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Registered number: 08663956

RALPH SADLEIR SCHOOL

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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RALPH SADLEIR SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Members	J Tye D Spong S Nicholson R Brown R Parperis (resigned 9 March 2016) S Forbes M Bell (appointed 9 March 2016)
Trustees	J Tye, Chair D Spong, Head Teacher S Nicholson R Brown R Parperis (resigned 9 March 2016) S Forbes M Bell (appointed 9 March 2016)
Company Secretary	M Devine
Accounting Officer	D Spong
Senior Leadership Team	D Spong, Head Teacher R Fuller, Deputy Head Teacher C McIver, Assistant Head Teacher M Devine, Academy Business Manager
Company name	Ralph Sadleir School
Registered and principal office	Ralph Sadleir School Station Road Puckeridge Hertfordshire SG11 1TF
Company registered number	08663956
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Natwest Bank 104 Fore Street Hertford SG14 1YY

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Ralph Sadleir School (the Trust or the Charitable Company) for the year ended 31 August 2016. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

Constituted as a single Multi Academy Trust, the Charitable Company currently operates a middle school Academy serving a catchment area in the Rib Valley region of Hertfordshire. The Academy has a combined capacity of 360 and had a roll of 341 in the 2016 school census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes Ralph Sadleir School (the School or the Academy) which converted on 01/10/2013.

The operation of The Trust's Academies and employment of staff are the responsibility of the Board of Directors (BOD). The Trust retains control of Academy budgets and finances, and monitors these through its Resources and Audit Committee.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee refers to a member of the BOD and the term Governor to a member of a School Local Governing Body. Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

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 and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees/Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and details of the costs are disclosed in Note 11 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the BOD. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 5 Trustees plus the CEO.

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end The Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme would involve a tour of the relevant Academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The BOD, meets on at least 4 occasions per year and its 3 sub committees (Resources and Audit, Curriculum and Achievement and Personnel) at least 3 times per year. The BOD is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments. The Governors within their LGB are responsible for monitoring performance against budget and capital spend.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Senior Leadership Team (SLT) control their Academy at an executive level implementing policies and reporting to the LGB. The SLT is responsible for the day to day operation of the Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safer recruitment processes.

The Trust's CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the pay scales for each role, outcome of performance appraisal meetings and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the BOD.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the BOD may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of an Academy to provide free education and care for pupils of different abilities within its local community between the ages of 9 and 13.

Objectives, Strategies and Activities

During the year the Trust has worked towards these aims by:

- reviewing the marking policy so there is greater consistency in standards of marking;
- ensuring core subject leaders have worked with SEN pupils to implement targeted short term interventions with measured impacts;
- ensuring good or better teaching throughout the School; and
- further developing the skillset of the new headteacher.

Our success in fulfilling our aims can be measured by:

- greater feedback to pupils on performance management, including peer to peer review and teacher moderated work;
- improved attainment and progress by SEN pupils at the end of KS3;
- positive outstanding teacher intervention (OTI) programme, including whole school INSET;
- improved feedback on lesson observations; and
- successful and more robust performance management process in place.

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

STRATEGIC REPORT

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their Academy.

Specific achievements were as follows:

- finishing fourth in the year 5 regional maths competition;
- excellent progress from pupils when reviewing the year 8 entry to exit data;
- year 8 football team through to the national quarter finals for schools tournament;
- outstanding results from our OTI programme;
- recruitment of future teachers through our work with Hertfordshire and Bedfordshire Universities and the implementation of student teachers; and
- restructuring of the school, as Faculties, allowing greater focus in both core and non core subjects.

Key Performance Indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2016 were 333 against a forecast of 329.

Another key financial performance indicator is staffing costs as a percentage of the general annual grant income. For 2015/16 this was 83.05% against set parameters of 83.79%. Staffing costs as a percentage of the total income was 72% against set parameters of 77.51%. The Trustees are confident that staffing levels are closely monitored to agreed necessary Full Time Equivalents and staffing structures all approved by the BOD.

The Resources and Audit Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the BOD.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the 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 principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education Funding Agency (EFA). For the year ended 31 August 2016 the Trust received £1,622,479 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £1,796,849 and transferred £6,128 to support capital new build and improvement projects on the various academy sites. The Trust brought forward from 14/15, £26,914 restricted funds and £1,868 unrestricted funding. The carry forward for 15/16 is £NIL restricted funding and £28,069 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £406,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £28,069. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust aims to hold two weeks' expenditure, approximately £69,110 for in year contingencies.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2016 was £28,069.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £92,152. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Business Manager reports and attempt to hold a minimum of £69,110 to cover short term cash flow variances.

Principal Risks and Uncertainties

The Trust works with the LGB in maintaining a central risk register identifying the major risks, to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the LGB via the Resources and Audit Committee with a formal review of the process undertaken on an annual basis. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a Multi Academy Trust operating a single School, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Trust has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the School is also reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - the Trust has appointed Essex County Council to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments - the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability - as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and the Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Plans for Future Periods

As an Academy, Ralph Sadleir School has written a new improvement plan for the period 2016-2019. This includes areas of focus for the School of:


- closing the attainment gap for pupil premium pupils;
- improving the IT infrastructure;
- expanding the MAT (either locally or joining a pre-existing MAT); and
- working on areas identified by Ofsted in their recent (September 2016) visit as those requiring improvement.

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, incorporating a Strategic Report, was approved by the Board of Trustees on 16/12/16 and signed on the Board's behalf by:



J Tye
Chair

RALPH SADLEIR SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Ralph Sadleir 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 BOD 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 Ralph Sadleir School and the Secretary of State for Education. They are also responsible for reporting to the BOD 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 BOD has formally met 7 times during the year. Attendance during the year at meetings was as follows:

	Meetings attended	Out of a possible
J Tye, Chair	7	7
D Spong, Head Teacher	7	7
S Nicholson	4	7
R Brown	7	7
R Parperis	3	3
S Forbes	7	7
M Bell	2	2

The Chair of the Board resigned in January 2016 and the previous Chair of the LGB was reappointed as Chair of the Board. This resulted in a vacancy in the position of Chair of the LGB which was filled by the Vice-Chair. A new Trustee was appointed to the Board.

The most significant challenge to the Board has been the restructuring of the staff within the Trust. This has resulted from reduction in funding from the EFA.

The Resources and Audit Committee is a sub-committee of the main BOD. Its purpose is to oversee the Trust's assets, reviews and proposes the annual budget, monitors regular financial reports and reviews financial procedures. It is the delegated authority to liaise with the auditors and accountants without prior reference to the Board. The key areas of review have been:

- staffing cost percentage against General Annual Grant income;
- non staffing costs against whole Trust income; and
- Budget Forecast Plan utilising a nil carried forward.

Changes in the composition of the Committee include appointing a new Chair and the challenges have continued to be through limited funding and the resulting staff restructuring.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
P Chowdhury *	5	5
J Tye	5	5
A Piddock *	3	3
S Nicholson	5	5
C Claydon *	1	1
S Bunyan *	3	5
J Bush *	2	2
B Palmen *	5	5
D Spong	3	5

* Members of the Resources and Audit Committee highlighted are members of the Local Governing Body however are not Trustees.

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

The Academy Trust is committed to applying the four principles of best value; Challenge, Compare, Consult, Complete.

School Managers apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the Trust;
- the targeting of resources to best improve standards and the quality of provision; and
- the use of resources to best support the various education needs of all pupils.

School Managers:

- make comparisons with other/similar schools using external data, e.g. RAISEonline, quality of teaching & learning, levels of expenditure, benchmarking;
- challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets;
- require suppliers to compete on grounds of cost, and quality/suitability of services/ products/backup; and
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. assigned inspector, OFSTED.

School Managers monitor time and resources spent on investigating minor areas where improvements may be less cost effective. This will apply in particular to:

- staffing structure – staff are deployed to provide best value in terms of quality of teaching, quality of learning, teacher-pupil ratio, and curriculum management;
- use of premises – consideration is given to the use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning for support services, and for communal access to central resources;
- use of resources – deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning;
- quality of teaching - review, in accordance with the Curriculum Policy, the quality of curriculum provision and quality of teaching, to provide parents and pupils with:
 - o a curriculum which meets the requirements of the Funding Agreement with the Secretary of State and the needs of pupils; and
 - o teaching which builds on previous learning and has high expectations of children's achievement;
- quality of learning - review the quality of children's learning, to provide teaching which enables children to seek to achieve the Academy's Vision;
- purchasing - continue with procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:
 - o competitive tendering procedures (contract and purchases above £75,001);
 - o procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship); and
 - o procedures which minimise office time by the purchase of goods or services under £5,000 direct from known, reliable suppliers (e.g. stationery, small equipment) Pupils' welfare;
- pupil's welfare - review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation;
- health and safety - review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors;
- maintaining a register of risks and seek to minimise and manage them; and
- monitoring all areas for best value in accordance with policies and Academy Improvement Plan.

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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 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 Ralph Sadleir School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The BOD has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The BOD is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the BOD.

External review of governance has been completed at Local Governing Body level and was actioned in December 2015. This is an annual review and has taken place again after the Academy's year end in the Autumn term of 2016. This year the findings were:

- the LGB could be strengthened by recruiting a finance specific Governor. This vacancy was posted on a national website and parents were notified; and
- to strengthen our community links and that it maybe worth us considering a link with a locally based company.

THE RISK AND CONTROL FRAMEWORK

The 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 BOD;
- regular reviews by the Resources 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; and
- identification and management of risks.

The BOD has considered the need for a specific internal audit function and has decided to appoint Essex County Council as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a semi-annual basis, the Internal Auditor reports to the BOD on the operation of the systems of control and on the discharge of its financial responsibilities.

The Internal Auditor reviewed financial management within the Academy, banking arrangements, payroll, expenses and income recognition. They also reviewed the controls in place.

Essex County Council delivered their schedule of works as planned and no material control issues were identified.

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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 Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- 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 Resources & Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 16/12/16 and signed on their behalf, by:



J Tye
Chair



D Spong
Accounting Officer


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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Ralph Sadleir School I have considered my responsibility to notify the Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA 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 2015.

I confirm that I and the 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 2015.

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 EFA.



D Spong
Accounting Officer

16.12.16

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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:

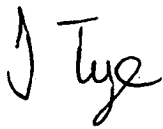
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The 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 the EFA/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 the Board of Trustees on 16/12/16 and signed on its behalf by:



J Tye
Chair

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

We have audited the financial statements of Ralph Sadleir School for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our Report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RALPH
SADLEIR SCHOOL**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
19 December 2016

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RALPH
SADLEIR SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 22 March 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ralph Sadleir School during the year 1 September 2015 to 31 August 2016 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 Ralph Sadleir School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ralph Sadleir School and the EFA 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 Ralph Sadleir School and the EFA, for our work, for this Report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Ralph Sadleir School's funding agreement with the Secretary of State for Education dated 1 October 2013, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers' statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RALPH
SADLEIR SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

19 December 2016

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	6,921	63,619	32,178	102,718	251,653
Charitable activities	3	90,542	1,531,937	-	1,622,479	1,643,214
Other trading activities	4	2,026	19,386	-	21,412	20,472
Investments	5	134	-	-	134	280
TOTAL INCOME		99,623	1,614,942	32,178	1,746,743	1,915,619
EXPENDITURE ON:						
Charitable activities		73,422	1,623,814	99,613	1,796,849	1,933,733
TOTAL EXPENDITURE	6	73,422	1,623,814	99,613	1,796,849	1,933,733
NET INCOME / (EXPENDITURE)						
BEFORE TRANSFERS		26,201	(8,872)	(67,435)	(50,106)	(18,114)
Transfers between funds	16	-	(6,128)	6,128	-	-
NET INCOME / (EXPENDITURE)						
BEFORE OTHER RECOGNISED						
GAINS AND LOSSES		26,201	(15,000)	(61,307)	(50,106)	(18,114)
Actuarial losses on defined benefit pension schemes	21	-	(129,000)	-	(129,000)	-
NET MOVEMENT IN FUNDS		26,201	(144,000)	(61,307)	(179,106)	(18,114)
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,868	(262,000)	5,635,154	5,375,022	5,393,136
TOTAL FUNDS CARRIED FORWARD		28,069	(406,000)	5,573,847	5,195,916	5,375,022

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08663956

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		5,573,847		5,608,240
CURRENT ASSETS					
Debtors	13	56,451		96,676	
Cash at bank and in hand		92,152		177,201	
		<u>148,603</u>		<u>273,877</u>	
CREDITORS: amounts falling due within one year	14	(108,579)		(233,140)	
NET CURRENT ASSETS			<u>40,024</u>		<u>40,737</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,613,871</u>		<u>5,648,977</u>
CREDITORS: amounts falling due after more than one year	15		(11,955)		(11,955)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>5,601,916</u>		<u>5,637,022</u>
Defined benefit pension scheme liability	21	(406,000)		(262,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>5,195,916</u></u>		<u><u>5,375,022</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted fixed asset funds		5,573,847		5,635,154	
Pension reserve		<u>(406,000)</u>		<u>(262,000)</u>	
Total restricted income funds			<u>5,167,847</u>		<u>5,373,154</u>
Unrestricted income funds	16		<u>28,069</u>		<u>1,868</u>
TOTAL FUNDS			<u><u>5,195,916</u></u>		<u><u>5,375,022</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 16/12/16 and are signed on their behalf, by:



J Tye
Chair

The notes on pages 20 to 35 form part of these financial statements.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(19,963)	202,070
Cash flows from investing activities:			
Dividends, interest and rents from investments		134	280
Purchase of tangible fixed assets		(65,220)	(135,712)
Net cash used in investing activities		(65,086)	(135,432)
Change in cash and cash equivalents in the year		(85,049)	66,638
Cash and cash equivalents brought forward		177,201	110,563
Cash and cash equivalents carried forward		92,152	177,201

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Ralph Sadleir School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Ralph Sadleir School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Ralph Sadleir School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

1.2 Fund accounting

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

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

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

1.3 Income

All income is recognised once the Trust 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 there is certainty of receipt 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.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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.

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

All resources expended are inclusive of irrecoverable VAT.

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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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 £1,000 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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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:

Leasehold land	-	125 years straight line
Leasehold buildings	-	35 - 50 years straight line
Motor vehicles	-	10 years straight line
Fixtures and fittings	-	10 years straight line
Computer equipment	-	5 years straight line

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 Interest receivable

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.9 Taxation

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

1.10 Liabilities and provisions

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

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of 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 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.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Trustees make 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	6,921	63,619	23,537	94,077	80,242
Capital grants	-	-	8,641	8,641	171,411
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	6,921	63,619	32,178	102,718	251,653
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £19,911 was to unrestricted funds £60,331 was to restricted funds and £171,411 was to restricted fixed asset funds.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,443,524	1,443,524	1,441,464
Other DfE / EFA grants	-	77,315	77,315	96,802
	<u>-</u>	<u>1,520,839</u>	<u>1,520,839</u>	<u>1,538,266</u>
Other government grants				
Local Authority grants	-	11,098	11,098	10,089
	<u>-</u>	<u>11,098</u>	<u>11,098</u>	<u>10,089</u>
Other funding				
Catering Income	90,542	-	90,542	94,859
	<u>90,542</u>	<u>-</u>	<u>90,542</u>	<u>94,859</u>
	<u>90,542</u>	<u>1,531,937</u>	<u>1,622,479</u>	<u>1,643,214</u>

In 2015, of the total income from charitable activities, £94,859 was to unrestricted funds and £1,548,355 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Letting income	-	-	-	50
Music income	-	19,386	19,386	18,127
Other income	2,026	-	2,026	2,295
	<u>2,026</u>	<u>19,386</u>	<u>21,412</u>	<u>20,472</u>

In 2015, of the total income from other trading activities, £1,116 was to unrestricted funds and £19,356 was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	134	134	280
	<u>134</u>	<u>134</u>	<u>280</u>

In 2015, of the total investment income, £280 was to unrestricted funds and £NIL was to restricted funds.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	As restated Total 2015 £
Provision of education:					
Direct costs	909,938	-	203,836	1,113,774	1,224,407
Support costs	347,882	176,984	158,209	683,075	709,326
	<u>1,257,820</u>	<u>176,984</u>	<u>362,045</u>	<u>1,796,849</u>	<u>1,933,733</u>

In 2016, of the total expenditure, £73,422 (2015 - £187,762) was to unrestricted funds, £1,623,814 (2015 - £1,643,042) was to restricted funds and £99,613 (2015 - £102,929) was to restricted fixed asset funds.

7. CHARITABLE ACTIVITIES

	2016 £	As restated 2015 £
Direct costs	1,113,774	1,224,407
Support costs	683,075	709,326
	<u>1,796,849</u>	<u>1,933,733</u>

Analysis of support costs

	2016 £	2015 £
Support staff costs	347,882	389,306
Depreciation	99,613	94,144
Technology costs	47,166	24,666
Premises costs - excluding depreciation	77,371	78,616
Other support costs	96,611	106,104
Governance costs	14,432	16,490
	<u>683,075</u>	<u>709,326</u>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned or leased by the Trust	99,613	94,144
Auditors' remuneration - audit	4,950	4,500
Auditors' remuneration - non-audit	4,300	4,100
Operating lease rentals	17,566	17,566
	<u>126,429</u>	<u>120,310</u>

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	955,528	1,132,399
Social security costs	78,800	84,213
Operating costs of defined benefit pension schemes	168,193	171,464
	<u>1,202,521</u>	<u>1,388,076</u>
Supply teacher costs	46,062	24,484
Staff restructuring costs	9,237	15,980
	<u>1,257,820</u>	<u>1,428,540</u>

Staff restructuring costs comprise:

Redundancy payments	<u>9,237</u>	<u>15,980</u>
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The average number of persons employed by the Trust during the year was as follows:

	2016 No.	2015 No.
Teachers	17	15
Administration and support	25	26
Management	4	5
	<u>46</u>	<u>46</u>

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

	2016 No.	2015 No.
In the band £ 60,001 - £ 70,000	1	0
In the band £ 70,001 - £ 80,000	0	1

The employee also participated in the Teacher's Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £9,846.

The key management personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £230,576 (2015: £167,972).

Included in the above are employer pension contributions of £35,819 (2015: £24,863)

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. TRUSTEE'S REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and 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:

D Spong (Head Teacher and Trustee)

Remuneration £60,000 - £65,000 (2015: £20,000 - £25,000)

Employer's pension contributions paid £5,000 - £10,000 (2015: £0 - £5,000)

R Brown (staff Trustee)

Remuneration £40,000 - £45,000 (2015: £50,000 - £55,000)

Employer's pension contributions paid £5,000 - £10,000 (2015: £5,000 - £10,000)

During the period 31 August 2016, no Trustees received any reimbursement of expenses for their role as Trustees (2015: £NIL).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 October 2013	5,719,628	-	43,842	23,858	5,787,328
Additions	40,003	23,537	-	1,680	65,220
At 31 August 2016	5,759,631	23,537	43,842	25,538	5,852,548
Depreciation					
At 1 September 2015	159,061	-	9,665	10,362	179,088
Charge for the year	88,554	785	5,174	5,100	99,613
At 31 August 2016	247,615	785	14,839	15,462	278,701
Net book value					
At 31 August 2016	5,512,016	22,752	29,003	10,076	5,573,847
At 31 August 2015	5,560,567	-	34,177	13,496	5,608,240

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13. DEBTORS

	2016 £	2015 £
VAT recoverable	4,874	24,099
Other debtors	210	210
Prepayments and accrued income	51,367	72,367
	<u>56,451</u>	<u>96,676</u>

14. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	163	46,804
Other taxation and social security	22,963	11,745
Other creditors	21,745	36,360
Accruals and deferred income	63,708	138,231
	<u>108,579</u>	<u>233,140</u>

	2016 £	2015 £
Deferred Income		
Deferred income at 1 September 2015	26,971	41,275
Resources deferred during the year	32,946	26,971
Amounts released from previous years	(26,971)	(41,275)
	<u>32,946</u>	<u>26,971</u>

Deferred income relates to residential trip income.

**15. CREDITORS:
Amounts falling due after more than one year**

	2016 £	2015 £
Salix loan	<u>11,955</u>	<u>11,955</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Salix loan	<u>5,579</u>	<u>5,579</u>

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16. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	1,868	99,623	(73,422)	-	-	28,069
Restricted funds						
General Annual Grant (GAG)	-	1,443,524	(1,437,396)	(6,128)	-	-
Other DfE/EFA grants	-	77,315	(77,315)	-	-	-
Other Government grants	-	11,098	(11,098)	-	-	-
Restricted donations	-	63,619	(63,619)	-	-	-
Music income	-	19,386	(19,386)	-	-	-
Pension reserve	(262,000)	-	(15,000)	-	(129,000)	(406,000)
	<u>(262,000)</u>	<u>1,614,942</u>	<u>(1,623,814)</u>	<u>(6,128)</u>	<u>(129,000)</u>	<u>(406,000)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	5,608,240	23,537	(99,613)	41,683	-	5,573,847
DfE/EFA Capital grants	26,914	8,641	-	(35,555)	-	-
	<u>5,635,154</u>	<u>32,178</u>	<u>(99,613)</u>	<u>6,128</u>	<u>-</u>	<u>5,573,847</u>
Total restricted funds	<u>5,373,154</u>	<u>1,647,120</u>	<u>(1,723,427)</u>	<u>-</u>	<u>(129,000)</u>	<u>5,167,847</u>
Total of funds	<u>5,375,022</u>	<u>1,746,743</u>	<u>(1,796,849)</u>	<u>-</u>	<u>(129,000)</u>	<u>5,195,916</u>

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

General Annual Grant (GAG)

This represents funding from the EFA to cover the costs of recurrent expenditure.

Other DfE and EFA Grants

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other Government grants

This represents various small grants from local and national Government bodies for the provision of specific services to pupils of the Academy.

Restricted donations and Music income

This represents donations received by the Trust which have restrictions on what they can be used for applied to them. These include contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the trips as well as contributions towards music tuition.

Pension reserve

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from a state controlled school.

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16. STATEMENT OF FUNDS (continued)

Restricted fixed asset fund

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

DfE/EFA capital grants

This represents funding from the DfE or EFA for a specific capital projects.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Tangible fixed assets	-	-	5,573,847	5,573,847	5,608,240
Current assets	28,069	120,534	-	148,603	273,877
Creditors due within one year	-	(108,579)	-	(108,579)	(233,140)
Creditors due in more than one year	-	(11,955)	-	(11,955)	(11,955)
Provisions for liabilities and charges	-	(406,000)	-	(406,000)	(262,000)
	<u>28,069</u>	<u>(406,000)</u>	<u>5,573,847</u>	<u>5,195,916</u>	<u>5,375,022</u>

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

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	(50,106)	(18,114)
Adjustment for:		
Depreciation charges	99,613	94,144
Interest received	(134)	(280)
Decrease in debtors	40,225	22,588
(Decrease)/increase in creditors	(124,561)	88,732
Pension adjustment	15,000	15,000
Net cash (used in)/provided by operating activities	<u>(19,963)</u>	<u>202,070</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	92,152	177,201
Total	<u>92,152</u>	<u>177,201</u>

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20. MEMBERS' LIABILITY

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

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21. PENSION COMMITMENTS

The Trust'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 Hertfordshire 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 2013.

Contributions amounting to £20,816 were payable to the schemes at 31 August 2016 (2015 - 19,583) 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

Not less than every four years 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; and
- 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 will be as at March 2016, 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 £114,070 (2015 - £116,555).

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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

21. 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 2016 was £61,000 (2015 - £58,000), of which employer's contributions totalled £49,000 (2015 - £47,000) and employees' contributions totalled £12,000 (2015 - £11,000). The agreed contribution rates for future years are 25.3% for employers and 5.5-6.8% 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 at the balance sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	3.60 %	4.00 %
Rate of increase for pensions in payment	2.10 %	2.60 %

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

	2016	2015
Retiring today		
Males	22.3	22.3
Females	24.5	24.5
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.7

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	218,000	150,000
Debt instruments	97,000	65,000
Property	24,000	17,000
Cash	7,000	10,000
Total market value of assets	346,000	242,000

The actual return on scheme assets was £43,000 (2015 - £10,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost	(54,000)	(52,000)
Net interest cost	(10,000)	(10,000)
Total	(64,000)	(62,000)
Actual return on scheme assets	43,000	10,000

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

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

	2016 £	2015 £
Opening defined benefit obligation	504,000	421,000
Current service cost	54,000	52,000
Interest cost	20,000	17,000
Contributions by employees	12,000	11,000
Actuarial losses	162,000	3,000
	<u>752,000</u>	<u>504,000</u>
Closing defined benefit obligation	<u>752,000</u>	<u>504,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	242,000	174,000
Interest income	10,000	7,000
Actuarial gains and (losses)	33,000	3,000
Contributions by employer	49,000	47,000
Contributions by employees	12,000	11,000
	<u>346,000</u>	<u>242,000</u>
Closing fair value of scheme assets	<u>346,000</u>	<u>242,000</u>

22. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	<u>-</u>	<u>17,566</u>

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust'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 Trust's financial regulations and normal procurement procedures.

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

No related party transactions took place during the year.

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NOTES TO THE FINANCIAL STATEMENTS
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24. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Trust's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.