



# **Altwood**

## **Church of England School**

**ALTWOOD CHURCH OF ENGLAND SCHOOL**

**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

WEDNESDAY



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A10 06/02/2019 #163  
COMPANIES HOUSE



**MHA MacIntyre Hudson**  
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**ALTWOOD CHURCH OF ENGLAND SCHOOL****(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members**

R Broad	(Community)
J McLucas	(Chair)
G Hurst	(Vice Chair) Resigned 20 September 2018
Oxford Diocese Board of Education	

**Governors**

H Broad	Resigned 19 February 2018
M Carey-Elms	
B Corcoran	
N Dimbleby	
J Harrison	Appointed 21 May 2018
D Howes	
J Harris	Resigned 22 March 2018
S Hind	
G Hurst	Resigned 20 September 2018
C Mace	Appointed 22 March 2018
J McLucas	
P Roszkowski	Appointed 22 March 2018
E Sawbridge	Resigned 30 October 2017
J Smith	

**Company Secretary**

P Milligan

**Senior Management Team**

N Dimbleby	(Headteacher)
L Brittain	(Deputy Headteacher)
J Masson	(Assistant Headteacher)
S McCallion	(Assistant Headteacher)
P Milligan	(Business Manager)

**Company Name**

Altwood Church of England School

**Principal and Registered Office**

Altwood Church of England School, Altwood Road, Maidenhead, Berkshire, SL6 4PU

**Company Registered Number**

08107655 (England & Wales)

**Independent Auditor**

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
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**Bankers**

Lloyds TSB Bank Plc, 45 High Street, Maidenhead, Berkshire, SL6 1JS

**Solicitors**

Veale Wasbrough Vizards, Orchard Court, Orchard Lane, Bristol, BS1 5WS

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**ALTWOOD CHURCH OF ENGLAND SCHOOL**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Governors' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Maidenhead, as well as surrounding towns and villages. It has a pupil capacity of 900 and had a roll of 510 in the school census on October 2017 and 567 in October 2016 represented by.

Year Group	Total students 2017/18	Total students 2016/17
7	33	46
8	46	101
9	94	87
10	80	104
11	99	123
12	86	58
13	72	48
<b>Total</b>	<b>510</b>	<b>567</b>

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Governors of Altwood Church of England School are also the directors of the charitable company for the purposes of company law. Within the school they are known as Governors. The charitable company operates as Altwood Church of England School.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on pages 1 and 2.

**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.

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**ALTWOOD CHURCH OF ENGLAND SCHOOL**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Governors' Indemnities**

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance cannot be separately identified from the overall cost of the RPA scheme.

The Academy has entered into the ESFA's Risk Protection Arrangement which reimburses the Academy in the event of a loss under the RPA membership rules including employer's liability, public liability and professional indemnity risks. The cost of this insurance in the year was £11,780.

**Method of Recruitment and Appointment or Election of Governors**

The membership of the Governing Body is set out in the Articles of Association. There are a maximum of 17 Governors, made up of different categories of Governors with different routes to appointment or election. The table below sets out the number of Governors in each category and how they are appointed or elected.

Up to 5 Community Governors	These Governors are appointed by the members of the company.
Up to 4 Foundation Governors	These Governors are appointed by Oxford Diocesan Board of Education.
Up to 2 Staff Governors	These Governors are elected by the staff working at the school. At the time of this report there are two vacancies.
3 Parent Governors	These Governors are elected by other parents with children at the school, and can only be considered if they have a child at the school. At the time of this report there is one vacancy.
Headteacher	Ex-officio. The post carries automatic membership of the Governing Body
Up to 2 co-opted Governors	These Governors are appointed by the Governing Body. At the time of this report there are two vacancies.

Whilst it is anticipated that the majority of Governors will be recruited from the local community and from parents both present and past, where specific skills are required, the net may be cast more widely. The term of office for any Governor is four years excepting the Headteacher and any Staff Governors if they cease to be employed by the school. Governors may be replaced as and when they reach the end of their term of office. Subject to remaining eligible to be a particular type of Governor, Governors are often re-appointed or re-elected. Staff Governors and Parent Governors are elected. Parent Governors who cease to have a child at the school may remain in office to the end of their term of office but may not then seek re-election as a Parent Governor.

The Governors carry out a regular audit of the skills that should be available to the Governing Body. Where there are any deficiencies, new Governors will be sought with these skills, either as additional Governors or replacements when existing Governors stand down. Not all the posts in each category will be filled where sufficient skills are considered to be available.

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

The training and induction provided for new Governors will depend on their existing experience. All new Governors are provided with copies of previous minutes, teaching staff list, the school plan, key policies, the Governor Handbook and other documents they will need to undertake their role as Governors. In 2017-18 the company subscribed to the Local Authority's Training Programme for School Governors and this includes an extensive induction programme, including Safeguarding, for new Governors. All new Governors of this school are expected to take a full part in the programme. A programme of Continuing Professional Development (CPD) is arranged for the Governors by the Clerk and Governors attend relevant Inset day training at the school. In addition in 2017-18 the school accessed the Governor Training Programme provided by the Diocese of Oxford Board of Education. The Governing Body also subscribe to the National Governors Association. As part of their understanding of the school 3 Governor Learning Walks, the themes decided by the Governors and linked to the School Priorities, are held during the academic year.

In 2018-19 the company will also be utilising the National Governors Association e-training for governors, to provide a more flexible approach to CPD.

**Organisational Structure**

The Governors are responsible for setting and monitoring the overall strategic direction of the Academy Trust, for the appointment of the Headteacher, setting general policy, adopting an annual improvement plan and budget, and monitoring financial performance against budget. They make major decisions about the direction of the school, capital expenditure and participate in senior staff appointments. The Governors are also responsible for approving the Finance Manual.

The Headteacher, who is also the Accounting Officer and Senior Executive Leader, has overall executive responsibility for the school's activities including financial activities and the appointment of all other staff. Much of the responsibility for financial activities has been delegated to the Business Manager who also acts as Company Secretary.

The Senior Leadership Team comprises the Headteacher, the Deputy Headteacher, the Business Manager and two Assistant Headteachers. The Senior Leadership Team controls the school at an executive level implementing the policies approved by the Governors and reporting back to them. The Senior Leadership Team meets regularly and is collectively responsible for the day to day operation of the school, in particular organising the teaching staff, facilities and students.

The Full Governing Body met four times through the year. In addition there are two sub-committees, which both also met four times each during the year:

- The Finance, Resources and Sites Committee oversee all matters regarding Finance including the budget, resources and oversee decisions made about the school site.
- The Education Committee oversee all matters regarding Education including the curriculum, student attainment and progress.

By focusing in detail on these areas both committees are then able to make recommendations to the rest of the Governing Body.

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

The Altwood Church of England School Teaching Staff Pay Policy and School Support Staff Pay and Benefits Policy set out the policy for setting pay and remuneration of the Academy's staff including the Senior Leadership Team. The Governors' Appraisal, Performance Management and Pay Panel oversees the Headteacher's performance and pay. The panel also reviews the recommendations from the annual performance review of all teacher. The panel recommends approval to the Full Governing Board where appropriate.

Altwood Church of England School follows the national teacher and support staff pay increases.

No Governors are paid for their work as governors. There is a clear policy and procedure for governor expense claims (note 11).

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Trade union facility time**

Altwood School had one relevant union official (1 FTE) during the year to 31 August 2018. He spent no directed (paid) time on facility time and undertook no paid trade union activities.

**Related Parties and other Connected Charities and Organisations**

Altwood Church of England School does not currently maintain business relationships with any connected parties or have representation on any other bodies.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The vision for Altwood Church of England School is to offer an outstanding education for its students and prepare them for successful, independent lives in the 21st century. The mission of Altwood Church of England School is:

- To be a high achieving academic community,
- To identify and develop the full potential of every member of its community and give them the skills and qualifications they need to achieve their ambition,
- To do this within the context of the culture and values of the Christian faith emphasising the strong moral and spiritual values shared with other faiths.

The overall objective of Altwood Church of England School 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, managing and developing a school offering a broad and balanced curriculum against a backdrop of Christian beliefs and values. The charitable objectives for which the Academy Trust was established are as follows:

**"Outstanding teaching and learning:** Ensuring that the aims of our mission statement are carried out through the delivery of the highest standards of teaching and learning with the embodiment of our Christian ethos, including for those students of all faiths and of no faith

**Care for the individual:** Each of our students is important; we aim to ensure that each works to the best of their ability, that provision is made for all and that targets are set for each student which follow our motto 'Aspire and Achieve', in doing so each receives the support to which they are entitled.

**A fit place to learn:** The school premises, facilities and grounds are constantly being appraised and upgraded in order to provide a safe, inspirational environment, conducive to learning and personal development.

**Inspirational leadership:** The Headteacher and Senior Leadership Team, with the support of the Governing Body, regularly review their areas of responsibility and continue to aspire to inspire our students through our own enthusiasm."



**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**OBJECTIVES AND ACTIVITIES (continued)**

**Objectives, Strategies and Activities**

The main objectives for the year are detailed in the Improvement Plan which is approved by the Governing Body at the beginning of the school year and then monitored through the year to ensure progress. The objectives are as follows:

1. Focus the school on meeting the needs of its community to fashion a sustainable future for the school.
2. Improve the quality and consistency of teaching over time in most subjects, including English and maths so it is at least good and leads to good progress.
3. Ensure students in all year groups, in a broad range of subjects including English and maths, make or exceed their estimated progress.
4. Establish a culture where students are positively and fully engaged in their learning and make positive contributions to the school community.
5. Ensure provision and outcomes in the sixth form are good or better.

**Public Benefit**

The Governors have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit include:

- **Benefits & Beneficiaries**  
In accordance with its charitable objectives, the Academy Trust strives to advance the free education of the pupils attending the school. The Academy Trust's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the school.
- **Governors' Assessment of Public Benefit**  
In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the Governors gather evidence of the success of Altwood Church of England School's activities.

**STRATEGIC REPORT**

**Achievements and Performance**

The School was subject to an Ofsted inspection in October 2017. The inspection team confirmed the school's own judgement that Altwood is now a 'Good' school in all areas. This outcome recognised all the significant developments which have taken place over recent years as well as the improvements in provision for students.

Our Sixth Form students achieved some very impressive results at A level. 32% of all grades were at A\* - B and 66% were at A\* - C. All of the students wishing to go to University have gained a place, and the vast majority of students were successful in gaining a place at their University of choice. There were also a good number of students who successfully secured an apprenticeship.

The Year 11 cohort registered another record year for the School. Their GCSE performance, where 61% of students achieved a pass in both English and Maths, consolidated the school's previous achievements. There were many individuals who made considerable progress and many subjects who delivered fantastic outcomes for our young people. 80% of students achieved a Grade 4 in maths, with 78% achieving the same measure in English.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Key Performance Indicators**

**Key Financial Performance Indicators**

The following key performance indicators are measured against budget and analysed by Governors:

	<b>Year ended 31 August 2018</b>	<b>Year ended 31 August 2017</b>
Staffing costs as % of GAG income	101.32%	94.58%
Income per pupil – GAG only	£5,879	£6,150
Staff costs as % of total costs	78.31%	76.52%
Total cost per pupil	£7,607	£7,601
Staff cost per pupil	£5,957	£5,816
Capital expenditure per pupil	£416	£293

The movements in these indicators need to be interpreted in the context of the school roll as set out on page 3.

There are other key performance indicators which are reported on and monitored by Governors:

- Exam results
- Student attendance
- Student numbers
- Staff turnover

**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. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. The Governors are aware of and continually review the current material excess in secondary school places in the Royal Borough of Windsor and Maidenhead. This is assessed alongside the School roll in order to establish the going concern basis. Governors are acutely aware of the worst case scenario budget showing a deficit for 2019-20 and are implementing strategies to increase the number of students on roll, increase income and make efficiency savings thus reducing the deficit that is in the current mid term budget forecasts.

**FINANCIAL REVIEW**

The results for the year ended 31 August 2018 show a loss of £598,702, which includes a £184,000 FRS102 pension cost and £267,270 of depreciation, before an actuarial gain of £340,000. Governors, through the Finance, Resources and Sites Committee, regularly monitor actual income and expenditure against budget and review any variances. Staffing costs represent the most significant area of expenditure, representing 78% of total spend (excluding restricted fixed asset expenditure).

The principal source of funding is from the Education and Skills Funding Agency (ESFA)/Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA/ DfE during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities. During the year ended 31 August 2018, total expenditure of £3,716,548 was not covered in full by recurrent grant funding from the ESFA/DfE together with other incoming resources, partly due to the FRS102 pension adjustment of £184,000 (see note 20). The deficit of income over expenditure for the period (excluding restricted fixed asset, unrestricted and before transfers between funds) was £424,111. As mentioned elsewhere in the report this deficit was anticipated and whilst actions were implemented during the year to minimise the deficit the full amount was covered by reserves.

In previous years the Academy has received grants for investment in fixed assets from ESFA and the DfE. In the year to 31 August 2017 the school was awarded a capital grant of £98,863 for Roof Repairs and Replacement Plastic Window Panels; and £183,106 for Health and Safety Compliance. In order to ensure best value the school continued to review all contracts.

The Governing Body has adopted the Finance Regulations Manual and associated policies including Risk Management, Anti-Fraud and Corruption, Whistleblowing and Staff Expense Claims.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Reserves Policy**

The Governors, through the Finance, Resources and Sites Committee, 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. In reviewing the level of reserves the Governors have particular regard to the likely levels of future income to be received from the ESFA/DfE. The level of reserves will be kept under review by the Governors and they will carry forward, when practicable a prudent level of resources designed to meet longer term needs of renewal and any other unforeseen contingencies.

The Governors set budgets and reserve levels based on a 3 year medium term plan that aims to ensure that the Academy can continue to provide excellent education across the period by maintaining sufficient liquid reserves to provide a buffer to enable the Academy to smooth the effect of reductions in spending, if funding is reduced, in order to minimise the future impact on the education of the students. As the school roll falls, Governors will draw on reserves.

At 31 August 2018 the total funds comprised:

Unrestricted		610,577
Restricted:	Fixed asset funds	2,641,242
	Pension reserve	(1,658,000)
	Other	51,939
		<u>1,645,758</u>

Of this, £1.3 million of reserves arises from the valuation of the schools land and buildings which is unlikely to be realised in the foreseeable future. The pension deficit which has been deducted from the reserves relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 20. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. Capital Reserves include £58,264 which is restricted to future capital projects. GAG carried forward is £nil.

Therefore, freely available unrestricted reserves are £610,577. This is money that can be spent on anything which furthers the objectives of the school and has been generated through inherited cash on conversion, lettings income and voluntary donations made by parents to support school life.

The total of £662,516 (GAG, other restricted and unrestricted reserves) is therefore available to fund future educational needs.

Current uncommitted liquid reserve levels represent only 8 weeks of school expenditure. As such they provide limited reassurance that the school is well positioned to meet material unexpected events. The Governors do not expect that funding levels in the medium term will be sufficient to generate any material level of operating surplus, with which to augment reserves. The Governors will continue to evaluate other possible sources of funding for the Academy and strengthening the position.

The Academy has no committed expenditure.

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Investment Policy**

The Governors investment powers are set down in the Memorandum and Articles of Association which permit the investment of monies of the school that are not immediately required for its purposes in such investments as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The School's current policy is to invest surplus funds in interest bearing accounts with banks approved by the Finance, Resources and Sites Committee. Periodically, the management will review interest rates and compare with other investment opportunities.

**Principal Risks and Uncertainties**

The Governors have identified the following major risks to the achievement of its objectives identified by Risk Category;

**Reputational**

- Poor educational outcomes - mitigated by a focus on monitoring pupil progress and teaching quality.
- Failure to safeguard its pupils – mitigated by ensuring the schools policies are regularly updated, widely understood and fully implemented.
- Poor Discipline and inappropriate pupil behaviour – mitigated by the schools culture, rules and processes.

The Governors see a direct link between the Academy's reputation in its local area and its ability to attract new students in year 7 or sixth form and consequentially on its income and funding.

**Performance**

- Competition arising from new schools or changed educational provision in Maidenhead – mitigated by participation in relevant consultations and debate.

**Financial**

- A falling role – mitigated by marketing, building strong relations with the local primary sector and enhancing sixth form retention rates.
- Reduction in central government funding per pupil – mitigated by securing alternative sources of revenue.
- Unfunded increases in teaching or other staff costs – mitigated by flexible resourcing and restructuring
- Major Capital repairs – mitigated where possible by appropriate planning and insurance.
- Pensions – mitigated through the guarantee of central government to honour payments

**Personnel**

- Shortages of appropriately skilled teaching staff in key subjects – mitigated where possible by flexible resourcing.
- Inadequate teaching standards – mitigated by extensive professional development & monitoring.
- Hiring inappropriate staff – mitigated by safer recruitment policies.

The Governing Body regularly reviews the risks the Academy is subject to and available mitigating strategies. The Governing Body recognizes that risk is part of the environment in which it operates; its aim is to avoid running unacceptable levels of avoidable risks taking account both of their probability of arising and their impact. The Governing Body recognizes that it has limited ability to mitigate the risks posed to the continuing viability of the school by the management of the supply of school places in its locality by the relevant authorities. In 2016-17 there was an oversupply of 12% in secondary school year 7 places in Windsor & Maidenhead, far in excess of the recommended prudential surplus of 5%, in 2017-18 the oversupply continued at slightly lower 7.3%.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**FUNDRAISING**

The school operates a School Fund to which parents and others can donate funds, and gift aid is claimed on the donations (if the appropriate declaration is completed). Parents are also asked for a voluntary contribution towards "Tech" subject resources.

In addition the school actively pursues funding from other charitable organisations such as the Spoore Merry and Rixman Foundation, to provide additional resources and opportunities to the Altwood Church of England School Community.

**PLANS FOR FUTURE PERIODS**

The future development of Altwood Church of England School is detailed in the Improvement Plan which was approved by the Governing Body each year. It builds on the previous years' Improvement Plan the strategic priorities for 2018-19 academic year are:

- Focus the school on meeting the needs of its community to fashion a sustainable future for the school.
- Ensure students in all year groups, in a broad range of subjects, including English and Maths, make or exceed their expected progress.
- To improve the quality and consistency of teaching over time in most subjects, including English and Maths so it is at least good and leads to good progress
- Establish a culture where students are positively and fully engaged in their learning and make positive contributions to the school community
- Ensure provision and outcomes in the sixth form are good or better

These clear objectives have specific and measurable success criteria set out. These are scrutinised and re-evaluated by the Governing Body on a regular basis.

**FUNDS HELD AS CUSTODIAN GOVERNOR ON BEHALF OF OTHERS**

The school does not hold cash or assets as custodian for any third party.

**AUDITOR**

In so far as the Governors are aware:

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

Governors' report, incorporating a strategic report, was approved by order of the board of Governors, as the company directors, on 6 December 2018 and signed on the board's behalf by:



.....  
**J McLucas**  
Chair of Governors

6 December 2018

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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**SCOPE OF RESPONSIBILITY**

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

The board of 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 Altwood Church of England School Academy Trust 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 4 times during the year. Attendance during the year at meetings of the board of Governors was as follows:

<b>Governor</b>		<b>Meetings attended</b>	<b>Out of a possible</b>
J McLucas	(Chair)	4	4
H Broad	(Resigned 19 February 2018)	2	2
M Carey-Elms		4	4
B Corcoran		3	4
N Dimpleby	(Headteacher and Accounting Officer)	4	4
J Harris	(Resigned 22 March 2018)	1	3
J Harrison	(Appointed 21 May 2018)	1	1
S Hind		2	4
D Howes		3	4
G Hurst	(Resigned 20 September 2018)	2	4
C Mace	(Appointed 22 March 2018)	1	1
P Roszkowski	(Appointed 22 March 2018)	1	1
E Sawbridge	(Resigned 30 October 2017)	0	0
J Smith		4	4

During the academic year there have been several changes to the composition of the board and its committee structure. Three new governors have joined the board and a new chair of the education committee was elected, due to a mid-year resignation. As a result of the annual internal governor review of its effectiveness.

The board receives a wealth of data to support and challenge the school leaders and enable the board to make strategic decisions based on evidence. To ensure the data is robust the board receive data from numerous sources and ask pertinent questions to satisfy them the data is of a good quality. Where changes have been identified the board has been persistent in ensuring the changes to data received are made.

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**GOVERNANCE (continued)**

The Finance, Resources and Sites Committee ("FRSC") and Education Committee ("EC") are sub-committees of the main board of Governors. Their purpose is:

As a Committee of the Governing Body, each Committee has a key role to play in fulfilling the function and purpose of the Full Governing Body as detailed in the Full Governing Body Terms of Reference. It will undertake its activity with due regard to its responsibility to fulfil the mission of the Academy, as a Church educational community based upon Gospel values and therefore reflecting and promoting the designated Church of England religious character of the Academy.

The FRSC assists the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

The EC assists decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure good educational outcomes for students by monitoring educational data and curriculum developments.

During the year P Roszkowski joined the FRSC. Attendance at FRSC meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
B Corcoran	4	4
N Dimbleby (Headteacher and Accounting Officer)	4	4
D Howes	2	4
J McLucas	4	4
P Roszkowski (Appointed 22 March 2018)	1	1
E Sawbridge (Resigned 30 October 2017)	1	1
J Smith	4	4

During the year J Harrison and C Mace joined the EC. The EC attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
H Broad (Resigned 19 February 2018)	1	2
M Carey-Elms	2	4
N Dimbleby (Headteacher and Accounting Officer)	4	4
J Harris (Resigned 22 March 2018)	2	3
J Harrison (Appointed 21 May 2018)	0	1
S Hind	0	1
G Hurst (Resigned 20 September 2018)	3	4
C Mace (Appointed 22 March 2018)	1	1
J McLucas	4	4

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 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 appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- **Improving educational results:**
  - The curriculum offers different pathways for different abilities to allow for extra support: - for example through the school's raising achievement programme.
- **Targeted improvement:**
  - A variety of intervention strategies are utilised but priority focus is on quality first teaching. Identifying gaps in knowledge and targeting with a renewed focus on learning topics correctly to secure a more complete foundation for further learning.
- **Focus on individual pupils:**
  - Learning advisors track and support underachieving individuals in specific year groups. Collapsing timetable for specific subject days in year 11 and cross curricular activities.
- **Quantifying improvements:**
  - The Trust has a wealth of in depth data covering attendance, behaviour and attainment over time. The school uses SISRA and data is available to evidence the effectiveness of the Trusts reward strategies, such as pupil's educational attainment, behaviour and attendance records over time.
- **Financial Governance and Oversight:**
  - The Trust has a comprehensive financial handbook providing all staff with details of the Trust's policy and procedures. There are detailed policies covering every aspect of the Trust's financial management including policies on credit cards, Governor and staff expense as well as a whistleblowing policy.
  - The Governing Board have appointed a Responsible Officer to conduct annual internal audits and they also liaise with the external auditor who provides independent oversight and verification of the Trust's accounts. The Trust's Governing Board both directly and via the Finance, Resources and Sites committee provide rigorous challenge to the annual school budget including staffing costs and structure.
- **Better Purchasing:**
  - The Trust uses the opportunities provided by the Crescent consortium, Hampshire County Services, Crown Commercial Services and other consortia when making purchasing decisions for a variety of goods and services and this helps control costs. The Academy continues to work closely with other local academies to explore opportunities for joint tenders.
- **Fitness for Purpose:**
  - Services and contracts are regularly reviewed. During the year, the school's copying and printing contract was renewed via Hampshire County Supplies Consortium. Electricity and Gas are provided via Crown Commercial Services.



**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**REVIEW OF VALUE FOR MONEY (continued)**

**Benchmarking:**

The School regularly reviewed expenditure against other Local Authority and National schools of a similar size using the data available from the Academies Financial Benchmarking website.

**Options Appraisal:**

The School looks at various options when considering purchases including leasing. To date however we have found that in most cases outright purchase meets the needs of the school. All major capital projects are awarded following a rigorous tender process.

**Better Income Generation:**

The School lets its facilities to local groups and organisations to both generate income and support the local community.

**Reviewing Controls and Managing Risks:**

The School's Business Manager produces monthly management accounts showing actual expenditure against budget and provides forecast for the year ahead. The Senior Leadership Team performs a formal review of the risks facing the School and regularly updates the Full Governing Body and seeks their approval for actions taken to mitigate and manage risk.

**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 Altwood Church of England School Academy Trust for the period 1 September 2017 to 31 August 2018 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 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 finance Resources and Sites Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

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**ALTWOOD CHURCH OF ENGLAND SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2018**

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- regular reviews by the finance Resources and Sites Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed MHA MacIntyre Hudson Chartered Accountants the external auditor, to perform additional checks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor; it requested MHA MacIntyre Hudson Chartered Accountants and Statutory Auditor (MHAM) to undertake a role as RO, which it provides separately from its role as auditor. MHA has agreed to provide advice on financial matters and to perform a range of checks on the Academy Trust's financial systems annually, the RO report to the Board of Governors, through the Finance, Resources and Sites Committee on the operation of the systems of control and on the discharge of the Board of Governor's financial responsibilities.

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

- testing of payroll systems
- testing of purchase systems
- testing of control accounts and bank reconciliations
- testing of trip income

On an annual basis, the reviewer reports to the board of trustees, through the finance, resources and site committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

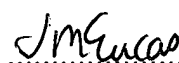
**REVIEW OF EFFECTIVENESS**

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 Responsible Officer
- the work of the external auditor
- the work of the Senior Leadership Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Responsible Officer and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Governors on 6 December 2018 and signed on its behalf by:

  
.....  
**J McLucas**  
Governor

  
.....  
**Neil Dimbleby**  
Accounting Officer

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**ALTWOOD CHURCH OF ENGLAND SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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As accounting officer of Altwood Church of England School Academy Trust 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 terms and conditions of funding received by the Academy Trust, 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 2017.

I confirm that I and the Academy Trust board of Governors are able to identify any material irregular or improper use of all 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 2017.

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.

  
.....  
**Neil Dimbleby**  
Accounting officer

6 December 2018

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**ALTWOOD CHURCH OF ENGLAND SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Governors (who act as trustees of Altwood Church of England School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the the Governors' Report (including Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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 of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments 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;
- 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 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 members of the Board of Governors on 6 December 2018 and signed on its behalf by:

  
.....  
**J McLucas**  
Chair of Governors

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**ALTWOOD CHURCH OF ENGLAND SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
ALTWOOD CHURCH OF ENGLAND SCHOOL**

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**OPINION**

We have audited the financial statements of Altwood Church of England School (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education Skills Funding Agency.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

- the 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.

**EMPHASIS OF MATTER**

We draw attention to note 23 in the financial statements, which indicates some uncertainty over the ability to pay expenses as they fall due in the medium term of 12 - 15 months of the date of this report. As stated in note 23, these events or conditions, along with the other matters as set forth in note 23, indicate that some uncertainty exists that may cast doubt on the academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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**ALTWOOD CHURCH OF ENGLAND SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
ALTWOOD CHURCH OF ENGLAND SCHOOL**

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 TRUSTEES**

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

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**ALTWOOD CHURCH OF ENGLAND SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
ALTWOOD CHURCH OF ENGLAND SCHOOL**

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

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**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 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Bianca Silva BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Abbey Place  
24-28 Easton Street  
High Wycombe  
Buckinghamshire  
HP11 1NT

Date: 17 December 2018

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**ALTWOOD CHURCH OF ENGLAND SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ALTWOOD CHURCH OF ENGLAND SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 13 June 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Altwood Church of England School during the year 1 September 2017 to 31 August 2018 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 Altwood Church of England School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Altwood Church of England School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Altwood Church of England School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ALTWOOD CHURCH OF ENGLAND SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Altwood Church of England School's funding agreement with the Secretary of State for Education dated 20 October 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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



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**ALTWOOD CHURCH OF ENGLAND SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ALTWOOD CHURCH OF ENGLAND SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- making appropriate enquires of the Accounting Officer.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Abbey Place  
24-28 Easton Street  
High Wycombe  
Buckinghamshire  
HP11 1NT

Date: 17 December 2018

**ALTWOOD CHURCH OF ENGLAND SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	3,102	12,469	14,086	29,657	340,975
Charitable activities	5	159,772	3,257,477	-	3,417,249	3,937,364
Other trading activities	3	78,053	22,491	-	100,544	121,236
Investments	4	1,749	-	-	1,749	3,348
<b>TOTAL INCOME</b>		<b>242,676</b>	<b>3,292,437</b>	<b>14,086</b>	<b>3,549,199</b>	<b>4,402,923</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		164,083	3,716,548	267,270	4,147,901	4,551,414
<b>TOTAL EXPENDITURE</b>	6	<b>164,083</b>	<b>3,716,548</b>	<b>267,270</b>	<b>4,147,901</b>	<b>4,551,414</b>
<b>NET BEFORE TRANSFERS</b>		<b>78,593</b>	<b>(424,111)</b>	<b>(253,184)</b>	<b>(598,702)</b>	<b>(148,491)</b>
Transfers between Funds	16	(222,348)	197,094	25,254	-	-
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(143,755)</b>	<b>(227,017)</b>	<b>(227,930)</b>	<b>(598,702)</b>	<b>(148,491)</b>
Actuarial gains on defined benefit pension schemes	20	-	340,000	-	340,000	5,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(143,755)</b>	<b>112,983</b>	<b>(227,930)</b>	<b>(258,702)</b>	<b>(143,491)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward	16	754,332	(1,719,044)	2,869,172	1,904,460	2,047,951
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>610,577</b>	<b>(1,606,061)</b>	<b>2,641,242</b>	<b>1,645,758</b>	<b>1,904,460</b>

The notes on pages 27 to 50 form part of these financial statements.

**ALTWOOD CHURCH OF ENGLAND SCHOOL****(A Company Limited by Guarantee)****REGISTERED NUMBER: 08107655****BALANCE SHEET****AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	13		2,582,978		2,638,064
<b>CURRENT ASSETS</b>					
Debtors	14	95,304		271,822	
Cash at bank and in hand		784,744		1,076,414	
		<u>880,048</u>		<u>1,348,236</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(159,268)		(267,840)	
<b>NET CURRENT ASSETS</b>			<u>720,780</u>		<u>1,080,396</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,303,758</u>		<u>3,718,460</u>
Defined benefit pension scheme liability	20		(1,658,000)		(1,814,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>1,645,758</u>		<u>1,904,460</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	51,939		94,956	
Restricted fixed asset funds	16	2,641,242		2,869,172	
Restricted income funds excluding pension liability		<u>2,693,181</u>		<u>2,964,128</u>	
Pension reserve	16	(1,658,000)		(1,814,000)	
Total restricted income funds			<u>1,035,181</u>		<u>1,150,128</u>
Unrestricted income funds	16		<u>610,577</u>		<u>754,332</u>
<b>TOTAL FUNDS</b>			<u>1,645,758</u>		<u>1,904,460</u>

The financial statements on pages 24 to 50 were approved by the Governors, and authorised for issue, on 6 December 2018 and are signed on their behalf, by:


**J McLucas**

Chair of Governors

The notes on pages 27 to 50 form part of these financial statements.

**ALTWOOD CHURCH OF ENGLAND SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	18	<u>(184,428)</u>	<u>13,367</u>
<b>Cash flows from investing activities:</b>			
Investment income		1,749	4,207
Purchase of tangible fixed assets		(287,872)	(430,477)
Capital grants from DfE Group		178,881	174,831
<b>Net cash used in investing activities</b>		<u>(107,242)</u>	<u>(251,439)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>(291,670)</u>	<u>(238,072)</u>
Cash and cash equivalents brought forward		<u>1,076,414</u>	<u>1,314,486</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>784,744</u></u>	<u><u>1,076,414</u></u>

The notes on pages 27 to 50 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 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 funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of 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 incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

**1.4 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.5 Going concern**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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. More information regarding the Academy Trust's ability to continue as a going concern is given in note 23.

**1.6 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.7 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.

**1.8 Debtors**

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

**1.9 Cash at bank and in hand**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.10 Tangible fixed assets and depreciation**

All assets costing more than £3,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account.

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

Long leasehold property	-	19 to 50 years
Long leasehold land	-	over the life of the lease
Fixtures and fittings	-	3-10 years
Motor vehicles	-	5 years
Computer equipment	-	3 years

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

**1.11 Interest receivable**

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

**1.12 Liabilities and provisions**

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

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



**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.13 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 as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.14 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 20, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.15 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2017 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 judgment:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	3,102	12,469	-	15,571	35,589
Capital grants	-	-	14,086	14,086	305,386
	<u>3,102</u>	<u>12,469</u>	<u>14,086</u>	<u>29,657</u>	<u>340,975</u>
Total 2017	<u>2,815</u>	<u>32,774</u>	<u>305,386</u>	<u>340,975</u>	

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**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Sundry lettings and hire of facilities	61,989	-	61,989	35,289
Rental income	8,514	-	8,514	12,853
Receipts from supply teacher insurance	7,550	-	7,550	19,300
Risk protection arrangement claims	-	22,491	22,491	53,794
	<u>78,053</u>	<u>22,491</u>	<u>100,544</u>	<u>121,236</u>
Total 2017	<u>67,442</u>	<u>53,794</u>	<u>121,236</u>	

**4. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	1,749	-	1,749	3,348
	<u>2,427</u>	<u>921</u>	<u>3,348</u>	
Total 2017	<u>2,427</u>	<u>921</u>	<u>3,348</u>	

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**FOR THE YEAR ENDED 31 AUGUST 2018**

**5. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	3,000,713	3,000,713	3,517,204
Pupil premium	-	82,691	82,691	101,021
Other DfE/ESFA grants	-	36,419	36,419	32,989
	-	3,119,823	3,119,823	3,651,214
<b>Other government grants</b>				
Other local authority grants	-	137,654	137,654	114,155
	-	137,654	137,654	114,155
<b>Other funding</b>				
Trip income	22,694	-	22,694	28,387
Other income	137,078	-	137,078	143,608
	159,772	-	159,772	171,995
	159,772	3,257,477	3,417,249	3,937,364
Total 2017	171,995	3,765,369	3,937,364	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations:					
Direct costs	2,620,123	-	391,602	3,011,725	3,281,344
Support costs	417,957	479,710	238,509	1,136,176	1,270,070
	3,038,080	479,710	630,111	4,147,901	4,551,414
Total 2017	3,297,894	487,135	766,385	4,551,414	

In 2018, of the total expenditure of £4,147,901 (2017: £4,551,414) £164,083 (2017: £238,824) was to unrestricted funds, £3,716,548 (2017: £4,075,920) was to restricted funds and £267,270 (2017: £236,670) was to restricted fixed asset funds.

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**7. CHARITABLE ACTIVITIES**

	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Teaching and educational support staff costs	2,620,123	2,856,962
Pension finance cost	22,681	17,828
Other staff expenses	13,604	27,797
Educational supplies	108,311	86,030
Examination fees	55,840	66,939
Staff development	7,036	12,221
Educational consultancy	68,023	47,609
Other direct costs	95,123	139,284
School trips expenditure	20,984	26,674
	<u>3,011,725</u>	<u>3,281,344</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Support staff costs	417,957	440,932
Depreciation	267,270	236,670
Pension finance cost	23,319	17,172
Technology costs	66,944	74,452
Other staff costs	2,199	4,592
Maintenance of premises and equipment	46,346	93,484
Other premises costs	29,855	34,918
Cleaning and caretaking	100,668	96,985
Rates	23,890	21,349
Energy	51,483	53,379
Risk protection arrangement fees	11,780	13,800
Security and transport	1,577	3,682
Catering	16,856	16,285
Other support costs	60,599	144,692
Governance	15,433	17,678
	<u>1,136,176</u>	<u>1,270,070</u>
	<u><u>4,147,901</u></u>	<u><u>4,551,414</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES**

Included within expenditure are the following transactions:

	<b>Total</b>	<b>Individual items above £5,000</b>	
	<b>£</b>	<b>Amount</b>	<b>Reason</b>
		<b>£</b>	
Gifts made by the trust	<b>183</b>	-	
Unrecoverable debts	<b>500</b>	-	

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>267,270</b>	236,670
Auditors' remuneration - audit	<b>9,250</b>	9,250
Auditors' remuneration - other services	<b>4,875</b>	5,170
Operating lease rentals	<b>6,002</b>	6,175
	<b>287,397</b>	257,260

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**10. STAFF COSTS**

**a. Staff costs**

Staff costs during the year were as follows:

	2018 £	2017 £
Wages and salaries	2,239,264	2,396,631
Social security costs	216,461	226,274
Pension costs	486,160	483,505
	<u>2,941,885</u>	<u>3,106,410</u>
Agency staff costs	62,020	191,484
Staff restructuring costs	34,175	-
	<u><u>3,038,080</u></u>	<u><u>3,297,894</u></u>

Staff restructuring costs comprise:

Redundancy payments	<u><u>34,175</u></u>	<u><u>-</u></u>
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**b. Staff numbers**

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

	2018 No.	2017 No.
Teaching	37	39
Administration and support	47	58
Management	7	7
	<u><u>91</u></u>	<u><u>104</u></u>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

The employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2018 pension contributions for these staff amounted to £25,752 (2017: £24,889).

**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. STAFF COSTS (continued)**

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy Trust was £429,838 (2017: £406,026).

**11. RELATED PARTY TRANSACTIONS - GOVERNORS' REMUNERATION AND EXPENSES**

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

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
N Dimbleby (Headteacher)	Remuneration	<b>85,000-90,000</b>	80,000-85,000
	Pension contributions paid	<b>10,000-15,000</b>	10,000-15,000

During the year ended 31 August 2018, expenses relating to travel and subsistence for non-Governor activities totalling £451 (2017: £495) was reimbursed to 1 Governor (2017: 1 Governor).

**12. GOVERNORS' AND OFFICERS' INSURANCE**

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



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**13. TANGIBLE FIXED ASSETS**

	Long leasehold property £	Long leasehold land £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Motor vehicles £
<b>Cost</b>						
At 1 September 2017	1,492,775	148,855	103,341	1,462,965	178,497	17,367
Additions	2,923	-	-	191,909	17,352	-
Transfer between classes	79,685	-	(103,341)	23,656	-	-
At 31 August 2018	<u>1,575,383</u>	<u>148,855</u>	<u>-</u>	<u>1,678,530</u>	<u>195,849</u>	<u>17,367</u>
<b>Depreciation</b>						
At 1 September 2017	336,805	6,153	-	273,195	133,434	16,149
Charge for the year	79,790	1,191	-	157,717	27,354	1,218
At 31 August 2018	<u>416,595</u>	<u>7,344</u>	<u>-</u>	<u>430,912</u>	<u>160,788</u>	<u>17,367</u>
<b>Net book value</b>						
At 31 August 2018	<u>1,158,788</u>	<u>141,511</u>	<u>-</u>	<u>1,247,618</u>	<u>35,061</u>	<u>-</u>
At 31 August 2017	<u>1,155,970</u>	<u>142,702</u>	<u>103,341</u>	<u>1,189,770</u>	<u>45,063</u>	<u>1,218</u>

	<b>Total £</b>
<b>Cost</b>	
At 1 September 2017	3,403,800
Additions	212,184
Transfer between classes	-
At 31 August 2018	<u>3,615,984</u>
<b>Depreciation</b>	
At 1 September 2017	765,736
Charge for the year	267,270
At 31 August 2018	<u>1,033,006</u>
<b>Net book value</b>	
At 31 August 2018	<u>2,582,978</u>
At 31 August 2017	<u>2,638,064</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**13. TANGIBLE FIXED ASSETS (continued)**

The transfer into long leasehold property of £79,685 during the year was the completion of the roof replacement work from assets under construction.

**14. DEBTORS**

	2018 £	2017 £
Trade debtors	4,249	11,844
Prepayments and accrued income	75,836	231,381
VAT recoverable	15,219	28,597
	<u>95,304</u>	<u>271,822</u>

**15. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	25,183	78,497
Other taxation and social security	54,399	59,129
Other creditors	262	205
Accruals and deferred income	79,424	130,009
	<u>159,268</u>	<u>267,840</u>

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	27,860	31,150
Resources deferred during the year	43,463	27,860
Amounts released from previous years	(27,860)	(31,150)
Deferred income at 31 August 2018	<u>43,463</u>	<u>27,860</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for rates relief grant income, transport from parents and school trips booked for the next academic year.

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**16. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General funds	754,332	242,676	(164,083)	(222,348)	-	610,577
<b>Restricted funds</b>						
	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
General Annual Grant	-	3,000,713	(3,235,951)	235,238	-	-
Other DfE/ESFA grants	63,262	119,110	(120,928)	(21,685)	-	39,759
Local authority grants	2,426	137,654	(139,821)	(259)	-	-
Donations	29,268	12,469	(13,357)	(16,200)	-	12,180
Other restricted funds	-	22,491	(22,491)	-	-	-
Pension reserve	(1,814,000)	-	(184,000)	-	340,000	(1,658,000)
	<u>(1,719,044)</u>	<u>3,292,437</u>	<u>(3,716,548)</u>	<u>197,094</u>	<u>340,000</u>	<u>(1,606,061)</u>
<b>Restricted fixed asset funds</b>						
	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Inherited fixed assets	820,760	-	(57,491)	-	-	763,269
DfE/ESFA capital grants	1,622,545	14,086	(132,866)	-	-	1,503,765
Capital expenditure from GAG	207,281	-	(45,934)	-	-	161,347
Capital expenditure from other income	218,586	-	(30,979)	25,254	-	212,861
	<u>2,869,172</u>	<u>14,086</u>	<u>(267,270)</u>	<u>25,254</u>	<u>-</u>	<u>2,641,242</u>
Total restricted funds	<u>1,150,128</u>	<u>3,306,523</u>	<u>(3,983,818)</u>	<u>222,348</u>	<u>340,000</u>	<u>1,035,181</u>
Total of funds	<u>1,904,460</u>	<u>3,549,199</u>	<u>(4,147,901)</u>	<u>-</u>	<u>340,000</u>	<u>1,645,758</u>

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

The inherited fixed assets fund has been set up to recognise the tangible assets gifted to the Academy upon conversion which represent the school site including the long leasehold land and buildings and capital grants. Depreciation charged on those inherited assets is allocated to the fund.

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

The capital grants fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure. Transfers are made to the capital grants fixed asset fund for expenditure incurred that is in respect of tangible fixed assets.

The capital expenditure from GAG fixed assets fund has been set up to recognise the tangible assets purchased by the Academy following conversion that have been funded from the General Annual Grant. This fund has been created by a transfer from the General Annual Grant fund of an amount equivalent to the cost of the tangible assets involved.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education and Skills Funding Authority by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The other DfE/ESFA restricted fund represents other funding received from the government which does not form part of GAG but is received in relation to specific purposes.

The local authority restricted fund represents other funding received from the local authority in relation to specific purposes such as SEN funding.

Other restricted funds include donations and miscellaneous educational income which must be used for the purposes agreed.

The designated fund represents funds to be used to recarpet the astro-turf pitch in the future.

Transfers between unrestricted funds and restricted fixed asset funds represent capital additions funded by unrestricted reserves.

The pension reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

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 2018.

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**16. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
<b>General funds</b>						
General Funds	823,379	244,679	(238,824)	(74,902)	-	754,332
<b>Restricted funds</b>						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
General Annual Grant	21,730	3,517,204	(3,521,404)	(17,530)	-	-
Other DfE/ESFA grants	82,456	134,010	(153,204)	-	-	63,262
Local authority grants	(4,565)	114,155	(144,464)	37,300	-	2,426
Donations	1,017	32,774	(4,520)	(3)	-	29,268
Designated fund	32,613	921	(33,534)	-	-	-
Other restricted funds	-	53,794	(53,794)	-	-	-
Pension reserve	(1,654,000)	-	(165,000)	-	5,000	(1,814,000)
	<u>(1,520,749)</u>	<u>3,852,858</u>	<u>(4,075,920)</u>	<u>19,767</u>	<u>5,000</u>	<u>(1,719,044)</u>
<b>Restricted fixed asset funds</b>						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Inherited fixed assets	878,251	-	(57,491)	-	-	820,760
DfE/ESFA capital grants	1,408,023	305,386	(90,864)	-	-	1,622,545
Capital expenditure from GAG	271,656	-	(64,375)	-	-	207,281
Capital expenditure from other income	187,391	-	(23,940)	55,135	-	218,586
	<u>2,745,321</u>	<u>305,386</u>	<u>(236,670)</u>	<u>55,135</u>	<u>-</u>	<u>2,869,172</u>
Total restricted funds	<u>1,224,572</u>	<u>4,158,244</u>	<u>(4,312,590)</u>	<u>74,902</u>	<u>5,000</u>	<u>1,150,128</u>
Total of funds	<u>2,047,951</u>	<u>4,402,923</u>	<u>(4,551,414)</u>	<u>-</u>	<u>5,000</u>	<u>1,904,460</u>

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**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	823,379	487,355	(402,907)	(297,250)	-	610,577
<b>Restricted funds</b>						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
General Annual Grant	21,730	6,517,917	(6,757,355)	217,708	-	-
Other DfE/ESFA grants	82,456	253,120	(274,132)	(21,685)	-	39,759
Local authority grants	(4,565)	251,809	(284,285)	37,041	-	-
Donations	1,017	45,243	(17,877)	(16,203)	-	12,180
Designated fund	32,613	921	(33,534)	-	-	-
Other restricted funds	-	76,285	(76,285)	-	-	-
Pension reserve	(1,654,000)	-	(349,000)	-	345,000	(1,658,000)
	<u>(1,520,749)</u>	<u>7,145,295</u>	<u>(7,792,468)</u>	<u>216,861</u>	<u>345,000</u>	<u>(1,606,061)</u>
<b>Restricted fixed asset funds</b>						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Inherited fixed assets	878,251	-	(114,982)	-	-	763,269
DFE/ESFA capital grants	1,408,023	319,472	(223,730)	-	-	1,503,765
Capital expenditure from GAG	271,656	-	(110,309)	-	-	161,347
Capital expenditure from other income	187,391	-	(54,919)	80,389	-	212,861
	<u>2,745,321</u>	<u>319,472</u>	<u>(503,940)</u>	<u>80,389</u>	<u>-</u>	<u>2,641,242</u>
	<u>1,224,572</u>	<u>7,464,767</u>	<u>(8,296,408)</u>	<u>297,250</u>	<u>345,000</u>	<u>1,035,181</u>
<b>Total of funds</b>	<u>2,047,951</u>	<u>7,952,122</u>	<u>(8,699,315)</u>	<u>-</u>	<u>345,000</u>	<u>1,645,758</u>

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**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	2,582,978	2,582,978
Current assets	640,213	173,980	65,855	880,048
Creditors due within one year	(29,636)	(122,041)	(7,591)	(159,268)
Pension scheme liability	-	(1,658,000)	-	(1,658,000)
	<u>610,577</u>	<u>(1,606,061)</u>	<u>2,641,242</u>	<u>1,645,758</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	2,638,064	2,638,064
Current assets	771,139	262,714	314,383	1,348,236
Creditors due within one year	(16,807)	(167,758)	(83,275)	(267,840)
Pension scheme liability	-	(1,814,000)	-	(1,814,000)
	<u>754,332</u>	<u>(1,719,044)</u>	<u>2,869,172</u>	<u>1,904,460</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(598,702)	(148,491)
<b>Adjustment for:</b>		
Depreciation charges	267,270	236,670
Interest received	(1,749)	(3,348)
Decrease in debtors	11,724	58,409
(Decrease)/increase in creditors	(32,885)	10,513
Capital grants from DfE and other capital income	(14,086)	(305,386)
Pension adjustments	184,000	165,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(184,428)</u>	<u>13,367</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	784,744	1,076,414
Total	<u>784,744</u>	<u>1,076,414</u>

**20. PENSION COMMITMENTS**

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

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

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- 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



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

- 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%.

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

The employer's pension costs paid to TPS in the period amounted to £260,650 (2017 - £258,688).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £128,000 (2017 - £129,000), of which employer's contributions totalled £97,000 (2017 - £95,000) and employees' contributions totalled £31,000 (2017 - £34,000). The agreed contribution rates for future years are 19.6% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Inflation (RPI)	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

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**20. PENSION COMMITMENTS (continued)**

<b>Sensitivity analysis - present value of total obligation</b>	<b>At 31 August 2018 £</b>	<b>At 31 August 2017 £</b>
Discount rate +0.1%	2,885,000	2,899,000
Discount rate -0.1%	3,019,000	3,034,000
Mortality assumption - 1 year increase	3,050,000	3,066,000
Mortality assumption - 1 year decrease	2,855,000	2,870,000
CPI rate +0.1%	3,011,000	3,024,000
CPI rate -0.1%	2,892,000	2,910,000

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

	<b>Fair value at 31 August 2018 £</b>	<b>Fair value at 31 August 2017 £</b>
Equities	607,000	574,000
Gilts	-	-
Other bonds	194,000	181,000
Property	177,000	158,000
Cash and other liquid assets	191,000	133,000
Alternative assets / other	124,000	106,000
<b>Total market value of assets</b>	<b>1,293,000</b>	<b>1,152,000</b>

The actual return on scheme assets was £52,000 (2017 - £76,000).

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

	<b>2018 £</b>	<b>2017 £</b>
Current service cost	(222,000)	(224,000)
Past service cost	(12,000)	-
Interest cost	(46,000)	(35,000)
Administrative expenses	(1,000)	(1,000)
<b>Total</b>	<b>(281,000)</b>	<b>(260,000)</b>

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**20. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening defined benefit obligation	2,966,000	2,607,000
Current service cost	222,000	224,000
Interest cost	77,000	57,000
Employee contributions	31,000	34,000
Actuarial (gains)/losses	(319,000)	94,000
Benefits paid	(38,000)	(50,000)
Past service costs	12,000	-
	<u>2,951,000</u>	<u>2,966,000</u>
Closing defined benefit obligation	<u>2,951,000</u>	<u>2,966,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	1,152,000	953,000
Interest income	31,000	22,000
Actuarial gains	21,000	99,000
Employer contributions	97,000	95,000
Employee contributions	31,000	34,000
Benefits paid	(38,000)	(50,000)
Administration expenses	(1,000)	(1,000)
	<u>1,293,000</u>	<u>1,152,000</u>
Closing fair value of scheme assets	<u>1,293,000</u>	<u>1,152,000</u>

The amount shown in the Statement of Financial Activities is:

	2018 £	2017 £
Actuarial losses	319,000	(94,000)
Actuarial gains	21,000	99,000
	<u>340,000</u>	<u>5,000</u>
Actuarial gains/(losses) on defined benefit pension schemes	<u>340,000</u>	<u>5,000</u>

The amount shown in the Balance Sheet is:

	2018 £	2017 £
Present value of defined benefit obligation	(2,951,000)	(2,966,000)
Fair value of scheme assets	1,293,000	1,152,000
	<u>(1,658,000)</u>	<u>(1,814,000)</u>
Defined benefit pension scheme liability	<u>(1,658,000)</u>	<u>(1,814,000)</u>

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**21. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	4,092	6,175
Between 1 and 5 years	7,843	-
Total	<u>11,935</u>	<u>6,175</u>

**22. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Academy received income of £493 for the hire of a conference room and refreshments from Learning Plus UK Data Limited, a company whose director J. McLucas is also a trustee of the Academy. No balances were outstanding at the year end.

Other related party transactions involving certain trustees' remuneration and expenses already disclosed in note 11.

**23. GOING CONCERN**

At 31 August 2018, the Academy Trust has revenue reserves of £662,516 excluding pension. In the forecasts considered by the trustees, the budget for the year to 31 August 2019 estimated a deficit which is covered by reserves.

The initial worst case scenario forecast considered by the trustees for 2019/20 shows a deficit meaning that the Academy Trust would run out of revenue reserves around January/February 2020 and not be in a position to meet ongoing commitments from this date. Strategies are being implemented to mitigate this.

**24. MEMBERS' LIABILITY**

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