

Company Registration No. 07962216 (England and Wales)

**ISLEWORTH AND SYON SCHOOL FOR BOYS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**



# **ISLEWORTH AND SYON SCHOOL FOR BOYS**

## **CONTENTS**

---

	<b>Page</b>
Reference and administrative details	1 - 2
Governors' report	3 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of Governors' responsibilities	16
Independent auditor's report on the financial statements	17 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities including income and expenditure account	22 - 23
Balance sheet	24
Statement of cash flows	25
Notes to the financial statements including accounting policies	26 - 44

---

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Governors

Mrs V Smith (Chair)  
Mr F E Ferguson (Accounting Officer)  
Dr I Turner  
Mrs S Dixon  
Dr R Gardner  
Mrs C Gower  
Mrs E Ireland  
Mr M King  
Mr R O'Neill  
Mr A Smith  
Dr E Tomlinson  
Mr R Lightfoot  
Ms S Hannon

### Members

Mrs V Smith  
Dr I Turner  
Mr E Ferguson

### Senior leadership team

Mr F E Ferguson	- Headteacher
Ms L Simms	- Deputy Headteacher
Mr S Fisher	- Deputy Headteacher
Miss J Higginbottom	- Deputy Headteacher
Mr J Doyle	- Assistant Headteacher
Mr M Dargan	- Assistant Headteacher
Mrs L Clayton	- Assistant Headteacher

### Company registration number

07962216 (England and Wales)

### Registered office

Isleworth and Syon School for Boys  
Ridgeway Road  
Isleworth  
London  
TW7 5LJ

### Independent auditor

Wilkins Kennedy LLP  
Gladstone House  
77-79 High Street  
Egham  
Surrey  
TW20 9HY

### Bankers

Lloyds Bank  
PO Box 1000  
Andover  
Hampshire  
BX1 1LT

# **ISLEWORTH AND SYON SCHOOL FOR BOYS**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

---

### **Solicitors**

Browne Jacobson LLP  
77 Gracechurch Street  
City of London  
EC3V 0AS

# **ISLEWORTH AND SYON SCHOOL FOR BOYS**

## **GOVERNORS' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2017***

---

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

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The Academy Trust operates an academy for pupils aged 11 to 18 servicing a catchment area in Hounslow (Osterley & Spring Grove Ward), West London. It has a pupil capacity of 1,000 and had a roll of 979 in the school census on 14/10/2016.

#### **Structure, governance and management**

##### Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 07962216) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The charitable company is known as Isleworth and Syon School for Boys, was incorporated on 23 February 2012 and obtained Academy status from 1 March 2012.

The Governors are the trustees of Isleworth and Syon School for Boys and are also the directors of the charitable company for the purposes of company law. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Governors' indemnities

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim; the cost for the insurance could not be separated out.

# **ISLEWORTH AND SYON SCHOOL FOR BOYS**

## **GOVERNORS' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2017***

---

#### Method of recruitment and appointment or election of Governors

The members of the Academy Trust shall comprise the signatories to the Memorandum, 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose, the Chairman of the Governors and any person appointed under Article 16.

The number of Governors shall be not less than 3, but shall not be subject to a maximum. The first Governors shall be those named in the initial Memorandum. The Academy Trust shall have the following Governors; up to 11 Governors; 2 Staff Governors, 1 LA Governor; 4 parent Governors; the Headteacher, any Additional Governors if appointed under Article 62, 62A or 68A; and any Further Governors if appointed under Article 63 or Article 68A. The Academy may also have up to 3 Co-opted Governors, a person who is appointed to be a governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed one third of the total number of Governors (including the Headteacher).

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

#### Policies and procedures adopted for the induction and training of Governors

During the year under review the Governors held 3 meetings. The training and induction provided for new Governors will depend on their existing experience. All new Governors are given a tour of the Academy and the chance to meet with staff and students. All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

#### Organisational structure

The structure consists of three levels: the Governors, Senior Leadership Team and Curriculum Leaders and Pastoral Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team are the Headteacher, Deputy Headteachers and Assistant Headteachers. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for middle and senior leader posts will contain a Governor(s). Some spending control is devolved to Middle Leaders (Curriculum and Pastoral Leaders), with limits above which a Senior Leader must countersign.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

There are no paid Governors, bar those members of staff that work for the Academy and serve on the Board of Governors. The Senior Leadership Team have their pay scales set on the Leadership Spine (Outer London) in accordance with the Academy's Pay Policy. They are subject to the Academy's appraisal procedures and will be required to contribute to the leadership and management of the Academy. Each member of the senior leadership team has a minimum of three objectives during each academic year. These will be related to Academy objectives and/or the job description of the individual.

Pay progression, where applicable, is determined by the Pay Committee following the submission of evidence via appraisal reports. The Headteacher is similarly subject to an appraisal process, which, where possible, makes use of an external advisor to governors. Recommendations are then made to the Pay Committee should there be any pay progression.

### Related parties and other connected charities and organisations

There were no organisations connected with the Academy trust in the year under review. No related party transactions took place.

### **Objectives and activities**

#### Objects and aims

Isleworth and Syon School for Boys is a mixed 11-18 comprehensive school, which sees its rich cultural heritage as perhaps the most important of its many strengths. It is truly an international school. It fosters a genuine sense of respect for the individual alongside an appreciation of the culture and beliefs of others.

The principal object of the Academy is specifically restricted to the following: to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum being Isleworth and Syon School for Boys.

#### Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2017 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all students;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Isleworth & Syon School for Boys community values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit Isleworth and Syon School for Boys.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

Students will be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at school. They will be independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers will enthuse and inspire others to explore new ideas.

Parents will fulfill their roles as true partners, recognising their role in the student - school - parent partnership to ensure that their child realises their potential.

Governors will contribute to the life of the school on a wider scale, acting as critical friends to support the school in becoming a nationally recognised centre of excellence.

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

The Academy complies fully with DDA regulations and is equipped to welcome and/or teach any child or adult with a disability.

### Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the Academy Trust's aim and objectives and in planning future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set. The Academy is a non-selective school; boys are admitted into Year 7 against published admission criteria. The order of priority is: looked after boys; medical/social reasons; sibling; parents who wish their son to be educated in a single sex school; distance of residence from the Academy.

## **Strategic report**

### **Achievements and performance**

The GCSE exam results in the summer of 2017 (academic year 2016-17) maintained the level of results over the past years. The performance of students at Advanced Level and in post-16 vocational courses was also very encouraging.

The GCSE cohort that completed examinations in the summer achieved well. The headline performance indicator for 'Progress 8', the new government standard is approximately 0.46 against a national average for boys of -0.24. This is an encouraging measure for the school as it shows that boys make positive progress and are well above the progress made by boys nationally.

Over 65% of the students were awarded a Grade 4 or above in both English and Mathematics. It is clear that these measures will be 'significantly above' national data in terms comparisons to boys only.

In English Language and in Maths, the students attained a rate of C passes 14% above national expectation for boys. In maths the difference was 10%.

In the Sixth Form another set of encouraging results were attained by the students. 25% of all grades were at A\*/A and nearly 50% at A\*-B. Progress at Advanced Level continues to be above the national benchmarks. Students taking a Level 3 vocational course in Sport, Business or IT gained 98% of grades at Distinction or Distinction\* level.



# ISLEWORTH AND SYON SCHOOL FOR BOYS

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### Key Performance Indicators

#### Strategic Aim - Achievement

Key Stage 4	Target	Outcome
Attainment 8	4.79	4.75
Progress 8	0.29	0.17
EBacc	10%	12%
5A*-A	4%	19%

#### Strategic Aim – Teaching & Learning

Outstanding Progress and Outcomes – the aim is to ensure that all students at the end of the key stage make outstanding progress. Highly ambitious targets have been set in this regard and this has contributed to progress that is at least good.

Independent Learning – good progress has been made at improving independent learning both within lessons and whilst working at home.

Excellent Attendance and Punctuality – students in Years 7-11 achieved attendance above national benchmarks and above the target of 96%.

#### Leadership & Management

Financial – cuts have had to be made to the Academy's staffing this year in order to attain a near balanced budget. This is due to the decrease in real terms funding to the Academy.

Succession Planning – a comprehensive plan for succession has been undertaken.

#### Resources

Staffing – the Academy is fully staffed which has been important in the light of significant difficulties in recruiting and retaining staff in West London.

Environment - planning a new £7m school build has been successful. The project is nearing completion.

The Academy had an Ofsted visit in early 2017 and maintained the 'good' status. Challenge Partners reviewed the Academy, made judgements against only boys' results notionally, and judged the Academy as 'outstanding'.

#### Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future, although funding projections for the two years ahead will require some significant consideration of how to achieve a balanced budget. For this reason the Board of Governors 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.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### Financial review

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

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

During the year ended 31 August 2017, total expenditure of £7,205k (2016: £7,486k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £36k (2016: £322k excess expenditure over income).

At 31 August 2017, the net book value of fixed assets was £17,439k (2016: £17,703k). Movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The London Borough of Hounslow Pension Fund, in which the Academy participates, showed a deficit of £3,486k at 31 August 2017 (2016: £3,411k). Of this sum, £884k was inherited by Isleworth and Syon School for Boys from the London Borough of Hounslow on 1 August 2012, the date the local authority's staff transferred to employment with the Academy.

The Academy held fund balances at 31 August 2017 of £16,176k (2016: £15,992k) comprising £14,724k (2016: £14,771k) of restricted funds and £1,452k (2016: £1,221k) of unrestricted general funds. Of the restricted funds, £17,655k (2016: £17,703k) is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £3,486k (2016: £3,411k) in deficit.

#### Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £525k (2016: £546k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves of £1,452k (2016: £1,221k) (total funds less the amount held in fixed assets and restricted funds). The Governors expect the excess of general unrestricted funds to reduce in the coming years.

The Academy's restricted pension reserve was £3,486k (2016: £3,411k) in deficit as at 31 August 2017. This deficit is not an immediate liability of the Academy. Instead, the deficit will be met through increased pension contributions on behalf of staff in the future.

#### Investment policy and powers

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Governors have introduced systems, including operational procedures internal and financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 13.

The financial risks to which Isleworth and Syon School for Boys is exposed to relates primarily to:

- Change in government and legislation
- Potential of reduced funding and cash flow
- Reduction in student numbers

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £3,486k (2016: £3,411k).

The principal risks and uncertainties that Isleworth and Syon School for Boys faces are mitigated by the risk management process that the academy trust has in place.

### **Plans for future periods**

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure that students access places in Higher Education, training or enter the employment market.

The Academy knows its strengths and weaknesses based on continual self-assessment and external validation, through subject visits or partnerships. The Academy is well used to formulating developments. The School Strategic Plan is succinct and well-focussed on key developmental areas. Subject areas also assess their outcomes and plan developments accordingly.

Subject areas that are underperforming are challenged and supported so that improvements are made. Colleagues that require support to improve their own professional practice are similarly challenged and supported. Interventions for students are thorough, although these are being modified to focus even more clearly of key strategic areas for improvement.

The culture is one of openness and senior staff and teaching staff are clear about the need to collaborate and commit to their own professional development.

Currently the Academy is planning for growth as the local population is expanding rapidly at primary level and is due to impact at secondary level from 2018 onwards. A key focus is on a master planning exercise and ensuring that the school buildings are in a suitable state to accommodate extra numbers.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

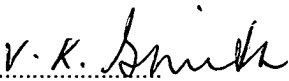
### **Auditor**

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors 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.

A resolution proposing that Wilkins Kennedy LLP be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 23.11.17 and signed on its behalf by:



Mrs V Smith

**Chair**

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Isleworth And Syon School For Boys 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 Governors has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Isleworth And Syon School For Boys and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 3 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mrs V Smith (Chair)	3	3
Mr F E Ferguson (Accounting Officer)	3	3
Dr I Turner	3	3
Mrs S Dixon	2	2
Dr R Gardner	3	3
Mrs C Gower	3	3
Mrs E Ireland	2	2
Mr M King	2	3
Mr R O'Neill	2	3
Mr A Smith	3	3
Dr E Tomlinson	2	3
Mr R Lightfoot	2	2
Ms S Hannon	2	2

Membership of the Board of Governors remained steady throughout the year ended 31 August 2017.

The Board of Governors conducted a skills audit during the financial year and no significant skills gaps were identified.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

The Finance Committee is a sub-committee of the main governing body. This was converted to being a Resources Committee in the spring term of the academic year. The committee did not meet in the autumn term due to unavailability of Governors, however, financial scrutiny took place following the receipt of the audit report at the full governing body meeting. The role of the Resources Committee is to ensure that the Academy manages its finances in a way that fulfils the criteria of its Funding Agreement with the EFA. The Committee regularly scrutinises and monitors the budget income and expenditure and procurement practices, and ensures that Value for Money is achieved at all times. The Resources Committee also fulfils the role of the Audit Committee.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mrs V Smith (Chair)	3	3
Mr F E Ferguson (Accounting Officer)	3	3
Dr I Turner	3	3
Mrs S Dixon	3	3
Dr R Gardner	3	3
Mr R O'Neill	2	3
Mr A Smith	3	3

### Review of value for money

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

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

- Data analysis and student tracking tools have been used to successfully target areas of strength and weakness, enabling them to focus deployment of staff and resources to maximum effect. The structure of the senior team has been amended this year to reflect developments and to ensure the retention of the best leaders.
- The Academy has continued to employ a number of additional teachers to provide one to one and small group support, to raise levels of attainment for those who need 'catch-up' programmes. The use of the pupil premium funding has been carefully considered.
- The Academy has continued to collaborate with other local schools to plan, in a strategic manner, the expansion of local school places. This has involved considerable time to contribute to a bid for a new Free School in the area and to the production of a Masterplan and feasibility study for our own school's expansion.
- As founding members of the 'Challenge Partners' we gain significant 'academic capital' from sharing best practice. The opportunity to be reviewed by external sources and to visit other schools has allowed us to reflect on our own practice.
- The Academy has continued in membership of the PiXL Club, whose aim is to support the promotion of excellence for pupils. Teachers, Heads of Faculty, and members of the Senior Leadership Team have attended training sessions, workshops and network meetings to share good practice and expertise.
- All contracts and services are regularly appraised and robust negotiations take place to ensure best value, in terms of quality and cost effectiveness. For example, considerable savings were made this year by employing a new broker for school insurance.
- The Board of Governors' Finance Committee regularly scrutinise the financial records of the Academy, and ensure that procedures have been correctly carried out. They report termly to the meeting of the Academy Trust Board.

# **ISLEWORTH AND SYON SCHOOL FOR BOYS**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### **The purpose of the system of internal control**

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

### **Capacity to handle risk**

The Board of Governors 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 Governors 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 period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

### **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 Governors;
- 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;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and have appointed Wilkins Kennedy LLP, to complete the internal audit function.

Wilkins Kennedy LLP's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

The internal audit role is carried out by a separate office at Wilkins Kennedy LLP with no connection to the external audit team, this is to ensure the reviews are carried out independently.

On an annual basis, Wilkins Kennedy LLP reports to the Governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities

The internal auditor delivered their schedule of work as planned and no material control issues were noted.

### **Review of effectiveness**

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

- the work of the internal auditors;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

Approved by order of the Board of Governors on 23.11.17 and signed on its behalf by:



Mrs V Smith  
Chair



Mr F E Ferguson  
Accounting Officer



# ISLEWORTH AND SYON SCHOOL FOR BOYS

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

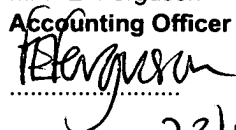
---

As Accounting Officer of Isleworth and Syon School for Boys I have considered my responsibility to notify the Academy Trust Board of Governors 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's Board of Governors 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 Governors and ESFA.

Mr F E Ferguson  
Accounting Officer



23/11/2017

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

The Governors (who act as trustees for Isleworth and Syon School for Boys and are also the directors of Isleworth and Syon School for Boys for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the Governors are required to:

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

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

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

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

Approved by order of the Board of Governors on 23.11.17 and signed on its behalf by:



Mrs V Smith  
Chair

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISLEWORTH AND SYON SCHOOL FOR BOYS

---

### Opinion

We have audited the financial statements of Isleworth and Syon School for Boys (the 'Academy Trust') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the '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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Governors 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.

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.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISLEWORTH AND SYON SCHOOL FOR BOYS (CONTINUED)

---

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report including the incorporated 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 the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report, including the incorporated strategic report.

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

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

### **Responsibilities of Governors**

As explained more fully in the Statement of Governors' Responsibilities, the Governors 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 Governors 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 Governors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy Trust, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

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

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISLEWORTH AND SYON SCHOOL FOR BOYS (CONTINUED)

---

### Use of our report

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. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Wilkins Kennedy LLP*

Paul Creasey (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy LLP

*23 November 2017*  
.....

Statutory Auditor  
Chartered Accountants

Gladstone House  
77-79 High Street  
Egham  
Surrey  
TW20 9HY

# **ISLEWORTH AND SYON SCHOOL FOR BOYS**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ISLEWORTH AND SYON SCHOOL FOR BOYS AND THE EDUCATION AND SKILLS FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 25 November 2015 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 Isleworth and Syon School for Boys 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 Isleworth and Syon School for Boys and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Isleworth and Syon School for Boys and 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 Isleworth and Syon School for Boys and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Isleworth and Syon School for Boys's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Isleworth and Syon School for Boys's funding agreement with the Secretary of State for Education dated 1 March 2012 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ISLEWORTH AND SYON SCHOOL FOR BOYS AND THE EDUCATION AND SKILLS 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 period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Wilkins Kennedy LLP*

### Reporting Accountant

Wilkins Kennedy LLP  
Gladstone House  
77-79 High Street  
Egham  
Surrey  
TW20 9HY

Dated: *23 November 2017*

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total 2017 £'000	Total 2016 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	141	-	321	462	168
Charitable activities:						
- Funding for educational operations	4	-	6,401	-	6,401	6,533
Other trading activities	5	324	-	-	324	116
Investments	6	6	-	-	6	3
<b>Total income and endowments</b>		471	6,401	321	7,193	6,820
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	240	6,596	369	7,205	7,486
<b>Total expenditure</b>	7	240	6,596	369	7,205	7,486
<b>Net income/(expenditure)</b>		231	(195)	(48)	(12)	(666)
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	196	-	196	(1,336)
<b>Net movement in funds</b>		231	1	(48)	184	(2,002)
<b>Reconciliation of funds</b>						
Total funds brought forward		1,221	(2,932)	17,703	15,992	17,994
Total funds carried forward		1,452	(2,931)	17,655	16,176	15,992



# ISLEWORTH AND SYON SCHOOL FOR BOYS

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2016		Funds	General	Fixed asset	2016
	Notes	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	134	-	34	168
Charitable activities:					
- Funding for educational operations	4	-	6,533	-	6,533
Other trading activities	5	116	-	-	116
Investments	6	3	-	-	3
<b>Total income and endowments</b>		<u>253</u>	<u>6,533</u>	<u>34</u>	<u>6,820</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	<u>421</u>	<u>6,687</u>	<u>378</u>	<u>7,486</u>
<b>Total expenditure</b>	7	<u>421</u>	<u>6,687</u>	<u>378</u>	<u>7,486</u>
<b>Net expenditure</b>		(168)	(154)	(344)	(666)
Transfers between funds		-	(147)	147	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	19	-	(1,336)	-	(1,336)
<b>Net movement in funds</b>		(168)	(1,637)	(197)	(2,002)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>1,389</u>	<u>(1,295)</u>	<u>17,900</u>	<u>17,994</u>
Total funds carried forward		<u>1,221</u>	<u>(2,932)</u>	<u>17,703</u>	<u>15,992</u>

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## BALANCE SHEET

AS AT 31 AUGUST 2017

		2017	2016
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	12	17,439	17,703
<b>Current assets</b>			
Debtors	14	113	106
Cash at bank and in hand		2,360	1,904
		<u>2,473</u>	<u>2,010</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(250)	(310)
<b>Net current assets</b>		<u>2,223</u>	<u>1,700</u>
<b>Net assets excluding pension liability</b>		<u>19,662</u>	<u>19,403</u>
Defined benefit pension liability	19	(3,486)	(3,411)
<b>Net assets</b>		<u>16,176</u>	<u>15,992</u>
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		17,655	17,703
- Restricted income funds		555	479
- Pension reserve		(3,486)	(3,411)
<b>Total restricted funds</b>		<u>14,724</u>	<u>14,771</u>
<b>Unrestricted income funds</b>	17	<u>1,452</u>	<u>1,221</u>
<b>Total funds</b>		<u>16,176</u>	<u>15,992</u>

The financial statements set out on pages 22 to 44 were approved by the Board of Governors and authorised for issue on 23.11.17 and are signed on its behalf by:

  
 .....  
 Mrs V Smith  
 Chair

Company Number 07962216

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	£'000	2016 £'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	20		150		(93)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		6		3	
Capital grants from DfE and ESFA		321		34	
Payments to acquire tangible fixed assets		(21)		(182)	
			306		(145)
<b>Change in cash and cash equivalents in the reporting period</b>			456		(238)
Cash and cash equivalents at 1 September 2016			1,904		2,142
<b>Cash and cash equivalents at 31 August 2017</b>			2,360		1,904

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

Isleworth and Syon School for Boys is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

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 financial statements 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.

Isleworth and Syon School for Boys meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

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

##### 1.3 Income

All 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 receivable

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 period 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.

###### 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.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

(Continued)

##### 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 fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

Upon becoming an academy trust, ownership of the school site transferred to the charitable company. This asset was recognised in the financial statements at a valuation provided by the Education Funding Agency.

#### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### 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.

#### 1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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 on a straight-line basis over its expected useful life, as follows:

Land and buildings	2%
Computer equipment	33.3%
Fixtures, fittings & equipment	25%

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

(Continued)

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.

#### 1.6 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 of services it must provide.

#### 1.7 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

#### 1.9 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.

#### 1.10 Pensions benefits

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

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

(Continued)

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 are 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.

#### 1.11 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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 donor and include grants from the Education and Skills Funding Agency.

#### 1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 25.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 2 Critical accounting estimates and areas of judgement

Accounting 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 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.

##### Critical areas of judgement

No judgements have been made in arriving at the figures disclosed in the trust's financial statements.

#### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	321	321	34
Other donations	141	-	141	134
	<u>141</u>	<u>321</u>	<u>462</u>	<u>168</u>



# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	5,563	5,563	5,633
Other DfE / ESFA grants	-	279	279	317
	-	5,842	5,842	5,950
<b>Other government grants</b>				
Local authority grants	-	69	69	75
Special educational projects	-	-	-	2
	-	69	69	77
<b>Other funds</b>				
Other incoming resources	-	490	490	506
<b>Total funding</b>	-	6,401	6,401	6,533

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	31	-	31	26
Catering income	206	-	206	-
Other income	87	-	87	90
	324	-	324	116

### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	6	-	6	3

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2017 £'000	Total 2016 £'000
Academy's educational operations					
- Direct costs	4,727	285	344	5,356	5,890
- Allocated support costs	700	509	640	1,849	1,596
	<u>5,427</u>	<u>794</u>	<u>984</u>	<u>7,205</u>	<u>7,486</u>

Net income/(expenditure) for the year includes:

	2017 £'000	2016 £'000
Fees payable to auditor for:		
- Audit	10	11
- Other services	6	8
Operating lease rentals	13	24
Depreciation of tangible fixed assets	369	378
Net interest on defined benefit pension liability	73	73
	<u></u>	<u></u>

### 8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	240	5,116	5,356	5,890
Support costs - educational operations	-	1,849	1,849	1,596
	<u>240</u>	<u>6,965</u>	<u>7,205</u>	<u>7,486</u>

	2017 £'000	2016 £'000
<b>Analysis of support costs</b>		
Support staff costs	700	647
Depreciation and amortisation	84	95
Premises costs	386	380
Other support costs	636	421
Governance costs	43	53
	<u>1,849</u>	<u>1,596</u>

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Staff costs

	2017 £'000	2016 £'000
Wages and salaries	4,083	4,422
Social security costs	414	385
Operating costs of defined benefit pension schemes	800	736
Apprenticeship levy	2	-
	<hr/>	<hr/>
Staff costs	5,299	5,543
Supply staff costs	116	186
Staff development and other staff costs	12	18
	<hr/>	<hr/>
Total staff expenditure	5,427	5,747
	<hr/>	<hr/>

### Staff numbers

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

	2017 Number	2016 Number
Teachers	72	72
Administration and support	36	38
Management	4	4
	<hr/>	<hr/>
	112	114
	<hr/>	<hr/>

### Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	3	2
£100,001 - £110,000	1	1
	<hr/>	<hr/>

### Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £930,051 (2016 - £981,932).

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### **10 Governors' remuneration and expenses**

Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors.

The four staff Governors who received remuneration are:

Euan Ferguson (Headteacher)

- Remuneration £110,000 - £115,000 (2016: £100,000 - £105,000)
- Employers' pension £15,000 - £20,000 (2016: £15,000-£20,000)

Ray O'Neill, Sophie Hannon and Richard Lightfoot (staff)

- Remuneration £145,856 (2016: £116,159)
- Employers' pension £24,037 (2016: £23,587)

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board and the recruitment and retention of future staff governors. The comparative figures relate to the same members of staff.

#### **Governors' expenses**

There were no governors' expenses paid for the year ended 31 August 2017 nor for the year ended 31 August 2016.

### **11 Governors and officers insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £ 5,000,000 on any one claim; the cost for the insurance could not be separated out.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 September 2016	18,913	311	186	19,410
Additions	21	-	84	105
At 31 August 2017	18,934	311	270	19,515
<b>Depreciation</b>				
At 1 September 2016	1,354	248	105	1,707
Charge for the year	285	42	42	369
At 31 August 2017	1,639	290	147	2,076
<b>Net book value</b>				
At 31 August 2017	17,295	21	123	17,439
At 31 August 2016	17,559	63	81	17,703

### 13 Financial instruments

	2017 £'000	2016 £'000
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	15	29
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	234	201

### 14 Debtors

	2017 £'000	2016 £'000
Trade debtors	-	26
Other debtors	15	3
Prepayments and accrued income	98	77
	113	106

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>15</b>	<b>Creditors: amounts falling due within one year</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
	Trade creditors	16	88
	Other taxation and social security	16	109
	Other creditors	14	12
	Accruals and deferred income	204	101
		<u>250</u>	<u>310</u>
<b>16</b>	<b>Deferred income</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
	Deferred income is included within:		
	Creditors due within one year	22	-
		<u>22</u>	<u>-</u>
	Deferred income at 1 September 2016	-	86
	Released from previous years	-	(86)
	Amounts deferred in the year	22	-
		<u>22</u>	<u>-</u>
	<b>Deferred income at 31 August 2017</b>	<b>22</b>	<b>-</b>
		<u>22</u>	<u>-</u>

Deferred income comprises funds received for trips that are taking place in the 2017/18 financial year.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant	-	5,563	(5,563)	-	-
Other DfE / ESFA grants	-	279	(279)	-	-
Other government grants	-	69	(69)	-	-
Other restricted funds	479	490	(414)	-	555
	<u>479</u>	<u>6,401</u>	<u>(6,325)</u>	<u>-</u>	<u>555</u>
Funds excluding pensions	479	6,401	(6,325)	-	555
Pension reserve	(3,411)	-	(271)	196	(3,486)
	<u>(2,932)</u>	<u>6,401</u>	<u>(6,596)</u>	<u>196</u>	<u>(2,931)</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	17,703	321	(369)	-	17,655
	<u>17,703</u>	<u>321</u>	<u>(369)</u>	<u>-</u>	<u>17,655</u>
<b>Total restricted funds</b>	<u>14,771</u>	<u>6,722</u>	<u>(6,965)</u>	<u>196</u>	<u>14,724</u>
<b>Unrestricted funds</b>					
General funds	1,221	471	(240)	-	1,452
	<u>1,221</u>	<u>471</u>	<u>(240)</u>	<u>-</u>	<u>1,452</u>
<b>Total funds</b>	<u>15,992</u>	<u>7,193</u>	<u>(7,205)</u>	<u>196</u>	<u>16,176</u>

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

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

Other DfE/ESFA grants: This includes the pupil premium grant and funding for the Summer School.

Other government grants: This includes SEN and other funding from London Borough of Hounslow.

Other restricted funds: This comprises income and expenditure generated through Sports Impact.

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
<b>Restricted general funds</b>					
General Annual Grant	-	5,633	(5,486)	(147)	-
Other DfE / ESFA grants	-	317	(317)	-	-
Other government grants	-	77	(77)	-	-
Other restricted funds	609	506	(636)	-	479
	<u>609</u>	<u>6,533</u>	<u>(6,516)</u>	<u>(147)</u>	<u>479</u>
Funds excluding pensions	609	6,533	(6,516)	(147)	479
Pension reserve	(1,904)	-	(171)	(1,336)	(3,411)
	<u>(1,295)</u>	<u>6,533</u>	<u>(6,687)</u>	<u>(1,483)</u>	<u>(2,932)</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	17,900	34	(378)	147	17,703
	<u>17,900</u>	<u>34</u>	<u>(378)</u>	<u>147</u>	<u>17,703</u>
<b>Total restricted funds</b>	<u>16,605</u>	<u>6,567</u>	<u>(7,065)</u>	<u>(1,336)</u>	<u>14,771</u>
<b>Unrestricted funds</b>					
General funds	1,389	253	(421)	-	1,221
	<u>1,389</u>	<u>253</u>	<u>(421)</u>	<u>-</u>	<u>1,221</u>
<b>Total funds</b>	<u>17,994</u>	<u>6,820</u>	<u>(7,486)</u>	<u>(1,336)</u>	<u>15,992</u>

### 18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	17,439	17,439
Current assets	1,702	555	216	2,473
Creditors falling due within one year	(250)	-	-	(250)
Defined benefit pension liability	-	(3,486)	-	(3,486)
	<u>1,452</u>	<u>(2,931)</u>	<u>17,655</u>	<u>16,176</u>



# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	17,703	17,703
Current assets	1,531	479	-	2,010
Creditors falling due within one year	(310)	-	-	(310)
Defined benefit pension liability	-	(3,411)	-	(3,411)
	<u>1,221</u>	<u>(2,932)</u>	<u>17,703</u>	<u>15,992</u>

### 19 Pensions 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 the London Borough of Hounslow. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £49,000 were payable to the schemes at 31 August 2017 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 19 Pensions and similar obligations

(Continued)

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 pension costs paid to the TPS in the period amounted to £450k (2016: £456k).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.4% for employers and 5.5% to 12.5% for employees. Employer contributions for the year ended 31 August 2018 are expected to be £218,000.

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.

Total contributions made	2017 £'000	2016 £'000
Employer's contributions	189	182
Employees' contributions	56	60
Total contributions	245	242

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	4.2	4.1
Rate of increase for pensions in payment	2.7	2.3
Discount rate	2.6	2.2
Inflation assumption (CPI)	2.7	2.3
Commutation of pensions to lumps sums	50.0	50.0

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

	2017 Years	2016 Years
Retiring today		
- Males	21.4	22.1
- Females	25.1	26.7
Retiring in 20 years		
- Males	23.6	24.4
- Females	27.4	29.1

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017 £'000	2016 £'000
Discount rate + 0.1%	(134)	(127)
Salary increase + 0.1%	27	24
Pension increase + 0.1%	110	106

#### The Academy Trust's share of the assets in the scheme

	2017 Fair value £'000	2016 Fair value £'000
Equities	1,404	1,162
Gilts	73	86
Other bonds	241	315
Absolute Return Funds	312	67
Property	106	86
Other assets	31	49
Total market value of assets	2,167	1,765
Actual return on scheme assets - gain/(loss)	188	229

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2017 £'000	2016 £'000
Current service cost	387	280
Interest income	(41)	(57)
Interest cost	114	130
Total operating charge	460	353
Changes in the present value of defined benefit obligations	2017 £'000	2016 £'000
Obligations at 1 September 2016	5,176	3,238
Current service cost	387	280
Interest cost	114	130
Employee contributions	56	60
Actuarial (gain)/loss	(49)	1,508
Benefits paid	(31)	(40)
At 31 August 2017	5,653	5,176
Changes in the fair value of the Academy Trust's share of scheme assets	2017 £'000	2016 £'000
Assets at 1 September 2016	1,765	1,334
Interest income	41	57
Actuarial gain	147	172
Employer contributions	189	182
Employee contributions	56	60
Benefits paid	(31)	(40)
At 31 August 2017	2,167	1,765

# ISLEWORTH AND SYON SCHOOL FOR BOYS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Reconciliation of net expenditure to net cash flows from operating activities

	2017 £'000	2016 £'000
Net expenditure for the reporting period	(12)	(666)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(321)	(34)
Investment income receivable	(6)	(3)
Defined benefit pension costs less contributions payable	198	98
Defined benefit pension net finance cost	73	73
Depreciation of tangible fixed assets	369	378
(Increase)/decrease in debtors	(9)	129
(Decrease) in creditors	(142)	(68)
<b>Net cash provided by operating activities</b>	<b>150</b>	<b>(93)</b>

### 21 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £'000	2016 £'000
Amounts due within one year	12	12
Amounts due in two and five years	5	17
	<b>17</b>	<b>29</b>

### 22 Capital commitments

	2017 £'000	2016 £'000
Expenditure contracted for but not provided in the financial statements	379	-

### 23 Related party transactions

Owing to the nature of the Academy Trust's operations 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,

There have been no related party transactions in the year other than certain trustee remuneration and the management personnel discussed in notes 9 and 10.

# **ISLEWORTH AND SYON SCHOOL FOR BOYS**

## **NOTES TO THE ACCOUNTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2017***

---

### **24 Members' liability**

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

### **25 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2017, the trust received £6,364 (2016: £20,842) and disbursed £4,505 (2016: £8,550) from the fund. An amount of £14,151 (2016: £12,292) is included in other creditors relating to undistributed funds that are repayable to the ESFA.