | <u>(200,509)</u> | <u>398,301</u> |
| Change in cash and cash equivalents in the year | | 666,946 | 168,644 |
| Cash and cash equivalents brought forward | | <u>397,236</u> | <u>228,592</u> |
| Cash and cash equivalents carried forward | 21 | <u><u>1,064,182</u></u> | <u><u>397,236</u></u> |

SASH EDUCATION TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

SASH Education Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

1.3 Income

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

SASH EDUCATION TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

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

| | | |
|-----------------------|---|---------|
| Building enhancements | - | 3 years |
| Fixtures and fittings | - | 4 years |
| Computer equipment | - | 3 years |

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

1.6 Debtors

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

SASH EDUCATION TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 Cash at Bank and in hand

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

1.8 Liabilities and provisions

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

1.9 Financial instruments

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

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

SASH EDUCATION TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 Fund accounting

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

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

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

SASH EDUCATION TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 August 2017 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Capital Grants | - | - | 19,516,661 | 19,516,661 | 6,137,218 |
| <i>Total 2016</i> | - | - | 6,137,218 | 6,137,218 | |

SASH EDUCATION TRUST
(A company limited by guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

SASH Education Trust

| | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | |
| General Annual Grant (GAG) | 2,933,203 | 2,933,203 | 1,817,138 |
| Pupil Premium Grant | 132,848 | 132,848 | 85,543 |
| Other ESFA income | 78,517 | 78,517 | 307,733 |
| | <u>3,144,568</u> | <u>3,144,568</u> | <u>2,210,414</u> |
| Other government grants | | | |
| Local authority grants | 29,934 | 29,934 | 13,886 |
| Other Government Grants | 6,480 | 6,480 | - |
| | <u>36,414</u> | <u>36,414</u> | <u>13,886</u> |
| | <u>3,180,982</u> | <u>3,180,982</u> | <u>2,224,300</u> |
| <i>Total 2016</i> | <u>2,224,300</u> | <u>2,224,300</u> | |

4. OTHER TRADING ACTIVITIES

| | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|----------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Catering Income | 28,902 | 28,902 | 25,427 |
| Income from Trips and Activities | 40,965 | 40,965 | 8,882 |
| Hire of Facilities | 7,200 | 7,200 | - |
| Other Income | 43,744 | 43,744 | 46,920 |
| | <u>120,811</u> | <u>120,811</u> | <u>81,229</u> |
| <i>Total 2016</i> | <u>81,229</u> | <u>81,229</u> | |

SASH EDUCATION TRUST
(A company limited by guarantee)

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

5. EXPENDITURE

| | Staff costs 2017 £ | Premises 2017 £ | Other costs 2017 £ | Total 2017 £ | Total 2016 £ |
|-------------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Educational Operations: | | | | | |
| Direct costs | 2,023,654 | - | 257,777 | 2,281,431 | 1,171,608 |
| Support costs | 659,272 | 210,833 | 1,208,713 | 2,078,818 | 1,202,378 |
| | <u>2,682,926</u> | <u>210,833</u> | <u>1,466,490</u> | <u>4,360,249</u> | <u>2,373,986</u> |
| Total 2016 | <u>1,447,955</u> | <u>182,906</u> | <u>743,125</u> | <u>2,373,986</u> | |

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2017 £ | Support costs 2017 £ | Total 2017 £ | Total 2016 £ |
|------------------------|---|-------------------------------|--------------------|--------------------|
| Educational Operations | 2,281,431 | 2,078,818 | 4,360,249 | 2,373,986 |
| Total 2016 | <u>1,171,608</u> | <u>1,202,378</u> | <u>2,373,986</u> | |

7. DIRECT COSTS

| | Educational Operations £ | Total 2017 £ | Total 2016 £ |
|---------------------------------|--------------------------------|--------------------|--------------------|
| Educational Supplies & Services | 186,487 | 186,487 | 72,191 |
| Staff Development and Training | 17,837 | 17,837 | 12,088 |
| Professional Services | 11,385 | 11,385 | 6,091 |
| Technology Costs | 42,068 | 42,068 | 15,895 |
| Teachers Supply Costs | 16,710 | 16,710 | 18,386 |
| Wages and salaries | 1,601,885 | 1,601,885 | 849,288 |
| National insurance | 166,958 | 166,958 | 66,470 |
| Pension cost | 238,101 | 238,101 | 131,199 |
| | <u>2,281,431</u> | <u>2,281,431</u> | <u>1,171,608</u> |
| At 31 August 2016 | <u>1,171,608</u> | <u>1,171,608</u> | |

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8. SUPPORT COSTS

| | Educational Operations £ | Total 2017 £ | Total 2016 £ |
|----------------------------|--------------------------------|--------------------|--------------------|
| Pension finance costs | 9,000 | 9,000 | 6,000 |
| Repairs & Maintenance | 50,233 | 50,233 | 71,501 |
| Other Occupancy Costs | 4,907 | 4,907 | 2,494 |
| Professional Services | 8,437 | 8,437 | 12,016 |
| Support Staff Supply Costs | 25,855 | 25,855 | 13,500 |
| Recruitment & Support | 62,677 | 62,677 | 46,558 |
| Technology Costs | 41,225 | 41,225 | 18,996 |
| Governance costs | 31,050 | 31,050 | 19,198 |
| Water & Energy Costs | 40,940 | 40,940 | 9,133 |
| Insurance | 10,460 | 10,460 | 8,286 |
| Catering | 78,843 | 78,843 | 75,512 |
| Other Support Costs | 81,020 | 81,020 | 52,386 |
| Security and Transport | 12,240 | 12,240 | 19,632 |
| Cleaning | 35,068 | 35,068 | 31,988 |
| Rent and Rates | 127,261 | 127,261 | 59,504 |
| Wages and salaries | 438,600 | 438,600 | 295,818 |
| National insurance | 31,157 | 31,157 | 16,346 |
| Pension cost | 163,660 | 163,660 | 56,948 |
| Depreciation | 826,185 | 826,185 | 386,562 |
| | <u>2,078,818</u> | <u>2,078,818</u> | <u>1,202,378</u> |
| <i>At 31 August 2016</i> | <u>1,202,378</u> | <u>1,202,378</u> | |

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2017 £ | 2016 £ |
|---|--------------|--------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 826,185 | 386,562 |
| Auditors' remuneration - audit | 4,000 | 2,350 |
| Auditors' remuneration - other services | 2,300 | - |
| Operating lease rentals: other operating leases | <u>6,604</u> | <u>4,953</u> |

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

10. STAFF COSTS

Staff costs were as follows:

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Wages and salaries | 2,040,485 | 1,145,106 |
| Social security costs | 198,115 | 82,816 |
| Operating costs of defined benefit pension schemes | 401,761 | 188,147 |
| | <u>2,640,361</u> | <u>1,416,069</u> |
| Supply teacher costs | 16,710 | 18,386 |
| Support staff supply costs | 25,855 | 13,500 |
| | <u>2,682,926</u> | <u>1,447,955</u> |

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

| | 2017 No. | 2016 No. |
|-------------------------------------|-------------|-------------|
| Teaching Staff | 34 | 18 |
| Educational and Other Support Staff | 24 | 14 |
| | <u>58</u> | <u>32</u> |

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

| | 2017 No. | 2016 No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 0 | 1 |
| In the band £70,001 - £80,000 | 2 | 0 |
| In the band £90,001 - £100,000 | 0 | 1 |
| In the band £100,001 - £110,000 | 1 | 0 |

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £540,552 (2016: £401,234).

11. CENTRAL SERVICES

No central services were provided by the trust to its academies during the year and no central charges arose.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

Other related party transactions involving the trustees are set out in note 25.

13. TRUSTEES' AND OFFICERS' INSURANCE

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

14. PENSION FINANCE CHARGES

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Interest income on pension scheme assets | 6,000 | 7,000 |
| Interest on pension scheme liabilities | (15,000) | (13,000) |
| | <u>(9,000)</u> | <u>(6,000)</u> |

15. TANGIBLE FIXED ASSETS

| | Freehold property £ | Building enhancements £ | Fixtures and fittings £ | Computer equipment £ | Assets under construction £ | Total £ |
|-----------------------------|---------------------------|-------------------------------|----------------------------------|----------------------------|--------------------------------------|-------------------|
| Cost | | | | | | |
| At 1 September 2016 | - | 1,050,937 | 153,880 | 477,957 | 5,118,228 | 6,801,002 |
| Additions | 19,298,587 | - | 51,141 | 367,442 | - | 19,717,170 |
| Transfer between classes | 5,118,228 | - | - | - | (5,118,228) | - |
| At 31 August 2017 | <u>24,416,815</u> | <u>1,050,937</u> | <u>205,021</u> | <u>845,399</u> | <u>-</u> | <u>26,518,172</u> |
| Depreciation | | | | | | |
| At 1 September 2016 | - | 467,202 | 16,245 | 138,411 | - | 621,858 |
| Charge for the year | - | 583,735 | 66,644 | 175,806 | - | 826,185 |
| At 31 August 2017 | <u>-</u> | <u>1,050,937</u> | <u>82,889</u> | <u>314,217</u> | <u>-</u> | <u>1,448,043</u> |
| Net book value | | | | | | |
| At 31 August 2017 | <u>24,416,815</u> | <u>-</u> | <u>122,132</u> | <u>531,182</u> | <u>-</u> | <u>25,070,129</u> |
| At 31 August 2016 | <u>-</u> | <u>583,735</u> | <u>137,635</u> | <u>339,546</u> | <u>5,118,228</u> | <u>6,179,144</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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16. DEBTORS

| | 2017 £ | 2016 £ |
|--------------------------------|------------------|------------------|
| Other debtors | 684,574 | 3,399,793 |
| Prepayments and accrued income | 2,834,647 | 65,178 |
| | <u>3,519,221</u> | <u>3,464,971</u> |

17. CREDITORS: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 3,273,293 | 1,551,978 |
| Other taxation and social security | 101,436 | 54,624 |
| Other creditors | 582,871 | 2,213 |
| Accruals and deferred income | 41,509 | 1,354,318 |
| | <u>3,999,109</u> | <u>2,963,133</u> |

18. STATEMENT OF FUNDS

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 August 2017 £ |
|--|---|-------------------|--------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | |
| General Funds - all funds | 168 | - | - | - | 168 |
| Restricted funds | | | | | |
| Restricted Funds - all funds | 371,544 | 3,301,793 | (3,416,064) | - | 257,273 |
| Pension reserve | (444,000) | - | (118,000) | 44,000 | (518,000) |
| | <u>(72,456)</u> | <u>3,301,793</u> | <u>(3,534,064)</u> | <u>44,000</u> | <u>(260,727)</u> |
| Restricted fixed asset funds | | | | | |
| Restricted Fixed Asset Funds - all funds | 6,706,506 | 19,516,661 | (826,185) | - | 25,396,982 |
| Total restricted funds | <u>6,634,050</u> | <u>22,818,454</u> | <u>(4,360,249)</u> | <u>44,000</u> | <u>25,136,255</u> |
| Total of funds | <u>6,634,218</u> | <u>22,818,454</u> | <u>(4,360,249)</u> | <u>44,000</u> | <u>25,136,423</u> |

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18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 September 2015 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 August 2016 £ |
|--|--|------------------|--------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | |
| General Funds - all funds | 168 | - | - | - | 168 |
| | <u>168</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>168</u> |
| Restricted funds | | | | | |
| Restricted Funds - all funds | 23,439 | 2,305,529 | (1,957,424) | - | 371,544 |
| Pension reserve | (192,000) | - | (30,000) | (222,000) | (444,000) |
| | <u>(168,561)</u> | <u>2,305,529</u> | <u>(1,987,424)</u> | <u>(222,000)</u> | <u>(72,456)</u> |
| Restricted fixed asset funds | | | | | |
| Restricted Fixed Asset Funds - all funds | 955,850 | 6,137,218 | (386,562) | - | 6,706,506 |
| | <u>955,850</u> | <u>6,137,218</u> | <u>(386,562)</u> | <u>-</u> | <u>6,706,506</u> |
| Total restricted funds | <u>787,289</u> | <u>8,442,747</u> | <u>(2,373,986)</u> | <u>(222,000)</u> | <u>6,634,050</u> |
| Total of funds | <u>787,457</u> | <u>8,442,747</u> | <u>(2,373,986)</u> | <u>(222,000)</u> | <u>6,634,218</u> |

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

Restricted Fixed Assets funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted General funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The Restricted funds can only be used in the terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

| | Total 2017 £ | Total 2016 £ |
|---|-----------------------------|-----------------------------|
| Ditton Park Academy | 216,508 | 132,467 |
| Grove Academy | 40,933 | 239,245 |
| Total before fixed asset fund and pension reserve | <u>257,441</u> | <u>371,712</u> |
| Restricted fixed asset fund | 25,396,982 | 6,706,506 |
| Pension reserve | (518,000) | (444,000) |
| Total | <u><u>25,136,423</u></u> | <u><u>6,634,218</u></u> |

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2017 £ | Total 2016 £ |
|---------------------|---|--|---------------------------------------|---|-----------------------------|-----------------------------|
| Ditton Park Academy | 2,023,654 | 541,301 | 176,857 | 623,940 | 3,365,752 | 1,878,578 |
| Grove Academy | - | 117,971 | 9,630 | 40,711 | 168,312 | 108,846 |
| | <u>2,023,654</u> | <u>659,272</u> | <u>186,487</u> | <u>664,651</u> | <u>3,534,064</u> | <u>1,987,424</u> |

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 25,070,129 | 25,070,129 |
| Current assets | 168 | 4,256,382 | 326,853 | 4,583,403 |
| Creditors due within one year | - | (3,999,109) | - | (3,999,109) |
| Provisions for liabilities and charges | - | (518,000) | - | (518,000) |
| | <u>168</u> | <u>(260,727)</u> | <u>25,396,982</u> | <u>25,136,423</u> |

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | <i>Unrestricted funds</i> | <i>Restricted funds</i> | <i>Restricted fixed asset funds</i> | <i>Total funds</i> |
|--|-------------------------------|-----------------------------|---|------------------------|
| | 2016 | 2016 | 2016 | 2016 |
| | £ | £ | £ | £ |
| Tangible fixed assets | - | - | 6,179,144 | 6,179,144 |
| Current assets | 168 | 3,334,677 | 527,362 | 3,862,207 |
| Creditors due within one year | - | (2,963,133) | - | (2,963,133) |
| Provisions for liabilities and charges | - | (444,000) | - | (444,000) |
| | <u>168</u> | <u>(72,456)</u> | <u>6,706,506</u> | <u>6,634,218</u> |

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

| | 2017 £ | 2016 £ |
|--|----------------|------------------|
| Net income for the year (as per Statement of Financial Activities) | 18,458,205 | 6,068,761 |
| Adjustment for: | | |
| Depreciation charges | 826,185 | 386,562 |
| Increase in debtors | (54,250) | (3,117,721) |
| Increase in creditors | 1,035,976 | 2,539,959 |
| Capital grants from DfE and other capital income | (19,516,661) | (6,137,218) |
| Defined benefit pension scheme cost less contributions payable | 109,000 | 24,000 |
| Defined benefit pension scheme finance cost | 9,000 | 6,000 |
| Net cash provided by/(used in) operating activities | <u>867,455</u> | <u>(229,657)</u> |

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2017 £ | 2016 £ |
|--------------|------------------|----------------|
| Cash in hand | 1,064,182 | 397,236 |
| Total | <u>1,064,182</u> | <u>397,236</u> |

22. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2017.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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 £207,143 (2016 - £112,228).

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

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.

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22. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £109,000 (2016 - £65,000), of which employer's contributions totalled £79,000 (2016 - £47,000) and employees' contributions totalled £30,000 (2016 - £18,000). The agreed contribution rates for future years are 16.6% for employers and 6.5% to 8.5% for employees.

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

Principal actuarial assumptions:

| | 2017 | 2016 |
|--|--------|--------|
| Discount rate for scheme liabilities | 2.60 % | 2.20 % |
| Rate of increase in salaries | 4.20 % | 4.10 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.30 % |

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

| | 2017 | 2016 |
|----------------------|------|------|
| Retiring today | | |
| Males | 23.0 | 22.9 |
| Females | 25.1 | 26.2 |
| Retiring in 20 years | | |
| Males | 25.2 | 25.2 |
| Females | 27.4 | 28.5 |

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

| | Fair value at 31 August 2017 £ | Fair value at 31 August 2016 £ |
|------------------------------|---|---|
| Equities | 152,000 | 106,000 |
| Debt instruments | 48,000 | 33,000 |
| Property | 42,000 | 28,000 |
| Cash | 35,000 | 9,000 |
| Other | 27,000 | 42,000 |
| Total market value of assets | <u>304,000</u> | <u>218,000</u> |

The actual return on scheme assets was £20,000 (2016 - £21,000).

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22. PENSION COMMITMENTS (continued)

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

| | 2017 £ | 2016 £ |
|--------------------------------|------------------|-----------------|
| Current service cost | (188,000) | (71,000) |
| Interest income | 6,000 | 7,000 |
| Interest cost | (15,000) | (13,000) |
| | <u>(197,000)</u> | <u>(77,000)</u> |
| Total | <u>(197,000)</u> | <u>(77,000)</u> |
| Actual return on scheme assets | <u>20,000</u> | <u>21,000</u> |

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

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Opening defined benefit obligation | 662,000 | 324,000 |
| Current service cost | 188,000 | 71,000 |
| Interest cost | 15,000 | 13,000 |
| Employee contributions | 30,000 | 18,000 |
| Actuarial (gains)/losses | (73,000) | 236,000 |
| | <u>822,000</u> | <u>662,000</u> |
| Closing defined benefit obligation | <u>822,000</u> | <u>662,000</u> |

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

| | 2017 £ | 2016 £ |
|-------------------------------------|----------------|----------------|
| Opening fair value of scheme assets | 218,000 | 132,000 |
| Interest income | 6,000 | 7,000 |
| Actuarial gains/(losses) | (29,000) | 14,000 |
| Employer contributions | 79,000 | 47,000 |
| Employee contributions | 30,000 | 18,000 |
| | <u>304,000</u> | <u>218,000</u> |
| Closing fair value of scheme assets | <u>304,000</u> | <u>218,000</u> |

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23. OPERATING LEASE COMMITMENTS

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

| | 2017 £ | 2016 £ |
|-------------------------|--------------|--------------|
| Amounts payable: | | |
| Within 1 year | 3,302 | 6,604 |
| Between 1 and 5 years | - | 3,302 |
| Total | <u>3,302</u> | <u>9,906</u> |

24. 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.

25. RELATED PARTY TRANSACTIONS

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

No related party transactions took place during the period, other than certain trustees' remuneration and expenses already disclosed in note 12.