
EGGAR'S SCHOOL
(A company limited by guarantee)

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

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EGGAR'S SCHOOL
(A company limited by guarantee)

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

Members

L Hillan
J Keen
P Sullivan
E Stokes
S Dunne

Trustees

K Arrowsmith-Oliver
Rev C Bradish (appointed 7 February 2017)
L Danks
A Dell (term of office ended 17 December 2016)
J Dowds (resigned 13 December 2016)
S Dunne
H Edwards (appointed 15 May 2017)
M Green
L Hillan, Chair
R Ismay
J Keen
J McKell
G Morgan
K Shawyer
E Stokes
P Sullivan, Headteacher
A Tait
S Williams (appointed 15 May 2017)

Company registered number

08036151

Company name

Eggar's School

Principal and registered office

London Road
Holybourne
Alton
Hampshire
GU34 4EQ

Senior management team

P Sullivan, Head Teacher
M Reah, Deputy Head Teacher
S Kinteh, Deputy Head Teacher
L Campbell, Assistant Head Teacher
A Carter, Assistant Head Teacher
S Laycock, Assistant Head Teacher
J Finnimore, Business and Development Manager

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

Advisers (continued)

Independent auditors

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank plc
16a High Street
Cosham
Portsmouth
Hampshire
PO6 3BY

Solicitors

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

EGGAR'S SCHOOL
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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 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in East Hampshire. It has a pupil capacity of 850 and had a roll of 812 in the school census in spring 2017.

Structure, Governance and Management

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 Eggar's School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Eggar's School. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Trustees' third party indemnity is covered by a policy of insurance with Zurich Insurance plc, procured under a government approved framework. The insurance provides cover for up to £1,000,000 for any one claim.

Method of Recruitment and Appointment or Election of Trustees

The academy appoints governors in accordance with clauses 50 to 64 of its Articles of Association. Parent governor vacancies are filled through advertisement and ballot by parents whilst staff governor vacancies are notified internally and appointed on the basis of a staff vote. Other governor vacancies are addressed through personal recommendation or advertisement and followed up, where appropriate, with an interview by senior governors and then consideration by the whole governing body. Governor appointments consider the skills required by the governing body.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy Trust subscribes to Hampshire Governor Services who provide a range of courses. Governors are encouraged to attend an Induction course as soon as possible, as well as other courses and conferences. E learning courses are also available. An induction pack is provided for new governors. Each year an internal governor conference is held to identify the needs of the school and further governors' understanding.

Organisational Structure

The Head Teacher is the Accounting Officer of the Academy Trust. In accordance with the Articles of Association we have a tiered structure. The Governing Body operates a system of clerked committees with delegated responsibilities. All minutes are presented and reported on at the half termly Governing Body meetings. Each committee has set Terms of Reference agreed by the Governing Body and reviewed annually. Major issues are referred to the Governing Body for ratification.

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

Arrangements for setting pay and remuneration of key management personnel

Leadership

The Governing Body sets salary ranges for staff on the leadership spine having regard to the content of the School Teachers' Pay and Conditions Document 2011. Progression through these ranges will be dependent on successful annual performance management.

In considering differentials in pay, the Governing Body will ensure that:

- (a) The school's Group Size is calculated in accordance with the School Teachers' Pay and Conditions Document;
- (b) The Individual School Range (ISR) for the Head Teacher falls within that Group Size;
- (c) The maximum point of the Deputy Head Teacher's range is at least one point less than the minimum of the Head Teacher's ISR;
- (d) The minimum point of the Deputy Head Teacher's range is above that of the "notional" highest paid class teacher (as defined in the School Teachers' Pay and Conditions Document);
- (e) Assistant Head Teachers are paid more than the "notional" highest paid class teacher (as defined in the School Teachers' Pay and Conditions Document) but have a salary range the maximum of which is at least one point lower than the top of the range of the deputy.

Salary determinations from 1 September 2016 in relation to performance in the academic year 2016/2017 were made by way of the performance management ratings and outcomes.

As part of the performance management review Senior Leadership must demonstrate:

- sustained high quality of performance, with particular regard to leadership, management and pupil progress at the school, and
- substantial progress towards achievement of performance management objectives, and
- that they are meeting the relevant Teacher Standards.

Support Staff

Senior support staff at Eggar's School are paid in accordance with a pay framework based on the 'Employment in Hampshire County Council 2007' ('EHCC2007') collective agreement, which transferred when the school became an academy. Pay is set in accordance with a grading framework against which roles have been matched. Pay progression for support staff is determined through use of Individual Performance Management. There is progression beyond the top of individual pay ranges.

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

Related Parties and other Connected Charities and Organisations

The academy also works in partnership with Alton Buckle and actively engages in Primary Liaison. In 2015, over 1500 pupils from our local primary schools visited our community. We also work collaboratively with other academies in Hampshire.

The academy has a partnership with its neighbour, Treloar's, who provide education, care and therapy for young people with physical disabilities from the UK and overseas providing different curriculum opportunities, sharing sporting facilities as well as opportunities for work experience for pupils from both schools. This year, the academy, continues to host an Arts Week, working with The Mouth and Foot Painters Association, to run a series of workshops for the education of disabled children.

The academy has strong links with Higher Education Institutions, Teaching School Alliances and the National College for Teaching and Learning and works principally with Quality Through Leadership, a Winchester University continuing professional development body.

The academy's Parent Teacher Association (PTA) is a member of the PTA Association UK and the dynamic core of volunteers engage in fundraising activities which benefit all students. On 17 August 2017 the PTA become a Charitable Incorporated Organisation.

The academy is connected to The Eggar's Grammar School, Alton Site Foundation, a charitable trust that owns some of the school land. The history of their involvement with the school relates to John Eggar funding the original grammar school in 1642.

Objectives and Activities

Objects and Aims

The principal objects and activities of the academy trust are:

- (a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and
- (b) to promote for the benefit of the inhabitants of Alton and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

The main objects and aims are as set out in the Strategic School Improvement Plan (SSIP) and are as follows:
Key Priority Areas:

- 1. Close the gap.
 - 2. Further improve the quality of Teaching & Learning (including Literacy & Numeracy)
 - 3. Further improve Achievement (Progress & Attainment)
 - 4. Develop the Eggar's Experience to engage and support achievement
 - 5. Further improve the school facilities and community usage (including marketing & funding)
- The specific strategies and activities to achieve the objects and aims are set out in the SSIP for 2017-2020. This is available from the School Office.

Public Benefit

We confirm that Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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

Strategic Report

Achievements and Performance

Despite a continuing changeable educational climate, our examination results this year were good.

English and Maths results continue to set the standard for the school

During the year, the academy's students have had access to extracurricular clubs via The Eggar's Experience as well as from English, Music, Computing, Science, History, Duke of Edinburgh, Drama and Sport, with resulting sports fixtures and productions.

During the summer break, the academy ran a two-day summer transition camp, for all year 7 pupils.

	Hampshire	Eggar's
Basics 4+	67.90%	78.70%
Basics 5+	45.00%	62.00%
A8	47.1	52.7
English language 4+	71.00%	78.00%
Maths 4+	74.50%	82.00%
EBacc entered	40.1%	41.30%
EBacc achieved	23.20%	36.70%

Key Performance Indicators

A large proportion of the academy's income is obtained as a grant from the Education Skills Funding Agency (ESFA); this covers the school budget share, Education Service Grant, rates allowance and Eggar's Individual Needs Resource Provision. Other income includes pupil premium, low incidence (special needs funding), community lettings, private transport provision (PTP), music tuition and educational visits.

Attendance in 2016-17 was 95.1% (2015-16 95.3%).

Staffing costs as a percentage of General Annual Grant income are 84.9% (2015-16 89.3%)

Staffing costs as a percentage of total costs are 74.1% (2015-16 71%)

We were funded for 818 pupils in 2016-17 (our current number on roll is 879)

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

The Governors are confident that the Academy Trust is in a sound financial position at the end of the financial year.

Eggar's school's primary funding source is through the Education Skills Funding Agency, funding received in 2016-17, for 818 students, accounted for 87% of income. Income for 2017-18 is based upon 820 students, with the expectation that this will rise to 878 students in 2018-19. Developments for 2017-18 include a new refectory, further detail can be found in the value for money section of this report.

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

Reserves Policy

The reserves as at 31 August 2017 were as follows:

- Unrestricted (free) reserves of £527,047
- A restricted fixed asset fund of £11,514,320, which can only be realised through disposal of fixed assets
- A pension deficit of £784,000
- Other restricted funds of £201,275
- Total funds of £11,458,642

Eggars School aims to use the allocated funding each year for the benefit of our current pupils but recognises the need to hold sufficient reserves to mitigate the risks/projects below.

Reserves are held to:

- have a contingency reserve to cover any fluctuation in pupil numbers (to support three year budget plan; the current forecast indicates £144k is required for 2017/18)
- have sufficient capital to cover urgent maintenance or spending to meet health and safety, safeguarding and security requirements (to support site maintenance and mitigate fire risk)
- invest in future years' priorities for our pupils, examples include projects such as an all-weather synthetic pitch, development of the school's buildings and IT hardware replacement. £40k Devolved Formula Capital (DFC), and £10k ring-fenced for additional IT expenditure is currently held within reserves.
- Grants received and held with reserves amount to £6.5k.
- Ring fenced carry forward Pupil Premium grant (currently £22.5k).
- Provide sufficient working capital to cover delays between spending and receipt of grants.

There is an £784,000 deficit in respect of the local government pension scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academies trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy as a result of recognising the deficit.

Reserves are reviewed regularly as part of the budgeting process but are also reviewed via the Academy's Risk Register.

Investment Policy

The academy aims to manage its cash balances to provide the day to day working capital requirements of its operation, whilst trying to protect the real long term value of any cash balances against inflation. The academy aims to invest surplus cash funds to optimise returns whilst ensuring there is no tangible risk of loss of these cash funds (interest rates on investments 0.12% to 0.5%).

Principal Risks and Uncertainties

The main financial risks identified this year in the Risk Register related to:

- The reducing surplus balance
- Maintaining a high number on roll
- Future funding uncertainty
- Loss of key personnel and succession risk

All these are subject to appropriate control procedures and are monitored by governors.

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

Plans for Future Periods

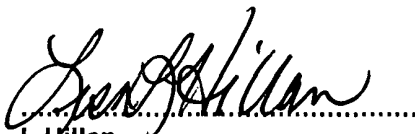
- To increase the percentage of students who achieve 3,4,5 levels of progress in English and Maths.
- To increase the percentage of students who achieve 5 GCSE's Grade A* - C including English and Maths.
- To "close the attainment and achievement gap" between pupil premium and non-pupil premium students.
- Increase the number on roll by targeted publicity, marketing and primary liaison.
- Working with community groups to develop the site to allow more use as a community resource.
- Raise more money.
- Improve the school site and facilities, including a new refectory using the funds secured from capital bids.
- Ensuring value for money.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 governors' report, incorporating a strategic report, was approved by order of the governing body, as the company directors, on 12 December 2017 and signed on the board's behalf by:



L Hillan
Chair of Trustees

EGGAR'S SCHOOL
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GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 17 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr K Arrowsmith Oliver	6	12
Reverend C Bradish	5	7
Ms L Danks	11	12
Dr A Dell	4	5
Mr J Dowds	0	3
Mr S Dunne	8	12
Mrs H Edwards	0	1
Mr M Green	6	12
Mrs L Hillan	16	17
Mr R Ismay	7	12
Mrs J Keen	10	12
Mr J McKell	9	12
Dr G Morgan	8	12
Mrs K Shawyer	9	12
Mrs E Stokes	10	12
Mr P Sullivan	16	17
Mrs A Tait	6	12
Mr S Williams	0	1

Governance:

Building upon work completed last year, which identified skill gaps. We have recruited new governors to strengthen the skills set of the governing body.

The Finance and Personnel Committee is a sub-committee of the main Governing Body. Its purpose is to oversee the finances within the framework set by the whole Governing Body and to receive reports, monitor and make recommendations to the Governing Body. A pay committee has also been set up as a sub-committee to the Finance and Personnel Committee. Possible long term risks to income for the Academy were identified early on and led to a Governor Working Group being convened to discuss and analyse options for the future based upon different number on roll, income streams and cost reduction.

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GOVERNANCE STATEMENT (continued)

Attendance at Finance and Personnel Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
L Danks	5	5
A Dell	2	2
M Green	0	5
L Hillan	5	5
R Ismay	4	5
G Morgan	4	5
E Stokes	5	5
P Sullivan	5	5

The academy does not have an audit committee. Internal review reports from our external auditor are monitored directly by the Finance and Personnel Committee.

Review of Value for Money

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

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

Community Liaison Officer

The school employs a Community Liaison Officer (CLO), whose primary focus is to co-ordinate, manage and develop community education opportunities and facilities which serve the school and the wider community. Also to promote the school's vision by creating and implementing fundraising strategies for the school.

In the last year our CLO has secured circa £20,000. These monies have enabled us to develop our grounds to host an outdoor fitness suite for our students and an outdoor pavilion, which can seat up to 120 students. The income generated has also funded sports equipment and sports kits, IT equipment, library books and will be used to purchase outdoor play equipment.

In addition, a proportion of the CLO's salary is funded by the Mouth and Foot Painting Artists Association (MFPA). This year, our partnership with the MFPA enabled us to deliver an Arts Week, which offered unique educational experiences, in the Arts, to disabled students from many schools across our region.

New Dining Refectory

Following the submission of 4 unsuccessful bids to the ESFA Condition Improvement Funds, for funds in the region of £1.4m for a much needed new kitchen and dining refectory, the school has managed to locate a 2nd hand modular building for the cost of circa £440k. This represents excellent value for money.

The £440k has been raised through negotiations with Hampshire County Council's Children's Services Strategic Development Department and Eggar's Board of Trustees. Through pragmatic and careful budgeting, the school have also been successful in ring-fencing Devolved Capital Formula within our accounts, to support the project.

Grounds Maintenance expenditure

Due to the site team absorbing elements of the external grounds maintenance contract into their daily role, we have been able reduce ground maintenance expenditure. This in year saving has been used to update the machinery required and will result in a reduction in costs in future years.

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GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 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's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Hopper Williams & Bell Limited, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy'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 semi-annual basis, the auditors report to the board of trustees through the Finance and Personnel Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Schedule of work was delivered as planned. No material control issues were identified by the auditor.

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GOVERNANCE STATEMENT (continued)

Review of Effectiveness

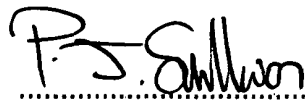
As Accounting Officer, the Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 and Personnel 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 12 December 2017 and signed on their behalf, by:


.....
L Hillan
Chair of Trustees


.....
P Sullivan
Accounting Officer

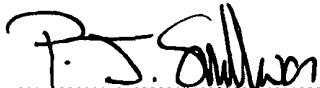
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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


.....
P Sullivan
Accounting Officer

Date: 12 December 2017

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

The Trustees (who act as governors of Eggar's School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, 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 12 December 2017 and signed on its behalf by:


.....
L Hillan
Chair of Trustees

EGGAR'S SCHOOL
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EGGAR'S SCHOOL**

OPINION

We have audited the financial statements of Eggar's School 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy 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 OF 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 Auditor's 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.

EGGAR'S SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EGGAR'S SCHOOL**

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 Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for 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 including the Strategic report.

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

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

EGGAR'S SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EGGAR'S SCHOOL**

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's or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S 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 Auditor's 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. The description forms part of our Auditor's report.



Richard Hurst FCA (Senior statutory auditor)
for and on behalf of

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date: 14 December 2017

EGGAR'S SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 4 September 2017 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 Eggar's School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Eggar's School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Eggar's School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Eggar's School and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Eggar's School's funding agreement with the Secretary of State for Education dated 1 September 2012, 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.

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

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

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.



Richard Hurst FCA

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date: 14 December 2017

EGGAR'S SCHOOL
(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	4,480	-	47,854	52,334	288,350
Charitable activities	3	-	4,459,703	-	4,459,703	4,330,033
Other trading activities	4	36,329	-	-	36,329	28,792
Investments	5	1,941	-	-	1,941	2,383
TOTAL INCOME		42,750	4,459,703	47,854	4,550,307	4,649,558
EXPENDITURE ON:						
Charitable activities		1,648	4,496,841	310,628	4,809,117	4,764,178
TOTAL EXPENDITURE	6	1,648	4,496,841	310,628	4,809,117	4,764,178
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		41,102	(37,138)	(262,774)	(258,810)	(114,620)
Actuarial gains/(losses) on defined benefit pension schemes	21	-	193,000	-	193,000	(520,000)
NET MOVEMENT IN FUNDS		41,102	155,862	(262,774)	(65,810)	(634,620)
RECONCILIATION OF FUNDS:						
Total funds brought forward		485,945	(738,587)	11,777,094	11,524,452	12,159,072
TOTAL FUNDS CARRIED FORWARD		527,047	(582,725)	11,514,320	11,458,642	11,524,452

The notes on pages 23 to 44 form part of these financial statements.

EGGAR'S SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08036151

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		11,510,275		11,647,799
CURRENT ASSETS					
Stocks	13	4,119		-	
Debtors	14	191,368		197,729	
Cash at bank and in hand		956,420		1,050,740	
			<u>1,151,907</u>	<u>1,248,469</u>	
CREDITORS: amounts falling due within one year	15	(419,540)		(488,816)	
NET CURRENT ASSETS			<u>732,367</u>		<u>759,653</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,242,642</u>		<u>12,407,452</u>
Defined benefit pension scheme liability	21		(784,000)		(883,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>11,458,642</u></u>		<u><u>11,524,452</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	201,275		144,413	
Restricted fixed asset funds	16	11,514,320		11,777,094	
Restricted income funds excluding pension liability		11,715,595		11,921,507	
Pension reserve		(784,000)		(883,000)	
Total restricted income funds			<u>10,931,595</u>		<u>11,038,507</u>
Unrestricted income funds	16		<u>527,047</u>		<u>485,945</u>
TOTAL FUNDS			<u><u>11,458,642</u></u>		<u><u>11,524,452</u></u>

The financial statements on pages 20 to 44 were approved by the Trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:



 Hillan
 Chair of Trustees

The notes on pages 23 to 44 form part of these financial statements.

EGGAR'S SCHOOL
(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 (used in)/provided by operating activities	18	<u>(64,265)</u>	<u>187,363</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(30,055)</u>	<u>(30,621)</u>
Net cash used in investing activities		<u>(30,055)</u>	<u>(30,621)</u>
Change in cash and cash equivalents in the year		<u>(94,320)</u>	<u>156,742</u>
Cash and cash equivalents brought forward		<u>1,050,740</u>	<u>893,998</u>
Cash and cash equivalents carried forward	19	<u><u>956,420</u></u>	<u><u>1,050,740</u></u>

EGGAR'S SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Eggar's School constitutes a public benefit entity as defined by FRS 102.

1.2 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.

EGGAR'S SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

EGGAR'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 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.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land	-	Not depreciated
Long-term leasehold property	-	50 years straight line
Fixtures and fittings	-	4 years straight line
Computer equipment	-	3 years straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

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.

EGGAR'S SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Taxation

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

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

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

EGGAR'S SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 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 14. 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 15. 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 other financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, 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.

EGGAR'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.15 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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

EGGAR'S SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	4,480	-	4,480	5,264
Capital grants	-	47,854	47,854	283,086
	<u>4,480</u>	<u>47,854</u>	<u>52,334</u>	<u>288,350</u>
Total 2016	<u>5,264</u>	<u>283,086</u>	<u>288,350</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,972,056	3,972,056	3,789,918
DfE/ESFA other grants	-	135,906	135,906	126,735
	<u>-</u>	<u>4,107,962</u>	<u>4,107,962</u>	<u>3,916,653</u>
Other government grants				
Local authority grants	-	45,022	45,022	30,406
	<u>-</u>	<u>45,022</u>	<u>45,022</u>	<u>30,406</u>
Other funding				
Trip income	-	91,563	91,563	157,033
Tuition fee income	-	33,340	33,340	33,639
Other income	-	181,816	181,816	192,302
	<u>-</u>	<u>306,719</u>	<u>306,719</u>	<u>382,974</u>
	<u>-</u>	<u>4,459,703</u>	<u>4,459,703</u>	<u>4,330,033</u>
Total 2016	<u>-</u>	<u>4,330,033</u>	<u>4,330,033</u>	

EGGAR'S SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	36,329	-	36,329	28,792
<i>Total 2016</i>	28,792	-	28,792	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	1,941	-	1,941	2,383
<i>Total 2016</i>	2,383	-	2,383	

EGGAR'S SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	<i>Total 2016 £</i>
Academy trust educational:					
Direct costs	2,917,702	-	350,743	3,268,445	3,324,938
Support costs	542,422	525,390	472,860	1,540,672	1,439,240
	3,460,124	525,390	823,603	4,809,117	4,764,178
<i>Total 2016</i>	3,382,614	467,069	914,495	4,764,178	

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2017 £	<i>Total 2016 £</i>
Technology costs	63,951	63,951	59,180
Premises costs	525,390	525,390	467,069
Governance costs	11,690	11,690	9,930
Other costs	229,640	229,640	229,082
Wages and salaries	364,884	364,884	371,308
National insurance	26,693	26,693	23,688
Pension cost	150,845	150,845	72,867
Depreciation	167,579	167,579	206,116
	1,540,672	1,540,672	1,439,240
<i>At 31 August 2016</i>	1,439,240	1,439,240	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	<i>2016 £</i>
Depreciation of tangible fixed assets:		
- owned by the charity	167,579	206,116
Auditors' remuneration - Audit	6,255	6,075
Auditors' remuneration - Non-audit	5,435	3,295
Operating lease rentals	8,976	17,462

EGGAR'S SCHOOL
(A company limited by guarantee)

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

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,685,620	2,719,014
Social security costs	261,764	230,186
Operating costs of defined benefit pension schemes	512,740	433,414
	<u>3,460,124</u>	<u>3,382,614</u>

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

	2017 No.	2016 No.
Teachers	55	56
Administration and support	38	32
Senior management team	7	7
	<u>100</u>	<u>95</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	2	2
In the band £70,001 - £80,000	1	1

The key management personnel of the academy trust comprise the senior management team as listed on page 1. The total amount of staff costs in respect of key management personnel was £542,066 (2016: £524,505).

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

10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017	2016
		£'000	£'000
Three (2015: three) governors - total	Remuneration	165-170	165-170
remuneration in the banding	Pension contributions paid	25-30	25-30

An analysis of this total will be provided (if deemed appropriate) on application to the Headteacher at the address shown on page 1.

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

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1m on any one claim and the cost for the year ended 31 August 2017 was £482 (2016 - £482).

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	12,177,000	148,291	209,070	12,534,361
Additions	-	15,392	14,663	30,055
At 31 August 2017	12,177,000	163,683	223,733	12,564,416
Depreciation				
At 1 September 2016	572,720	127,271	186,571	886,562
Charge for the year	143,180	6,724	17,675	167,579
At 31 August 2017	715,900	133,995	204,246	1,054,141
Net book value				
At 31 August 2017	11,461,100	29,688	19,487	11,510,275
At 31 August 2016	11,604,280	21,020	22,499	11,647,799

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13. STOCKS

	2017 £	2016 £
Items for resale	4,119	-

14. DEBTORS

	2017 £	2016 £
Trade debtors	21,809	14,086
Other debtors	250	10,476
Prepayments and accrued income	110,413	109,334
Recoverable VAT	58,896	63,833
	<u>191,368</u>	<u>197,729</u>

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	76,405	212,854
Other taxation and social security	67,508	67,932
Other creditors	53,538	81,823
Accruals and deferred income	222,089	126,207
	<u>419,540</u>	<u>488,816</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	56,100	77,121
Resources deferred during the year	111,781	56,100
Amounts released from previous years	(56,100)	(77,121)
Deferred income at 31 August 2017	<u>111,781</u>	<u>56,100</u>

At the balance sheet date, the academy trust was holding funds received in advance for school trips taking place in the forthcoming year.

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

16. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General fund	485,945	42,750	(1,648)	-	-	527,047
Restricted funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	3,972,056	(3,972,056)	-	-	-
Pupil premium	-	129,123	(129,123)	-	-	-
DfE/ESFA other grants	-	6,783	(6,783)	-	-	-
Local authority grants	-	45,022	(45,022)	-	-	-
Other educational activities	144,413	306,719	(249,857)	-	-	201,275
Pension reserve	(883,000)	-	(94,000)	-	193,000	(784,000)
	<u>(738,587)</u>	<u>4,459,703</u>	<u>(4,496,841)</u>	<u>-</u>	<u>193,000</u>	<u>(582,725)</u>
Restricted fixed asset funds						
Fixed asset fund	11,647,799	-	(167,579)	30,055	-	11,510,275
ESFA/DfE capital grants - DFC	16,246	17,854	-	(30,055)	-	4,045
ESFA/DfE capital grants - CIF	113,049	-	(113,049)	-	-	-
HCC capital grants	-	30,000	(30,000)	-	-	-
	<u>11,777,094</u>	<u>47,854</u>	<u>(310,628)</u>	<u>-</u>	<u>-</u>	<u>11,514,320</u>
Total restricted funds	<u>11,038,507</u>	<u>4,507,557</u>	<u>(4,807,469)</u>	<u>-</u>	<u>193,000</u>	<u>10,931,595</u>
Total of funds	<u>11,524,452</u>	<u>4,550,307</u>	<u>(4,809,117)</u>	<u>-</u>	<u>193,000</u>	<u>11,458,642</u>

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

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General fund	449,721	36,439	(215)	-	-	485,945
	<u>449,721</u>	<u>36,439</u>	<u>(215)</u>	<u>-</u>	<u>-</u>	<u>485,945</u>
Restricted funds						
	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	-	3,789,918	(3,789,918)	-	-	-
Pupil premium	-	117,735	(117,735)	-	-	-
DfE/ESFA other grants	-	9,000	(9,000)	-	-	-
Local authority grants	-	30,406	(30,406)	-	-	-
Other educational activities	229,082	382,974	(598,788)	131,145	-	144,413
Pension reserve	(351,000)	-	(12,000)	-	(520,000)	(883,000)
	<u>(121,918)</u>	<u>4,330,033</u>	<u>(4,557,847)</u>	<u>131,145</u>	<u>(520,000)</u>	<u>(738,587)</u>
Restricted fixed asset funds						
Fixed asset fund	11,823,294	-	(206,116)	30,621	-	11,647,799
ESFA/DfE capital grants - DFC	7,975	17,061	-	(8,790)	-	16,246
ESFA/DfE capital grants - CIF	-	244,194	-	(131,145)	-	113,049
HCC capital grants	-	21,831	-	(21,831)	-	-
	<u>11,831,269</u>	<u>283,086</u>	<u>(206,116)</u>	<u>(131,145)</u>	<u>-</u>	<u>11,777,094</u>
Total restricted funds	<u>11,709,351</u>	<u>4,613,119</u>	<u>(4,763,963)</u>	<u>-</u>	<u>(520,000)</u>	<u>11,038,507</u>
Total of funds	<u>12,159,072</u>	<u>4,649,558</u>	<u>(4,764,178)</u>	<u>-</u>	<u>(520,000)</u>	<u>11,524,452</u>

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

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the following funding streams:

- school budget share;
- minimum funding guarantee;
- education services grant;
- insurance;
- rates;
- pre-16 high need funding;
- post-16 high needs funding.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes, for example pupil premium funding.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is money received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	11,510,275	11,510,275
Current assets	527,047	620,815	4,045	1,151,907
Creditors due within one year	-	(419,540)	-	(419,540)
Pension reserve	-	(784,000)	-	(784,000)
	<u>527,047</u>	<u>(582,725)</u>	<u>11,514,320</u>	<u>11,458,642</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	11,647,799	11,647,799
Current assets	485,945	633,229	129,295	1,248,469
Creditors due within one year	-	(488,816)	-	(488,816)
Provisions for liabilities and charges	-	(883,000)	-	(883,000)
	<u>485,945</u>	<u>(738,587)</u>	<u>11,777,094</u>	<u>11,524,452</u>

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

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(258,810)	(114,620)
Adjustment for:		
Depreciation charges	167,579	206,116
Increase in stocks	(4,119)	-
Decrease/(increase) in debtors	6,361	(77,482)
(Decrease)/increase in creditors	(69,276)	161,349
Defined benefit pension scheme cost less contributions payable	94,000	12,000
Net cash (used in)/provided by operating activities	(64,265)	187,363

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	399	448
Notice deposits (less than 3 months)	956,021	1,050,292
Total	956,420	1,050,740

20. CAPITAL COMMITMENTS

At 31 August 2017 the Academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	440,000	-

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

21. 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 Hampshire County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £53,200 were payable to the schemes at 31 August 2017 (2016 - £53,369) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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.

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

21. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £334,997 (2016 - £336,716).

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.

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 £129,000 (2016 - £121,000), of which employer's contributions totalled £99,000 (2016 - £92,000) and employees' contributions totalled £30,000 (2016 - £29,000). The agreed contribution rates for future years are 13.1% for employers and between 5.5 and 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.50 %	3.40 %
Rate of increase for pensions in payment / inflation	2.00 %	1.90 %
Inflation assumption (CPI)	2.00 %	1.90 %

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	24.0	24.6
Females	27.0	26.4
Retiring in 20 years		
Males	26.0	26.7
Females	29.3	28.7

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	2,058,000	1,988,000
Discount rate -0.1%	2,164,000	2,088,000
Mortality assumption - 1 year increase	2,048,000	1,973,000
Mortality assumption - 1 year decrease	2,172,000	2,101,000

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

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	812,000	654,000
Property	86,000	85,000
Government bonds	329,000	304,000
Corporate bonds	15,000	21,000
Cash and other liquid assets	40,000	60,000
Other	44,000	30,000
Total market value of assets	<u>1,326,000</u>	<u>1,154,000</u>

The actual return on scheme assets was £50,000 (2016 - £185,000).

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

	2017 £	2016 £
Current service cost	(176,000)	(93,000)
Net interest cost	(17,000)	(11,000)
Total	<u>(193,000)</u>	<u>(104,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	2,037,000	1,206,000
Current service cost	176,000	93,000
Interest cost	41,000	46,000
Employee contributions	30,000	29,000
Actuarial (gains)/losses	(167,000)	670,000
Benefits paid	(7,000)	(7,000)
Closing defined benefit obligation	<u>2,110,000</u>	<u>2,037,000</u>

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

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

	2017 £	2016 £
Opening fair value of scheme assets	1,154,000	855,000
Interest income	24,000	35,000
Actuarial losses	26,000	150,000
Employer contributions	99,000	92,000
Employee contributions	30,000	29,000
Benefits paid	(7,000)	(7,000)
	<u>1,326,000</u>	<u>1,154,000</u>
Closing fair value of scheme assets	<u>1,326,000</u>	<u>1,154,000</u>

22. 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	6,644	15,576
Between 1 and 5 years	3,072	8,512
Total	<u>9,716</u>	<u>24,088</u>

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Governing Body 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.

The following related party transactions took place in the period of accounts:

Di Owen Marketing - a business controlled by a close friend of L Danks (trustee). The Academy purchased marketing services totalling £7,650 (2016: £6,375) during the year. £nil (2016: £1,530) was outstanding at the year end. The Academy made the purchase at arms' length and at cost in accordance with its financial regulations, in a process which Ms. Danks neither participated in, nor influenced. In entering into the transaction the trust complied with the requirements of the Academies Financial Handbook.

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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.