

Registration number: 08920320

# Tytherington School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2017



# **Tytherington School**

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## **Tytherington School**

### **Reference and Administrative Details**

#### **Members**

Mr Nicholas Carter (resigned 21 April 2017)  
Dr David Laffan  
Mr Jason Gaunt  
Dr Michael Brown (appointed 19 April 2017)  
Mrs Jane Stephens, Chair of Governors (appointed 19 April 2017)

#### **Governors and Trustees (Directors)**

Mrs Caroline Brennan (resigned 18 October 2016)  
Mr Emmanuel Botwe  
Mrs Jacqueline Timms (resigned 18 October 2016)  
Mrs Julie Alexander (resigned 13 November 2016)  
Dr Michael Brown  
Mr Nick Carter, Chair of Governors (resigned 21 April 2017)  
Dr Jose De Sousa (resigned 21 April 2017)  
Mr Jason Gaunt, Vice-Chair of Governors  
Mrs Jane Juif (resigned 15 September 2016)  
Mrs Jane Stephens, Chair of Governors  
Mr David Sussex  
Mrs Ethel Knight  
Dr David Laffan  
Mr Alan Ogden  
Mrs Sue Pollard (resigned 28 April 2017)  
Mr Trevor Langston  
Mr Simon Preston  
Mr Stephen Acreman (appointed 8 December 2016)  
Mr Adam Brown (appointed 8 December 2016)  
Ms Sarah Bird (appointed 13 July 2017)  
Mr Ken Gilliver (appointed 30 March 2017)  
Dr Peter Simpson (appointed 13 July 2017)

#### **Head Teacher**

Mr Emmanuel Botwe

## **Tytherington School**

### **Reference and Administrative Details (continued)**

<b>Senior Management Team</b>	Mr Emmanuel Botwe, Headteacher
	Mr Andrew Pilbury, Deputy Headteacher
	Mrs Mary Gannon, Assistant Headteacher
	Mrs Elizabeth Healey, Assistant Headteacher
	Mrs Florence Pope, Assistant Headteacher
	Mrs Caroline Brennan, Assistant Headteacher
	Mr Tim Haselwood, Accounting and Resource Manager
	Mrs Louisa Proctor, Head of Administration and Data
	Mr Gordon Tebay, Estates Manager (resigned)
<b>Principal and Registered Office</b>	Tytherington School Manchester Road Tytherington Macclesfield Cheshire SK10 2EE
<b>Company Registration Number</b>	08920320
<b>Auditors</b>	Beever and Struthers Chartered Accountants St. Georges House 215-219 Chester Road Manchester M15 4JE
<b>Bankers</b>	Lloyds Bank 223 Finney Lane Heald Green Cheshire SK8 3PY
<b>Solicitors</b>	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

## **Tytherington School**

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

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

#### **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 company was incorporated on 3 March 2014 and fully transitioned operations as of 1 April 2014 following a decision by the Governing Body and acceptance by the Secretary of State for Education that the School become an Academy as of this date.

The governors act as the trustees for the charitable activities of Tytherington School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Tytherington School.

Details of the trustees who served throughout the year, except as noted, 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 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.

##### ***Trustees' indemnities***

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

##### ***Method of recruitment and appointment or election of Trustees***

In accordance with the articles of association Governors are appointed as follows:

- a. seven community governors appointed by the trustees
- b. three staff governors elected by the staff
- c. five parent governors elected by parents
- d. the headteacher is an ex-officio governor
- e. further governors may be appointed by the Secretary of State

The number of governors shall be not less than three and shall not be subject to any maximum. In respect of those appointed by the trustees (a, above) when a vacancy arises the trustees seek to make an appointment that would maximise the relevant skills and experience on the Governing Body as a whole.

## **Tytherington School**

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

#### ***Policies and procedures adopted for the induction and training of Trustees***

On conversion to Academy status the Governing Body undertook a skills audit and as vacancies occur the recruitment of professionals to fill skills gaps has been undertaken. The Governing Body now has a broader set of abilities which is reflected by individual Governors having delegated roles.

On appointment governors receive information relating to the Academy Trust, receive an induction pack and attend a briefing. Further training depends upon a governor's existing experience or roles and responsibilities that they undertake.

The Academy Trust also purchases the governors' training package run by the local authority.

#### ***Organisational structure***

Before conversion to Academy status in April 2014 Tytherington School formed part of the Local Authority (LA) provision in Cheshire East. The school was referred to as a High School and had a Science specialism. The school dropped the word "High" from its name on conversion and is now known as Tytherington School. The Governing Board at that time operated four separate committees which reflected the areas of Finance, Infrastructure, Student Performance, the Curriculum and Staffing. Those committees have now been combined into two which better reflects the overlap between finance and site management and achievement and staff recruitment.

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 full Governing Board meets three times a year.

The key areas considered by the committees are:

- Standards and Outcomes Committee
- Finance and Resources Committee

The committees are formally constituted with terms of reference which are reviewed annually. Specific responsibilities are delegated to each committee, the activities of which are reported to and discussed at full Governing Board meetings. The chairs of the committees, the vice chair and chair of the Governing Board meet twice per term for planning purposes and consider any important items for the agendas of the meetings.

All governors are members of the Full Governing Board. In addition, governors are members of one of the committees who report to the full Governing Board on at least three occasions a year.

Day to day management of the Academy Trust is undertaken by the Headteacher, supported by the Senior Leadership Team (SLT). Members of the SLT attend Governing Board meetings as appropriate. The Headteacher is also a governor and attends all meetings.

The governors are responsible for the strategic management of the school. They approve the budget, the strategic direction, make senior appointments and approve and direct any policy changes. They are able to do this by drawing on the information in the annual School Development Plan (SDP) and through receiving operational information from the SLT and support staff within school.

School policies are either reviewed as part of a cycle or as and when circumstances dictate. Once approved by the Governing Board the school policies are implemented by the SLT.

The Academy Trust has well established quality assurance and control mechanisms with self-evaluation embedded into school life.

## **Tytherington School**

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

#### ***Arrangements for setting pay and remuneration of key management personnel***

The pay and remuneration of key management personnel is decided by the Governors Pay Committee (which does not include Staff Governors), who take advice from the Headteacher regarding pay and promotions of staff. Promotions are subject to good performance.

#### ***Connected organisations, including related party relationships***

The Academy is not part of any other organisation and not part of any wider networks. The Academy does not have any commercial relationships with any related party.

#### **Objectives and activities**

##### ***Objects and aims***

Tytherington School converted to Academy status on 1 April 2014 at which point the entity's operations commenced. The principal object and activity of the Charitable Company is the operation of Tytherington School to the benefit of the local community in providing education for students between the ages of 11-18. The school has a Science specialism.

The school provides an education for students who are principally drawn from the geographical area in which the school is situated. The school has a group of primary schools, the majority from the town of Bollington who meet together under the name of the Tytherington Partnership. The partnership also includes primary schools from Macclesfield, Kettleshulme, Rainow, Tytherington and Pott Shrigley. Parents in this area and in other areas throughout the borough are at liberty to request a place in any school regardless of geographical considerations.

The school operates an open access sixth form of approximately 200 students, the majority of whom are existing members of the school. However the number of "new" students in Year 12 is increasing.

##### ***Objectives, strategies and activities***

The Academy Trust was set up in April 2014 to further enhance the opportunities and life chances for all students and their families in the Tytherington area of Cheshire East. The school provides a broad based educational curriculum enriched by inclusive pastoral support. The school is also the base for a number of community events and activities. Both the Academy Trust and Tytherington School continue to uphold the values and principles that has served the local community well for over fifty years.

##### ***Public benefit***

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

The Governors consider that the key benefit delivered by the Tytherington School is that of the maintenance and development of high quality educational opportunities for the people of Tytherington and the surrounding areas. In order to do this the school will focus on each individual and ensure that they have the resources, guidance and support to achieve their potential. Educational opportunities will be mirrored by both pastoral support and extra-curricular opportunities which are designed to both enrich and extend.

The school will also provide and support a range of activities and opportunities for the local community to pursue both educational and recreational goals and pastimes.

The Academy Trust Governors have complied with their duty to have due regard to the guidance on public benefit published by the charity commission in exercising their powers or duties and defining the direction of Tytherington School.

## **Tytherington School**

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

#### **Strategic Report**

##### **Achievements and performance**

Tytherington School is an ambitious school at the heart of the community. It is a good school which provides a strong quality of education.

There is a culture of restless ambition and an unrelenting commitment to the highest standards to ensure dramatic, rapid and sustained improvements in all areas of the school's work. Outcomes at key stage 4 and 5 are very strong.

The governance of the school is robust. Governors hold senior leaders to account and ensure that the balanced budget provides good value for money.

As a result of consistently strong teaching, students, whose prior attainment on entry is broadly just above national average achieve at levels significantly above national expectations. Progress at the end of key stage 4 is strong despite following a largely traditional, GCSE-based curriculum. The school has a tremendous record of ensuring students achieve the gold-standard Ebacc qualification. 30% of students in year 11 achieved this benchmark compared to the national average of 19.5%. Our provisional Progress 8 measure is likely to be zero which is in line with expectations for progress.

In 2017, 84% of students in Year 11 met the benchmark of achieving a grade 4 or above in English and Maths (an increase of 19% from 2015 when the existing Headteacher was appointed). This places us in the top 15% of the country on this measure.

Value-added scores for a range of subjects including Science and Humanities are significantly above national average.

Teaching at KS5 is outstanding. Our value added score across the last three years places us in the top 10% in the whole country.

Last year, we were again listed in the Sunday Times Good Schools Guide on the basis of the high proportion of our students who achieve the very highest grades at GCSE and A-Level. We expect this place to be even higher when the guide is published this year.

Disadvantaged students now do well at Tytherington School as a result of the relentless drive and ambition of the senior leadership team.

Student staff-relationships are characterised by courtesy and respect in a "values driven community": students and staff say 'hello' to each other, open doors for each other and there is very little litter on the school site. The atmosphere in and around school is calm, well ordered and friendly. Students rarely miss a day of school and attendance is above national averages (95%). The school has excellent relationships with its partner primary school and this ensures that transition arrangements are first-class. Safeguarding procedures are an outstanding feature of the school.

Well-judged quality assurance trails amongst senior and middle leaders constantly monitor performance; imaginative use of appraisal holds teachers and leaders to account resulting in an unrelenting focus on the quality of teaching and learning which fuels a virtuous cycle of ambition and achievement. Staff are developing in confidence with regards to using data to inform their planning.

Communication with parents is extensive and regular. The most recent Ofsted inspection in November 2016 concluded: "The senior leadership team have created a positive culture and driven rapid change across the school."



## **Tytherington School**

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

#### **Strategic Report**

##### ***Key performance indicators***

In common with secondary schools within Cheshire East Tytherington School faces declining pupil numbers and therefore a challenging budget situation. Since conversion to Academy the school has made a number of redundancies to reduce staffing costs. The Governors commit to:

- a) not setting a deficit budget
- b) monitoring staffing costs against total income and actively taking steps to further reduce these as opportunities present
- c) to improve the Academy's shorter term liquidity
- d) to seek capital investment.

##### ***Going concern***

After making appropriate enquiries, the Governing Body 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***

Most of the school's income is obtained from the EFA in the form of its General Annual Grant (GAG), the use of which is restricted for particular purposes i.e. the objectives of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The remaining reserves will be allocated and spent as part of the School Development Plan to update, improve and maintain facilities and resources. A capital spending plan has been completed detailing the short, medium and long term needs and plans of the School for which reserves will be allocated and determined in order of priority.

Included within restricted funds at 31 August 2017 is the Local Government Pension Scheme deficit of £1,855k. The pension deficit is viewed as a long term debt and annual contributions are adjusted as necessary to mitigate the risk and reduce the deficit.

##### ***Reserves policy***

The Governors review the reserve levels of the Academy annually. This review encompasses the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's Reserves Policy states that it is proposed that £200k is held in reserve for cash-flow, uncertainties and non-capital future plans and another £300k is held as a capital fund giving £500k in total. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted pension funds) is £207k

##### ***Investment policy***

Since converting to an academy Tytherington School has managed its cash balances to provide for the day-to-day working capital requirements of its operations. Under the Memorandum and Articles of Association, the Academy Trust has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. To date there have not been surplus funds to invest.

## **Tytherington School**

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

#### **Strategic Report**

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

The main risk and uncertainty is the risk that the Academy will not attract enough new students each year, which would reduce future income. This risk is being mitigated by excellent exam results meaning that parents want to send their children to Tytherington School and by forming strong links with Primary Schools to ensure potential students are aware of the benefits coming to Tytherington School. This approach has been successful and our student numbers are increasing.

##### ***Plans for future periods***

The trustees plan to continue to develop the Academy as the secondary school of choice in the area.

## **Tytherington School**

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

#### **Funds held as Custodian Trustee on behalf of others**

At 31 August 2017 Tytherington School holds the following money as trustees, which are shown as Creditors in our balance sheet:

- Fair Access Provision Fund – This is a fund whose objective is to provide fair access to education for disadvantaged children. During September 2017, the trustees, who are the Headteachers of the four secondary schools in Macclesfield, have decided that this fund should be paid to The Fermain Academy to assist them developing their provision for Years 7 and 8.
- Tytherington Partnership – This is a fund to assist Tytherington School's feeder Primary Schools with their liaison with Tytherington School.

#### **Auditor**

In so far 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.

#### **Reappointment of auditor**

Beever and Struthers Chartered Accountants are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continued in force under the Companies Act 2006.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the board of trustees on 31/10/17 and signed on its behalf by:

2.2  
.....  
Mr Emmanuel Botwe  
Head Teacher

Jane Stephens  
.....  
Mrs Jane Stephens  
Member

## Tytherington School

### Governance Statement

#### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Tytherington 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 Mr Emmanuel Botwe, 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 Tytherington 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Emmanuel Botwe	4	4
Dr Michael Brown	3	4
Mr Jason Gaunt	4	4
Mrs Jane Stephens	4	4
Mr David Sussex	3	4
Mrs Ethel Knight	4	4
Dr David Laffan	4	4
Mr Alan Ogden	4	4
Mr Trevor Langston	4	4
Mr Simon Preston	4	4
Mr Adam Brown	3	3
Mr Stephen Acreman	3	3
Mr Ken Gilliver	1	1
Dr Peter Simpson	1	1
Ms Sarah Bird	1	1

#### Governance reviews

A review of Governance was carried out when the school became an academy. As a result the four separate governor committees were combined into two committees:

- o Standards/outcomes
- o Finance and Resources Committee

The committees are formally constituted with terms of reference which are reviewed annually. The Governors intend to review the Governance structure annual in subsequent years.

## **Tytherington School**

### **Governance Statement (continued)**

#### **Finance and Resources Committee**

The Finance and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to provide guidance and assistance to the Headteacher and the governing body in all matters relating to budgeting, finance, and premises management/development and internal control financial control. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Emmanuel Botwe	4	4
Dr David Laffan	4	4
Mr Alan Ogden	4	4
Mrs Jane Stephens	4	4
Mr David Sussex	3	4
Mr Adam Brown	3	3
Mr Ken Gilliver	2	2
Ms Sarah Bird	1	1

#### **Review of value for money**

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

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

- Implementing the "Show My Homework" system to enable students and parents to access homework online
- Improving the IT environment with more modern computers and new servers resulting in a faster, more stable and reliable IT environment, which saves students and staff time.
- Implementing a new payroll system from April 2017 and electronic personnel files to reduce costs and improve service.
- Replacing the school's printing, copying and scanning equipment with higher quality, faster multi-function printer at a cheaper cost resulting in significant time savings for students and staff and the ability to print prospectuses and posters in house.

The academy trust plans to deliver the following value for money in future:

- Implementing a "Thursdays Electives Programme" from September 2017 to provide students with more learning opportunities.
- Replacing the old roofs in the school, paid by a grant from the Government's Capital Improvement Fund.
- Implementing a new accounting system from September 2017 which runs in the cloud, is cheaper and easier to use and is more "MAT ready".
- Various network infrastructure improvements such as a new broadband network with two outside lines to provide resilience enabling more systems to be moved to the cloud; a new firewall to control access to web sites by students and staff; and a new web based telephone system which will be "MAT ready".
- Considering more staff wellbeing services, such as flu injections for staff and personal development training.

## **Tytherington School**

### **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 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 Tytherington School for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

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

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Beever and Struthers as internal auditor

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Risk
- Purchases
- Bank
- Governance
- Income
- Contingency and business continuity
- Financial information
- Fraud
- Payroll
- Fixed assets

At the year end the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees's financial responsibilities.

## Tytherington School

### Governance Statement (continued)

There were no material control or other issues reported by the internal auditor to date.

#### Review of Effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 30/11/17 and signed on its behalf by:

2-2<sup>1</sup>  
.....  
Mr Emmanuel Botwe  
Accounting officer  
Head Teacher  
Governor

## **Tytherington School**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Tytherington 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.

7.21

.....  
Mr Emmanuel Botwe  
Accounting officer

Date: 30/11/17



## Tytherington School

### Statement of Trustees' Responsibilities

The Trustees (who act as the governors of Tytherington School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published 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:

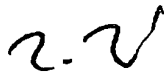
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 on 20/11/17 and signed on its behalf by:



.....  
Mr Emmanuel Botwe  
Head Teacher

## **Tytherington School**

### **Independent Auditor's Report on the Financial Statements to the Members of Tytherington School**

#### **Opinion**

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including 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 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The Trustees (who are also the directors of the academy trust for the purposes of company law) 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 other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Tytherington School**

### **Independent Auditor's Report on the Financial Statements to the Members of Tytherington School (continued)**

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 (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report.

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 15], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **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.

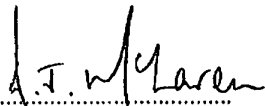
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

## **Tytherington School**

### **Independent Auditor's Report on the Financial Statements to the Members of Tytherington School (continued)**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Mr Andrew J McLaren (Senior Statutory Auditor)

For and on behalf of Beever and Struthers Chartered Accountants, Statutory Auditor

St. Georges House  
215-219 Chester Road  
Manchester  
M15 4JE

Date: 30 November 2017

## **Tytherington School**

### **Independent Reporting Accountant's Report on Regularity to Tytherington School and the Education and Skills Funding Agency**

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

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

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the board of trustees's funding agreement with the Secretary of State for Education dated 27 March 2014 and the Academies Financial Handbooks extant from 1 September 2014 and 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 Directions 2014 and 2015. 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 from 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

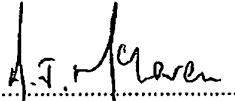
- Review and testing of the financial internal control systems
- Sample testing of transactions
- Discussions with management

#### **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 from 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Tytherington School**

**Independent Reporting Accountant's Report on Regularity to Tytherington School and  
the Education and Skills Funding Agency (continued)**



Mr Andrew J McLaren

For and on behalf of Beever and Struthers Chartered Accountants, Chartered Accountants

St. Georges House  
215-219 Chester Road  
Manchester  
M15 4JE

Date: 30 November 2017

# Tytherington School

## Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2017 £ 000	Total 2016 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	168	-	972	1,140	114
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	5,104	-	5,104	5,353
Other trading activities	4	108	-	-	108	97
Total		<u>276</u>	<u>5,104</u>	<u>972</u>	<u>6,352</u>	<u>5,564</u>
<b>Expenditure on:</b>						
Raising funds	5	160	-	-	160	90
<i>Charitable activities:</i>						
Academy trust educational operations	6	<u>21</u>	<u>5,320</u>	<u>400</u>	<u>5,741</u>	<u>5,869</u>
Total		<u>181</u>	<u>5,320</u>	<u>400</u>	<u>5,901</u>	<u>5,959</u>
Net income/(expenditure)		95	(216)	572	451	(395)
Transfers between funds		(34)	4	30	-	-
<b>Other recognised gains/(losses):</b>						
Actuarial gains on defined benefit pension schemes	21	<u>-</u>	<u>502</u>	<u>-</u>	<u>502</u>	<u>(703)</u>
Net movement in funds/(deficit)		61	290	602	953	(1,098)
<b>Reconciliation of funds</b>						
Total funds/(deficit) brought forward at 1 September 2016		<u>146</u>	<u>(2,145)</u>	<u>14,261</u>	<u>12,262</u>	<u>13,360</u>
Total funds/(deficit) carried forward at 31 August 2017		<u>207</u>	<u>(1,855)</u>	<u>14,863</u>	<u>13,215</u>	<u>12,262</u>

# Tytherington School

(Registration number: 08920320)  
Balance Sheet as at 31 August 2017

	Note	2017 £ 000	2016 £ 000
<b>Fixed assets</b>			
Tangible assets	10	13,961	14,254
<b>Current assets</b>			
Debtors	11	918	109
Cash at bank and in hand		490	392
		1,408	501
Creditors: Amounts falling due within one year	12	(299)	(303)
Net current assets		1,109	198
Total assets less current liabilities		15,070	14,452
Net assets excluding pension liability		15,070	14,452
Pension scheme liability	21	(1,855)	(2,190)
Net assets including pension liability		13,215	12,262
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		-	45
Restricted fixed asset fund		14,863	14,261
Restricted pension fund		(1,855)	(2,190)
		13,008	12,116
<b>Unrestricted funds</b>			
Unrestricted general fund		207	146
Total funds		13,215	12,262

The financial statements on pages 21 to 42 were approved by the Trustees, and authorised for issue on 30/11/17 and signed on their behalf by:

2.2  
.....  
Mr Emmanuel Botwe  
Head Teacher



**Tytherington School**

**Statement of Cash Flows for the Year Ended 31 August 2017**

	Note	2017 £ 000	2016 £ 000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	17	(767)	112
<b>Cash flows from financing activities</b>	18	<u>865</u>	<u>2</u>
<b>Change in cash and cash equivalents in the year</b>		98	114
<b>Cash and cash equivalents at 1 September</b>		<u>392</u>	<u>278</u>
<b>Cash and cash equivalents at 31 August</b>	19	<u><u>490</u></u>	<u><u>392</u></u>

## **Tytherington School**

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

#### **1 Accounting policies**

##### **Statement of 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.

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

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.

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

##### **Going concern**

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

##### **Income**

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

##### **Grants**

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

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

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

## **Tytherington School**

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

#### **1 Accounting policies (continued)**

##### ***Sponsorship income***

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

##### ***Donations***

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

##### ***Other income***

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

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

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

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

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

##### ***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.

All resources expended are inclusive of irrecoverable VAT.

##### ***Expenditure on raising funds***

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### ***Charitable activities***

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

## **Tytherington School**

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

#### **1 Accounting policies (continued)**

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

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 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. 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 each asset over its expected useful lives, per the table below.

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

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Buildings	2% straight line
Furniture and equipment	20% reducing balance
Computer equipment	25% reducing balance

##### **Liabilities**

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

##### **Provisions**

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

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

##### **Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

##### **Financial Instruments**

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

## **Tytherington School**

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

#### **1 Accounting policies (continued)**

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Pension benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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 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.

## Tytherington School

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 1 Accounting policies (continued)

##### Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 Education and Skills Funding Agency/Department for Education/sponsor/other funders 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/donor and include grants from the Education and Skills Funding Agency/Department for Education.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 2 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2017 £ 000	Total 2016 £ 000
Educational trips and visits	162	-	162	88
Capital grants	-	972	972	23
Other donations	6	-	6	3
	<u>168</u>	<u>972</u>	<u>1,140</u>	<u>114</u>

# Tytherington School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	Total 2017 £ 000	Total 2016 £ 000
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	4,808	4,808	5,079
Other DfE/ESFA grants	171	171	159
	<u>4,979</u>	<u>4,979</u>	<u>5,238</u>
<b>Other Government grants</b>			
Local authority grants	125	125	115
Total grants	<u>5,104</u>	<u>5,104</u>	<u>5,353</u>

### 4 Other trading activities

	Unrestricted funds £ 000	Total 2017 £ 000	Total 2016 £ 000
Hire of facilities	76	76	76
Catering income	9	9	-
Other sales	23	23	21
	<u>108</u>	<u>108</u>	<u>97</u>

### 5 Expenditure

	Non Pay Expenditure			Total 2017 £ 000	Total 2016 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	-	-	160	160	90
<b>Academy's educational operations</b>					
Direct costs	3,620	400	305	4,325	4,618
Allocated support costs	866	247	303	1,416	1,251
	<u>4,486</u>	<u>647</u>	<u>768</u>	<u>5,901</u>	<u>5,959</u>

# Tytherington School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 6 Charitable activities

		<b>Total 2017 £ 000</b>	<b>Total 2016 £ 000</b>
Direct costs - educational operations		4,325	4,618
Support costs - educational operations		<u>1,416</u>	<u>1,251</u>
		<u>5,741</u>	<u>5,869</u>
	<b>Educational operations £ 000</b>	<b>Total 2017 £ 000</b>	<b>Total 2016 £ 000</b>
<b>Analysis of support costs</b>			
Support staff costs	866	866	663
Technology costs	-	-	33
Premises costs	247	247	249
Other support costs	293	293	295
Governance costs	<u>10</u>	<u>10</u>	<u>11</u>
Total support costs	<u>1,416</u>	<u>1,416</u>	<u>1,251</u>



# Tytherington School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 7 Staff

#### Staff costs

	2017 £ 000	2016 £ 000
<b>Staff costs during the year were:</b>		
Wages and salaries	3,375	3,572
Social security costs	302	252
Operating costs of defined benefit schemes	716	609
Apprenticeship levy	1	-
	<u>4,394</u>	<u>4,433</u>
Supply teacher costs	50	28
Staff restructuring costs	42	50
	<u>4,486</u>	<u>4,511</u>
	2017 £ 000	2016 £ 000

#### Staff restructuring costs comprise:

Redundancy payments	32	34
Severance payments	<u>10</u>	<u>16</u>
	<u>42</u>	<u>50</u>

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs was one non-statutory/non-contractual severance payment totalling £10,000 (2016: £16,000).

#### Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2017 No	2016 No
<b>Charitable Activities</b>		
Teachers	53	59
Administration and support	49	48
Management	<u>7</u>	<u>8</u>
	<u>109</u>	<u>115</u>

## Tytherington School

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 7 Staff (continued)

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2017 No	2016 No
£60,001 - £70,000	1	1
£80,001 - £90,000	<u>1</u>	<u>1</u>

#### 8 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

Mrs Caroline Brennan (Staff trustee):

Remuneration: £5,000 - £10,000 (2016 - £50,000 - £55,000)

Employer's pension contributions: £0 - £5,000 (2016 - £10,000 - £15,000)

Mrs Jacqueline Timms (Staff trustee):

Remuneration: £0 - £5,000 (2016 - £15,000 - £20,000)

Employer's pension contributions: £0 - £5,000 (2016 - £0 - £5,000)

Mr Emmanuel Botwe (Headteacher and trustee):

Remuneration: £80,000 - £85,000 (2016 - £80,000 - £85,000)

Employer's pension contributions: £10,000 - £15,000 (2016 - £10,000 - £15,000)

Mr Adam Brown (Staff trustee):

Remuneration: £10,000 - £15,000 (2016 - £Nil)

Employer's pension contributions: £0 - £5,000 (2016 - £Nil)

Mr Stephen Acreman (Staff trustee):

Remuneration: £20,000 - £25,000 (2016 - £Nil)

Employer's pension contributions: £0 - £5,000 (2016 - £Nil)

Other related party transactions involving the trustees are set out in note 22.

#### 9 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 £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

# Tytherington School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 10 Tangible fixed assets

	Freehold land and buildings £ 000	Freehold land and buildings under construction £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
<b>Cost</b>					
At 1 September 2016	14,037	-	1,191	141	15,369
Additions	20	57	3	27	107
At 31 August 2017	14,057	57	1,194	168	15,476
<b>Depreciation</b>					
At 1 September 2016	577	-	457	81	1,115
Charge for the period	239	-	144	17	400
At 31 August 2017	816	-	601	98	1,515
<b>Net book value</b>					
At 31 August 2017	13,241	57	593	70	13,961
At 31 August 2016	13,460	-	734	60	14,254

### 11 Debtors

	2017 £ 000	2016 £ 000
Trade debtors	16	21
VAT recoverable	32	15
Other debtors	3	1
Prepayments	106	38
Accrued grant and other income	761	34
	918	109

# **Tytherington School**

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

### **12 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Trade creditors	134	47
Other creditors	101	195
Accruals	31	48
Deferred income	33	13
	<u>299</u>	<u>303</u>
		<b>2017</b>
		<b>£ 000</b>

### **Deferred income**

Deferred income at 1 September 2016	13
Resources deferred in the period	33
Amounts released from previous periods	<u>(13)</u>
Deferred income at 31 August 2017	<u>33</u>

At the balance sheet date the academy trust was holding funds received in advance for school trips taking place in 2017/18.

# Tytherington School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 13 Funds

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(6)	4,808	(4,806)	4	-
Other ESFA/DFE grants	-	171	(171)	-	-
LA grants	-	125	(125)	-	-
Other restricted funds	51	-	(51)	-	-
	<u>45</u>	<u>5,104</u>	<u>(5,153)</u>	<u>4</u>	<u>-</u>
<b>Restricted pension fund</b>					
LGPS	(2,190)	-	42	293	(1,855)
<b>Total restricted general funds</b>	<u>(2,145)</u>	<u>5,104</u>	<u>(5,111)</u>	<u>297</u>	<u>(1,855)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	14,205	-	(400)	-	13,805
Capital grants	56	972	-	30	1,058
	<u>14,261</u>	<u>972</u>	<u>(400)</u>	<u>30</u>	<u>14,863</u>
<b>Total restricted funds</b>	12,116	6,076	(5,511)	327	13,008
<b>Unrestricted funds</b>					
Unrestricted general funds	146	276	(181)	(34)	207
<b>Total funds</b>	<u>12,262</u>	<u>6,352</u>	<u>(5,692)</u>	<u>293</u>	<u>13,215</u>

### 14 Analysis of net assets between funds

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	13,961	13,961
Current assets	506	-	902	1,408
Current liabilities	(299)	-	-	(299)
Pension scheme liability	-	(1,855)	-	(1,855)
<b>Total net assets</b>	<u>207</u>	<u>(1,855)</u>	<u>14,863</u>	<u>13,215</u>

## Tytherington School

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 15 Capital commitments

	2017 £ 000
Contracted for, but not provided in the financial statements	<u>902</u>

#### 16 Commitments under operating leases

##### *Operating leases*

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

	2017 £ 000	2016 £ 000
Amounts due within one year	34	14
Amounts due between one and five years	<u>105</u>	<u>-</u>
	<u>139</u>	<u>14</u>

## Tytherington School

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 17 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2017 £ 000	2016 £ 000
Net income/(expenditure)	451	(395)
Depreciation	400	419
Capital grants from DfE and other capital income	(972)	(23)
Defined benefit pension scheme cost less contributions payable	122	(1)
Defined benefit pension scheme finance cost	45	53
(Increase)/decrease in debtors	(809)	26
(Decrease)/increase in creditors	(4)	33
Net cash (outflow)/inflow from operating activities	<u>(767)</u>	<u>112</u>

#### 18 Cash flows from investing activities

	2017 £ 000	2016 £ 000
Purchase of tangible fixed assets	(107)	(21)
Capital grants from DfE/ESFA	972	23
Net cash provided by investing activities	<u>865</u>	<u>2</u>

#### 19 Analysis of cash and cash equivalents

	At 31 August 2017 £ 000	At 31 August 2016 £ 000
Cash at bank and in hand	490	392
Total cash and cash equivalents	<u>490</u>	<u>392</u>

#### 20 Members' liability

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

## **Tytherington School**

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

#### **21 Pension and similar obligations**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council. Both are multi-employer defined benefit schemes.

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

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

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £385,000 (2016: £419,000).

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

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



## Tytherington School

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 21 Pension and similar obligations (continued)

##### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £226,000 (2016 - £222,000), of which employer's contributions totalled £181,000 (2016 - £176,000) and employees' contributions totalled £45,000 (2016 - £46,000). The agreed contribution rates for future years are per cent for employers and per cent 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 31 August 2017 %	At 31 August 2016 %
Rate of increase in salaries	2.70	3.10
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	<u>2.50</u>	<u>2.00</u>

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

	At 31 August 2017	At 31 August 2016
<b>Retiring today</b>		
Males retiring today	22.30	22.30
Females retiring today	24.50	24.40
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.90	24.10
Females retiring in 20 years	<u>26.50</u>	<u>26.70</u>

The actual return on scheme assets was £81,000 (2016 - £224,000).

The Academy Trust's share of the assets in the scheme were:

	At 31 August 2017 £ 000	At 31 August 2016 £ 000
Equities	1,115	1,200
Corporate bonds	504	230
Property	126	108
Cash and other liquid assets	<u>54</u>	<u>-</u>
Total market value of assets	<u>1,799</u>	<u>1,538</u>

# Tytherington School

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 21 Pension and similar obligations (continued)

#### Amounts recognised in the statement of financial activities

	2017 £ 000	2016 £ 000
Current service cost	(108)	(1)
Past service cost	(14)	-
Interest income	33	44
Interest cost	(78)	(97)
Total amount recognised in the SOFA	<u>(167)</u>	<u>(54)</u>

#### Changes in the present value of defined benefit obligations were as follows:

	2017 £ 000	2016 £ 000
At start of period	3,728	2,503
Current service cost	289	199
Interest cost	78	97
Employee contributions	46	46
Actuarial (gain)/loss	(454)	883
Benefits paid	(47)	-
Past service cost	14	-
At 31 August	<u>3,654</u>	<u>3,728</u>

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

	2017 £ 000	2016 £ 000
At start of period	1,538	1,070
Interest income	33	44
Actuarial gain/(loss)	48	180
Employer contributions	181	198
Employee contributions	46	46
Benefits paid	(47)	-
At 31 August	<u>1,799</u>	<u>1,538</u>

### 22 Related party transactions

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

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 8.